

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

**Fiscal Year Ended
September 30, 2017**



Prepared by the Department of Finance

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

This section contains the following:

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS

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City of **Treasure Island**

Florida 33706
Incorporated 1955

120 - 108th Avenue

Phone (727) 547-4575

Fax (727) 547-4584

March 29, 2018

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

Dear Mayor and Commissioners:

The Comprehensive Annual Financial Report (CAFR) of the City of Treasure Island for the fiscal year ended September 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City on a Government-wide and a Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

For many years, the City of Treasure Island had long enjoyed a strong viable economic and tax base, being affected, only slightly, by the cyclical fluctuations in the national economy. However, the Great Recession where cities across the nation experienced major reductions in real estate values and subsequent revenue declines, the recovery and growth has occurred slowly. This fiscal year marks the fourth consecutive year that property values have shown an increase after five years of decline, resulting in cumulative decline of 33% in the City's tax base. While the value of the tax base is growing, it has not yet fully rebounded to the pre-recession levels. The tax base values used to levy property taxes for the FY 2017 budget is 86% of what it was in FY 2008.

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

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

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the general fund had a slight increase to 28% of total general fund expenditures for FY2017. While the amount of the unassigned fund balance increased, so did the expenditures, but at a lesser amount than the increase in fund balance. This percentage of unassigned fund balance is higher than the target set by the Commission for a minimum of 25% General Fund fund balance. Having sufficient unassigned General Fund fund balance is essential to protect the City from unanticipated events, such as a revenue short-fall or a storm event. The City is a barrier island and susceptible to storm damage. In the case of a major storm the City would need funds to begin to repair or rebuild while waiting for the possible FEMA recovery funds to be distributed. The availability of FEMA funding is not immediate and the reimbursement from FEMA to the City for events of recent years have taken upwards to a year to receive reimbursement. Additionally, it is important that a smaller city maintain a healthy General Fund fund balance to protect itself from an unexpected revenue shortfall or unanticipated expense such as may occur with a substantial repair needed in any City building or asset.

Beginning in FY 2014, the City is able to assign General Fund fund balance through an increase in the property tax rate towards the Treasure Island Causeway and City Facility renewal and replacement. This action has provided a small funding source for the City's current and future infrastructure needs. It should be commended that the City Commission took this action in response to looking towards the future; however, this funding alone will not be adequate for the City's needs in these areas.

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

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

MAJOR INITIATIVES

During the fiscal year, the City has continued the focus to maintain its infrastructure. Continued progress towards the Gulf Boulevard Undergrounding and Beautification project was made and will continue with a planned completion in 2019. On-going investments in the City's utility systems continued with the relining of Waste Water collection lines to both increase the life of the lines as well as reduce Inflow and Infiltration and the refurbishment of Lift Stations. Stormwater improvements lead to flood protection in partnership with the Southwest Florida Water Management District (SWFWMD). New sidewalks and repaving of the parking lot in Roselli Park was completed in this fiscal year lengthening the life of the parking lot and providing for safe pedestrian activity. Significant investments will continue into next year to include the continuation of the Gulf Boulevard Undergrounding and Beautification project, lift station refurbishing, sewer main relining, manhole relining, stormwater improvements, and street resurfacing. The City also began the process to plan for the replacement of the outdated City Hall, Police, Fire and Public Works buildings by working through development of a City Facilities Plan through an evaluation of the City's current buildings and space needs analysis with further analysis to be conducted by the design/construction firm on potential sites and conceptual plans in the upcoming year.

The daily operations of the Treasure Island Causeway continues to be funded within the City's General Fund. The City will continue moving towards creating a Long-Term Financial Plan for the Treasure Island Causeway by entering into a contract with an engineering firm to conduct analysis on traffic, maintenance requirements, operation and the revenue needed for the eventual replacement for the bridges. From this data, the firm will generate a financial plan with all potential revenue options the City may utilize to support the Causeway today and in the future. The State of Florida approved a \$1.2M funding request for the City of Treasure Island in the FY 2018 Budget for roadway and drainage improvements to the East Causeway.

FINANCIAL INFORMATION

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

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

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

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

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

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found beginning on page 25. The MD&A summarizes the Statement of Net Assets and Statement of Activities. These are the Government-wide statements and are intended to present the City in a more corporate-style basis and provide a view of the larger picture. Additionally, the Fund Financial

Statements (the remainder of the statements in the Basic Financial Statements section) are designed to address the Major or more significant individual funds by category – governmental and proprietary. All of the Basic Financial Statements should be read in conjunction with the Notes to the Financial Statements, beginning on page 51. Budget to actual comparisons are presented for the General fund and all major special revenue funds. Finally, the Combining Statements provide further detail for the funds that were classified as “non-major” in the Basic Financial Statements.

CHARTER REQUIREMENTS AND INDEPENDENT AUDIT

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Treasure Island for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2016. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Treasure Island has received a Certificate of Achievement for the last thirty-five consecutive years (fiscal years ended 1981-2016). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

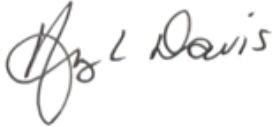
ACKNOWLEDGMENTS

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Garry Brumback", with a horizontal line underneath.

Garry Brumback
City Manager

A handwritten signature in black ink, appearing to read "Amy L. Davis".

Amy L. Davis, MPA
Assistant City Manager/Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Treasure Island
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

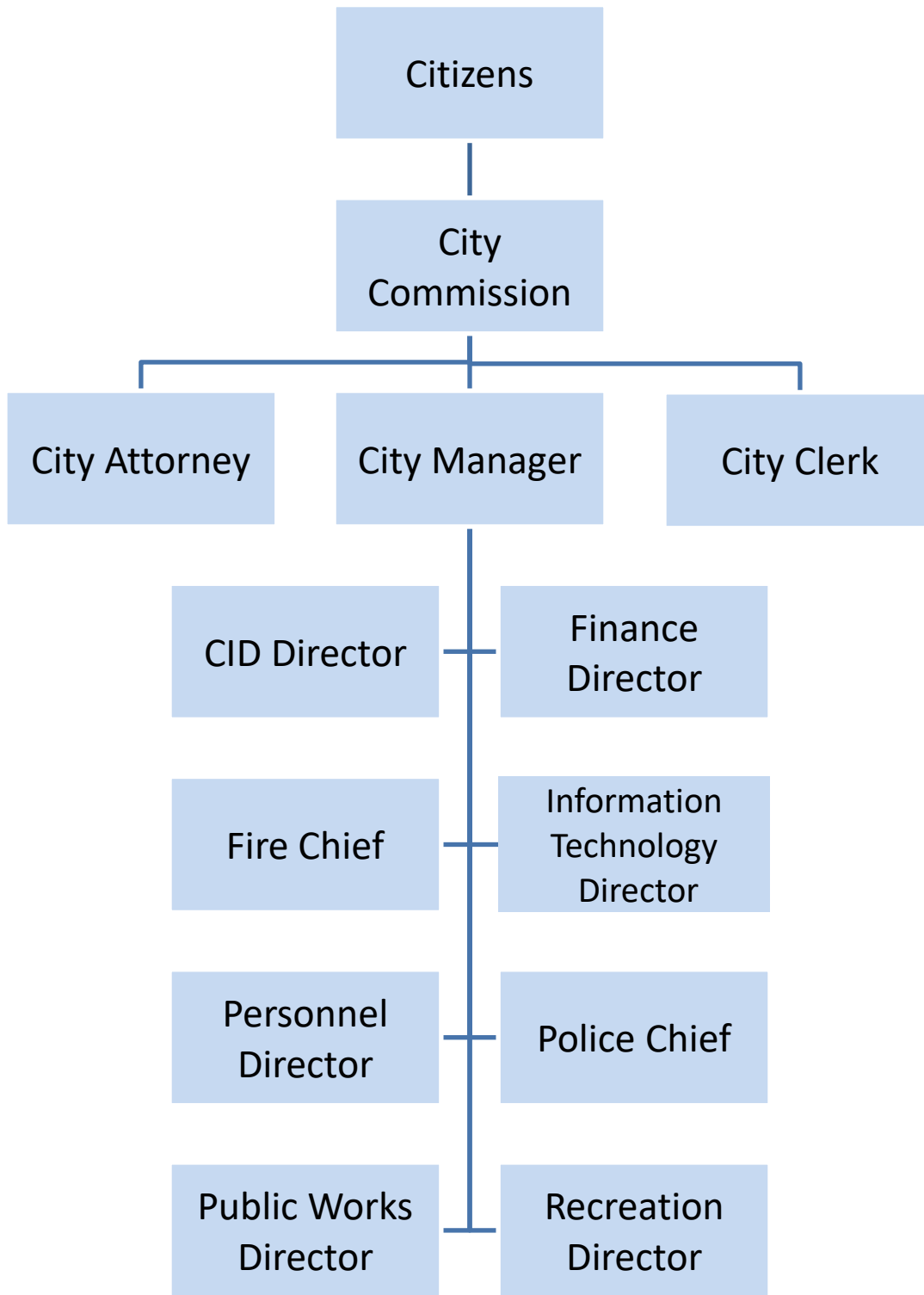
September 30, 2016

Christopher P. Morill

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, 2017

Elected Officials

Mayor	Robert Minning
Commissioner, District 1	Deborah Toth
Commissioner, District 2	Larry Lunn
Commissioner, District 3	Ralph Kennedy
Commissioner, District 4	Ken Keys

Appointed Officials

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

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II. FINANCIAL SECTION

This section contains the following subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

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

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

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Treasure Island, Florida (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Local Option Sales Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

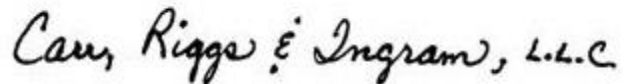
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
March 29, 2018

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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, 2017. 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 most recent fiscal year by \$73,369,534 (*net position*). Of this amount, \$5,878,797 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,784,527. \$3,073,851 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 \$3,073,851, or 26.2 percent of total general fund expenditures and 28.4 percent of total general fund revenues net of transfers.

Overview of the Financial Statements

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

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

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include the 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, 2017.

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

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

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

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

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

these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 40 - 43 of this report.

The City's *Proprietary funds* are maintained as *Enterprise funds*. They are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its 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 considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 46 – 48 of this report.

The ***Notes to the Financial Statements*** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 51 of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Treasure Island, assets exceeded liabilities by \$73,369,316 at the close of the most recent fiscal year.

A large portion of the City's net position (87 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Below is a summary chart of the City's net position, comparing the current year versus the prior year.

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Current and other assets	\$ 9,236,042	\$ 8,246,569	\$ 6,246,412	\$ 5,541,425
Capital assets	60,375,945	60,931,621	9,606,168	8,824,402
Total assets	69,611,987	69,178,190	15,852,580	14,365,827
Deferred outflows of resources	2,732,678	3,219,423	-	-
Liabilities:				
Long-term	11,627,703	11,912,332	1,544,912	1,073,368
Other liabilities	451,516	575,970	555,300	1,336,541
Total liabilities	12,079,219	12,488,302	2,100,212	2,409,909
Deferred inflows of resources	648,280	1,411,922	-	-
Net position:				
Net investment in capital assets	55,708,180	55,418,462	8,175,686	7,867,811
Restricted	3,606,871	3,340,941	-	-
Unrestricted	302,115	(262,014)	5,576,682	4,088,107
Total net position	\$ 59,617,166	\$ 58,497,389	\$ 13,752,368	\$ 11,955,918

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

Governmental activities. The City's net position for Governmental Activities increased from the prior year, with an increase of \$1,119,777. This increase in net position was achieved by an increase in current assets as well as a decrease in liabilities. Revenues were higher than expenses allowing for an increase in current assets.

1. **Business-type activities.** Business-type activities increased the City's net position by \$1,796,450. Key elements of this increase are the significant investments in the wastewater system through lift stations rehabilitation and pipe relining as well as stormwater improvements which were also partially funded by the Southwest Water Management District. These significant capital projects increase assets, which result in a larger net position. The net position in the Solid Waste Fund experienced a slight increase as the prior year due with an increase in assets due to the replacement of sanitation trucks off-set by an increase in liabilities.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 3,797,447	\$ 3,378,181	\$ 6,923,667	\$ 6,714,347	\$ 10,721,114	\$ 10,092,528
Operating grants and contributions	5,989	5,702	-	-	5,989	5,702
Capital grants and contributions	683,521	377,723	389,723	344,508	1,073,244	722,231
General revenues:						
Ad Valorem taxes	5,144,646	4,793,125			5,144,646	4,793,125
Other taxes	2,685,309	2,662,584	-	-	2,685,309	2,662,584
Other general revenues	1,003,428	947,361	83,932	80,381	1,087,360	1,027,742
Total revenues	<u>13,320,340</u>	<u>12,164,676</u>	<u>7,397,322</u>	<u>7,139,236</u>	<u>20,717,662</u>	<u>19,303,912</u>
Expenses:						
General government	3,445,797	3,023,297	-	-	3,445,797	3,023,297
Public safety	4,764,149	4,813,545	-	-	4,764,149	4,813,545
Public works	2,393,235	2,738,271	-	-	2,393,235	2,738,271
Culture and recreation	1,470,607	1,325,097	-	-	1,470,607	1,325,097
Interest on long-term debt	126,775	143,452	-	-	126,775	143,452
Water pollution Control	-	-	3,346,250	3,404,087	3,346,250	3,404,087
Solid waste	-	-	1,750,506	1,815,631	1,750,506	1,815,631
Stormwater management	-	-	504,116	468,424	504,116	468,424
Total Expenses	<u>12,200,563</u>	<u>12,043,661</u>	<u>5,600,872</u>	<u>5,688,142</u>	<u>17,801,435</u>	<u>17,731,804</u>
Change in net position	1,119,777	121,015	1,796,450	1,451,094	2,916,227	1,572,109
Net position:						
Beginning of year	<u>58,497,389</u>	<u>58,376,374</u>	<u>11,955,918</u>	<u>10,504,824</u>	<u>70,453,307</u>	<u>68,881,198</u>
End of year	<u>\$ 59,617,166</u>	<u>\$ 58,497,389</u>	<u>\$ 13,752,368</u>	<u>\$ 11,955,918</u>	<u>\$ 73,369,534</u>	<u>\$ 70,453,307</u>

Please refer to the *Statement of Activities* on pages 38 & 39 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 \$11,353,779. With supplemental appropriations included, the General Fund's final budget was \$12,147,188. The final budget can be briefly summarized as follows:

- General government \$ 2,543,270
- Public safety \$ 4,815,243
- Public works \$ 2,540,745
- Culture and recreation \$ 1,397,847
- Debt service \$ 511,611
- Capital Outlay \$ 338,472

Actual General Fund revenues including inter-fund transfers and sale of capital assets are \$11,997,790 and actual expenditures including inter-fund transfers are \$10,833,584. This resulted in an increase of \$1,164,205 to the total General Fund fund balance. This increase is largely due to building permit revenue and metered parking revenue exceeding budget as well as under-expenditures within the Police, Fire, Building and Municipal Services programs.

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,784,526, an increase of \$1,113,927 in comparison with the prior year. \$3,606,872 of this balance constitutes *restricted fund balance*, which is restricted for capital or infrastructure projects funded within Special Revenue Funds as well as revenue earned by the City's building division for the enforcement of the Florida Building Code. The *unassigned fund balance* of \$3,073,851 is available for spending at the government's discretion. The remainder of the fund balance \$17,414 is *nonspendable* for inventory and \$2,086,390 is *assigned* for beach improvements, bridge and facilities renewal and replacement, set aside for expedited loan repayment, encumbrances, carryforwards and donations received for specific purposes.

The general fund is the primary operating fund of the City to provide services. At the end of FY2017 the unassigned fund balance of the general fund was \$3,073,851 while total fund balance was \$6,293,931. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 28.4 percent of total general fund expenditures, while total fund balance represents 58.1 percent of that same amount. It is intended that the use of available fund balance can help offset revenue shortfalls and unanticipated expenditures.

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

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Fiscal Year Ended September 30, 2017

Revenues:

Ad Valorem Taxes	\$ 5,144,646	
Other Taxes	1,719,515	
Licenses and Permits	991,670	
Intergovernmental	982,036	
Charges for Services	2,671,553	
Fines and Forfeitures	134,192	
Investment Earnings	39,737	
Contributions and Donations	4,785	
Miscellaneous Revenues	48,661	
Total Revenues		11,736,795

Expenditures:

General Government	2,258,524	
Public Safety	4,441,031	
Public Works	2,125,168	
Culture and Recreation	1,331,022	
Debt Service:		
Principal Retirement	400,394	
Interest	111,216	
Capital outlay	166,229	
Total Expenditures		10,833,584

Other Financing Sources (Uses):

Transfer In	245,154	
Transfers Out	-	
Sale of Capital Assets	15,840	
Total Other Financing Sources (Uses)		260,994

Net Change in Fund Balance 1,164,205

Fund Balance - Beginning 5,129,726

Fund Balance - Ending \$ 6,293,931

Key factors in this change are as follows:

- General Fund revenues exceed expenditures by \$1,164,205 net of inter-fund transfers and sale of capital assets, resulting in an increased fund balance due to the following:
- Building permit revenue exceeded operational costs of the Building Division, thereby increasing the restricted Building Division fund balance by \$316,208 due to another year of higher building activity.
- An audit of completed projects was performed by the Finance Department of the Capital Projects Fund that resulted in \$245,154 being returned to the General Fund via inter-fund transfer.
- Future expenditures totaling \$536,778 representing carry forward and encumbered projects round out the remaining larger portion of this amount.

The Local Option Sales Tax Fund, has a total fund balance of \$1,083,589 which a slight decrease from the prior year due to revenue and expenditures being relatively close. The Capital Projects Fund has a total fund balance of \$949,198 representing a decrease of \$118,294 due to debt service payments for the bridge loan and transfers to other funds as a result of the in-house audit performed on completed past projects. The Non-Major Governmental Funds, which consist of the County Gas Tax, Transportation and Police Forfeiture Funds in total had an increase in fund balance of \$81,319 due to revenues exceeding expenditures.

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

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

	Wastewater Fund	Solid Waste	Stormwater Management	Total
Operating Revenue	\$ 4,149,533	\$ 1,852,615	\$ 925,342	\$ 6,927,490
Operating Expenses	3,321,472	1,750,506	504,116	5,576,094
Operating Income (Loss)	828,061	102,109	421,226	1,351,396
Nonoperating Revenues	39,037	14,744	26,328	80,109
Nonoperating Expenses	(24,778)	-	-	(24,778)
Income before capital contributions	842,320	116,853	447,554	1,406,727
Capital contributions	378,180	6,633	4,910	389,723
Change in net position	1,220,500	123,486	452,464	1,796,450
Total Beginning Net Position as Restated	6,314,020	2,144,301	3,497,597	11,955,918
Total Ending Net Position	<u>\$ 7,534,520</u>	<u>\$ 2,267,787</u>	<u>\$ 3,950,061</u>	<u>\$ 13,752,368</u>

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

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2017, amounts to \$63,829,866 (net of related debt). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment and construction in progress.

Additional information on the City's capital assets can be found in the Notes on pages 60 & 61 of this report.

Long-term debt. The City has five existing loan agreements, two loans with the Florida Department of Environmental Protection Clean Water State Revolving Fund for a principal amounts of \$517,612 and \$1,056,884; with BB&T for the Palm & Capri Bridges for \$4,024,407; and BB&T for the Central Beach Trail for \$1,561,659; and with Hancock Bank for the Gulf Boulevard Undergrounding and Beautification project for \$1,810,000. Information on these loan agreements can be found as part of Note 3 in the Notes to the Financial Statements on pages 62 – 65.

During the prior year the City entered into a loan agreement on November 14, 2016 with Florida Department of Environmental Protection for the continuation of rehabilitating the City's wastewater collection system's lift stations.

Economic Factors and Next Year's Budgets & Rates

Treasure Island has been able to slowly recover from the "great recession" and most revenues appear to be remaining flat or increasing slightly. The City's tax base experienced an (7.26%) increase during the fiscal year; however, the taxable value of the City's tax base is still 14 percent less than it was in 2008, at the start of the housing decline. This has placed more dependence on the City's other revenues, of which have showed stabilization with a growing economy. However, in order for the City to be able to fund the many capital projects needed including maintaining the Treasure Island Causeway and Bridges, revenues will need to increase more significantly over time. City Tourism continued to increase during FY 2017 which helped to sustain our hotel, motels, food service and retail establishments. Generally, the City is optimistic about the continuing economic growth, but the cyclical nature of the economy means that we cannot ignore the eventual next recession.

As part of the regular budget monitoring process, the Finance department prepares periodic reports that the City Manager and City Commission can use to follow the actual performance of revenue and expenditure estimates. At the end of July, an analysis of the budget estimates versus the actual expenditures is performed to assess the need for any supplemental appropriations. If necessary, the City Commission may consider passing a supplemental appropriations resolution prior to the end of the fiscal year.

The City will continue to monitor the financial status and current performance in all its funds. A Wastewater rate increase to cover the increase to the bulk sewer rate charged to Treasure Island by the City of St. Petersburg for treatment was implemented as of October 2016. This rate referred to as the pass-through-rate ensures the City recovers the cost of treatment from usage by customers. A 12% Stormwater rate was also implemented to fund the required infrastructure improvements to the stormwater management system.

Contacting the City's Finance Department

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

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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, 2017

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 8,741,570	\$ 5,099,066	\$ 13,840,636
Receivables	477,058	1,147,346	1,624,404
Prepaid items	-	-	-
Inventory	17,414	-	17,414
Capital assets (net of accumulated depreciation)			
Land	4,068,129	13,885	4,082,014
Buildings	1,583,594	-	1,583,594
Improvements	64,606,578	15,053,819	79,660,397
Machinery and equipment	2,904,601	2,702,929	5,607,530
Capitalized leases	-	2,075,614	2,075,614
Construction in Progress	3,086,941	83,249	3,170,190
Accumulated depreciation	(15,873,898)	(10,323,328)	(26,197,226)
Total assets	69,611,987	15,852,580	85,464,567
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	2,732,678	-	2,732,678
LIABILITIES			
Accounts payable	295,970	540,867	836,837
Accrued liabilities	155,546	14,433	169,979
Noncurrent liabilities:			
Due within one year	1,131,012	90,070	1,221,082
Due in more than one year	10,496,691	1,454,842	11,951,533
Total liabilities	12,079,219	2,100,212	14,179,431
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pensions	648,280	-	648,280
NET POSITION			
Net investment in capital assets	55,708,180	8,175,686	63,883,866
Restricted:			
Building division	1,116,276	-	1,116,276
Infrastructure improvements	1,083,589	-	1,083,589
Capital projects	949,198	-	949,198
Road improvements	456,487	-	456,487
Police education and protection	1,321	-	1,321
Unrestricted	302,115	5,576,682	5,878,797
Total net position	\$ 59,617,166	\$ 13,752,368	\$ 73,369,534

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

City of Treasure Island, Florida
Statement of Activities
Year ended September 30, 2017

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 3,445,797	\$ 1,138,648	\$ -	\$ -	
Public Safety	4,764,149	1,482,003	5,989	-	
Public Works	2,393,235	680,712	-	683,521	
Culture and recreation	1,470,607	496,084	-	-	
Interest on long-term debt	126,775	-	-	-	
Total governmental activities	12,200,563	3,797,447	5,989	683,521	
Business-type activities:					
Wastewater	3,346,250	4,149,533	-	378,180	
Solid Waste	1,750,506	1,848,792	-	6,633	
Stormwater Management	504,116	925,342	-	4,910	
Total business-type activities	5,600,872	6,923,667	-	389,723	
Total primary government	\$ 17,801,435	\$ 10,721,114	\$ 5,989	\$ 1,073,244	

General Revenues:

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

Total General Revenues

Change in net position

Net Position - beginning of year

Net Position - end of year

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

City of Treasure Island, Florida
Statement of Activities (Continued)
Year ended September 30, 2017

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (2,307,149)	\$ -	\$ (2,307,149)
(3,276,157)	-	(3,276,157)
(1,029,002)	-	(1,029,002)
(974,523)	-	(974,523)
(126,775)	-	(126,775)
(7,713,606)	-	(7,713,606)
-	1,181,463	1,181,463
-	104,919	104,919
-	426,136	426,136
-	1,712,518	1,712,518
\$ (7,713,606)	\$ 1,712,518	\$ (6,001,088)
\$ 5,144,646	\$ -	\$ 5,144,646
1,041,247	-	1,041,247
678,268	3,823	682,091
189,156	-	189,156
338,122	-	338,122
428,621	-	428,621
105,315	-	105,315
751,856	-	751,856
20,148	-	20,148
54,986	30,001	84,987
81,018	50,108	131,126
8,833,383	83,932	8,917,315
1,119,777	1,796,450	2,916,227
58,497,389	11,955,918	70,453,307
\$ 59,617,166	\$ 13,752,368	\$ 73,369,534

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

City of Treasure Island, Florida
Balance Sheet
Governmental Funds
September 30, 2017

	Major Governmental Funds			Non Major	Total
	General	Local Option Sales Tax	Capital Projects	Governmental Funds	Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,327,955	\$ 1,023,908	\$ 949,198	\$ 440,509	\$ 8,741,570
Receivables					
Taxes:					
Utility	149,296	-	-	-	149,296
Franchise Fees	73,484	-	-	-	73,484
Accounts	11,150	-	-	-	11,150
Intergovernmental:					
State	65,655	120,465	-	17,299	203,419
County	39,709	-	-	-	39,709
Inventories	17,414	-	-	-	17,414
Total assets	\$ 6,684,663	\$ 1,144,373	\$ 949,198	\$ 457,808	\$ 9,236,042
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 235,186	\$ 60,784	\$ -	\$ -	\$ 295,970
Accrued liabilities	148,782	-	-	-	148,782
Due to other governments	6,764	-	-	-	6,764
Total liabilities	390,732	60,784	-	-	451,516
Fund balances:					
Nonspendable	17,414	-	-	-	17,414
Restricted	1,116,276	1,083,589	949,198	457,808	3,606,871
Assigned	2,086,390	-	-	-	2,086,390
Unassigned	3,073,851	-	-	-	3,073,851
Total fund balances	6,293,931	1,083,589	949,198	457,808	8,784,526
Total liabilities and fund balances	\$ 6,684,663	\$ 1,144,373	\$ 949,198	\$ 457,808	\$ 9,236,042

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

City of Treasure Island, Florida
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
September 30, 2017

Fund balances - total governmental funds.	\$ 8,784,526
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.	60,375,945
Long term debt not due and payable in current period and, therefore; not reported the in governmental funds.	(4,667,765)
Some liabilities, compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(865,411)
The liability for other post employment benefits is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(94,511)
The net pension liability is not due and payable in the current period and, therefore, not reported in the governmental funds.	(6,000,016)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.	
Deferred outflows of resources for pensions	2,732,678
Deferred inflows of resources for pensions	(648,280)
Net position of governmental activities	<u>\$ 59,617,166</u>

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

City of Treasure Island, Florida
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year ended September 30, 2017

	Major Governmental Funds			Non Major Governmental Funds	Total Governmental Funds
	General	Local Option Sales Tax	Capital Projects		
REVENUES					
Taxes:					
Ad Valorem Taxes	\$ 5,144,646	\$ -	\$ -	\$ -	5,144,646
Franchise Fees	678,268	-	-	-	678,268
Utility Services Taxes	1,041,247	-	-	-	1,041,247
Business Fees and Permits	991,670	-	-	-	991,670
Intergovernmental	982,036	751,856	683,521	105,315	2,522,728
Charges for Services	2,671,553	-	-	-	2,671,553
Fines and Forfeitures	134,192	-	-	293	134,485
Investment Earnings	39,737	6,254	6,340	2,656	54,987
Contributions and Donations	4,785	-	-	-	4,785
Miscellaneous Revenues	48,661	-	-	-	48,661
Total Revenues	11,736,795	758,110	689,861	108,264	13,293,030
EXPENDITURES					
Current:					
General Government	2,258,524	-	-	-	2,258,524
Public Safety	4,441,031	-	-	5,117	4,446,148
Public Works	2,125,168	-	-	-	2,125,168
Culture and Recreation	1,331,022	-	-	-	1,331,022
Debt Service:					
Principal Retirement	400,394	-	445,000	-	845,394
Interest	111,216	-	15,559	-	126,775
Capital Outlay	166,229	783,319	101,525	22,309	1,073,382
Total Expenditures	10,833,584	783,319	562,084	27,426	12,206,413
Excess (deficiency) of revenues over expenditures	903,211	(25,209)	127,777	80,838	1,086,617
Other Financing Sources (Uses)					
Transfers In	245,154	435	-	482	246,071
Transfers Out	-	-	(246,071)	-	(246,071)
Sale of capital assets	15,840	11,470	-	-	27,310
Total other financing sources (uses)	260,994	11,905	(246,071)	482	27,310
Net Change in Fund Balances	1,164,205	(13,304)	(118,294)	81,320	1,113,927
Fund Balances - Beginning	5,129,726	1,096,893	1,067,492	376,488	7,670,599
Fund Balances - Ending	\$ 6,293,931	\$ 1,083,589	\$ 949,198	\$ 457,808	\$ 8,784,526

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, 2017

Net change in fund balances - total governmental funds	\$ 1,113,927
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.	845,394
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation, (\$1,548,940), exceeded capital additions, \$993,264, in the current period.	(555,676)
Other post employment benefit costs are not reported as expenditures in governmental funds.	(15,273)
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(45,206)
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits net of employee contributions is reports as pension expense:	
City pension contributions	416,016
Costs of benefits earned net of employee contributions	(639,405)
Change in net position of governmental activities	\$ 1,119,777

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Ad Valorem Taxes	\$ 5,175,500	\$ 5,175,500	\$ 5,144,646	\$ (30,854)
Franchise Fees	720,000	720,000	678,268	(41,732)
Utility Services Taxes	999,820	999,820	1,041,247	41,427
Licenses and Permits	663,350	663,350	991,670	328,320
Intergovernmental	1,155,100	1,155,100	982,036	(173,064)
Charges for Services	2,529,300	2,529,300	2,671,553	142,253
Fines and Forfeitures	132,000	132,000	134,192	2,192
Investment Earnings	16,800	16,800	39,737	22,937
Contributions and Donations	-	-	4,785	4,785
Miscellaneous Revenues	12,000	12,000	48,661	36,661
Total Revenues	11,403,870	11,403,870	11,736,795	332,925
EXPENDITURES				
Current:				
General Government	2,529,068	2,551,970	2,258,524	293,446
Public Safety	4,725,743	4,815,243	4,441,031	374,212
Public Works	2,007,385	2,532,045	2,125,168	406,877
Culture and Recreation	1,394,162	1,397,847	1,331,022	66,825
Debt Service:				
Principal Retirement	400,394	400,394	400,394	-
Interest	111,217	111,217	111,216	1
Capital outlay:				
General Government	50,800	62,959	46,290	16,669
Public Safety	50,010	111,154	66,401	44,753
Public Works	54,000	94,119	3,022	91,097
Culture and Recreation	31,000	70,240	50,516	19,724
Total Expenditures	11,353,779	12,147,188	10,833,584	1,313,604
Excess (deficiency) of revenues over expenditures	50,091	(743,318)	903,211	1,646,529
Other Financing Sources (Uses)				
Transfers In	256,976	256,976	245,154	(11,822)
Transfers Out	-	-	-	-
Sale of capital assets	5,000	5,000	15,840	10,840
Total other financing sources (uses)	261,976	261,976	260,994	(982)
Net change in fund balances	312,067	(481,342)	1,164,205	1,645,547
Fund Balance - Beginning	5,129,726	5,129,726	5,129,726	-
Fund Balance - Ending	\$ 5,441,793	\$ 4,648,384	\$ 6,293,931	\$ 1,645,547

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, 2017

	Budgeted Amounts			Actual Amounts	Final Budget - Positive (Negative)
	Original	Final			
REVENUES					
Local Option Sales Tax	\$ 751,900	\$ 751,900	\$ 751,856	\$ (44)	
Investment Earnings	2,000	2,000	6,254	4,254	
Total Revenues	753,900	753,900	758,110	4,210	
EXPENDITURES					
Capital Outlay:					
General Government	150,000	229,598	174,026	55,572	
Public Safety	185,400	224,572	199,510	25,062	
Public Works	427,730	979,658	311,658	668,000	
Culture and Recreation	186,455	475,496	98,125	377,371	
Total Expenditures	949,585	1,909,324	783,319	1,126,005	
Excess of revenues over expenditures	(195,685)	(1,155,424)	(25,209)	1,130,215	
Other Financing Sources (Uses)					
Transfers In	435	435	435	-	
Sale of capital assets	20,000	20,000	11,470	(8,530)	
Total other financing sources (uses)	20,435	20,435	11,905	(8,530)	
Net change in fund balances	(175,250)	(1,134,989)	(13,304)	1,121,685	
Fund Balance - Beginning	1,096,893	1,096,893	1,096,893	-	
Fund Balance - Ending	\$ 921,643	\$ (38,096)	\$ 1,083,589	\$ 1,121,685	

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

City of Treasure Island, Florida
Statement of Net Position -
Proprietary Funds
September 30, 2017

Business-type Activities - Enterprise Funds					
Major Enterprise Funds					
	Wastewater	Solid Waste	Stormwater Management	Total	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 2,472,209	\$ 1,222,244	\$ 1,404,613	\$	5,099,066
Receivables:					
Accounts receivable	659,817	323,303	159,162		1,142,282
Due from other governments	-	5,064	-		5,064
Total current assets	3,132,026	1,550,611	1,563,775		6,246,412
Noncurrent Assets:					
Capital assets:					
Land	13,885	-			13,885
Improvements	12,100,713	-	2,953,106		15,053,819
Machinery and equipment	791,911	1,790,698	120,320		2,702,929
Capitalized leases-treatment plant	2,075,614	-	-		2,075,614
Construction in progress	103	83,146	-		83,249
Less accumulated depreciation	(8,904,574)	(761,276)	(657,478)		(10,323,328)
Total capital assets (net of accumulated depreciation)	6,077,652	1,112,568	2,415,948		9,606,168
Total noncurrent assets	6,077,652	1,112,568	2,415,948		9,606,168
Total assets	\$ 9,209,678	\$ 2,663,179	\$ 3,979,723	\$	15,852,580
LIABILITIES					
Current Liabilities:					
Accounts payable and other accrued expenses	\$ 177,949	\$ 354,002	\$ 8,916	\$	540,867
State Revolving Loan Fund	60,871	-	-		60,871
Accrued compensated absences	16,517	7,688	4,994		29,199
Accrued interest SRF	4,052	-	-		4,052
Accrued wages payable	2,627	6,448	1,306		10,381
Total current liabilities	262,016	368,138	15,216		645,370
Noncurrent liabilities:					
State Revolving Loan Fund	1,369,611	-	-		1,369,611
Accrued compensated absences	34,960	16,446	11,653		63,059
OPEB liability	8,571	10,808	2,793		22,172
Total noncurrent liabilities	1,413,142	27,254	14,446		1,454,842
Total liabilities	1,675,158	395,392	29,662		2,100,212
NET POSITION					
Net investment in capital assets	4,647,170	1,112,568	2,415,948		8,175,686
Unrestricted	2,887,350	1,155,219	1,534,113		5,576,682
Total net position	\$ 7,534,520	\$ 2,267,787	\$ 3,950,061	\$	13,752,368

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, 2017

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Wastewater	Solid Waste	Stormwater Management	Total
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 3,823	\$ -	\$ 3,823
Charges for Services	4,149,533	1,848,792	925,342	6,923,667
Total operating revenues	4,149,533	1,852,615	925,342	6,927,490
OPERATING EXPENSES				
Personal Services	469,355	572,487	185,788	1,227,630
Contractual Services	2,279,428	805,741	176,402	3,261,571
Materials, Supplies, Repairs and Utilities	224,454	282,638	31,044	538,136
Depreciation	348,235	89,640	110,882	548,757
Total operating expense	3,321,472	1,750,506	504,116	5,576,094
Operating income (loss)	828,061	102,109	421,226	1,351,396
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	13,808	7,769	8,424	30,001
Interest and fees on bonds	(24,778)	-	-	(24,778)
Miscellaneous	25,229	6,975	17,904	50,108
Loss on Disposal of Assets	-	-	-	-
Total nonoperating revenues (expenses)	14,259	14,744	26,328	55,331
Income (loss) before capital contributions	842,320	116,853	447,554	1,406,727
Capital contributions (Grants)	378,180	6,633	4,910	389,723
Change in net position	1,220,500	123,486	452,464	1,796,450
Net position - beginning	6,314,020	2,144,301	3,497,597	11,955,918
Net position - ending	\$ 7,534,520	\$ 2,267,787	\$ 3,950,061	\$ 13,752,368

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, 2017

Business-type Activities - Enterprise Funds					
	Major Enterprise Funds			Total	
	Wastewater	Solid Waste	Stormwater Management		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 4,166,084	\$ 1,830,329	\$ 1,286,228	\$	7,282,641
Payments to suppliers	(3,380,166)	(778,385)	(420,510)		(4,579,061)
Payments to employees	(470,130)	(575,698)	(186,035)		(1,231,863)
Net cash provided by operating activities	315,788	476,246	679,683		1,471,717
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(348,370)	(735,179)	(246,975)		(1,330,524)
Grant proceeds	378,180	6,633	4,910		389,723
Loan proceeds	473,891	-	-		473,891
Other receipts (payments)	25,229	6,975	17,904		50,108
Interest paid on long-term debt	(24,778)	-	-		(24,778)
Net cash provided by (used in) capital and related financing activities	504,152	(721,571)	(224,161)		(441,580)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment Earnings	13,808	7,769	8,424		30,001
Net cash provided by investing activities	13,808	7,769	8,424		30,001
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	833,748	(237,556)	463,946		1,060,138
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,638,461	1,459,800	940,667		4,038,928
END OF YEAR	\$ 2,472,209	\$ 1,222,244	\$ 1,404,613	\$	5,099,066
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 828,061	\$ 102,109	\$ 421,226	\$	1,351,396
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	348,235	89,640	110,882		548,757
Change in assets and liabilities:					
(Increase) Decrease in accounts receivable	16,551	(17,221)	(18,870)		(19,540)
(Increase) Decrease in due from other governments	-	(5,064)	379,756		374,692
Increase (Decrease) in accts payable	(876,284)	309,993	(213,064)		(779,355)
Increase (Decrease) in accrued salaries payable	(2,422)	839	(303)		(1,886)
Increase (Decrease) in accrued compensated absences	295	(5,693)	(413)		(5,811)
Increase (Decrease) in OPEB liability	1,352	1,643	469		3,464
Total adjustments	(512,273)	374,137	258,457		120,321
Net cash provided by operating activities	\$ 315,788	\$ 476,246	\$ 679,683		1,471,717

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

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Reporting Entity

The City of Treasure Island is a municipal corporation created by the Laws of Florida, 1955-31322. An elected mayor and a four-member commission govern the City. As required by generally accepted accounting principles, these financial statements present the City of Treasure Island (the primary government). The City has no component units as of September 30, 2017.

Government-Wide and Fund Financial Statements

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following proprietary funds:

Major:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity

Deposits and Investments

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

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

The City's investments are carried at fair value.

Receivables and Payables

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

The City considers all receivables at September 30, 2017 to be collectible; accordingly, no allowance for doubtful accounts is required. If any amounts are subsequently determined to be uncollectible, they are considered immaterial to the financial statements and will be charged to operations when that determination is made.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories and prepaid items

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

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

Capital Assets

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

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

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

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

The governmental activities liability for accumulated annual leave and vested sick leave at September 30, 2017 is \$865,411 as reported in the Government-wide financial statements. Governmental funds report a liability for unused leave only in connection with terminated employees.

Long-term Obligations

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

Fund Balances

The City classifies fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balances (Continued)

In accordance with accounting standards, the City classified governmental fund balances as follows:

- **Nonspendable Fund Balance** – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.
- **Assigned Fund Balance** – Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the City Commissioners or (b) a body or official to which the City Commissioners have delegated the authority to assign amounts to be used for specific purposes. The City Commission has enacted a policy to delegate this authority to the City Manager. Additionally, this category is used to reflect the encumbrance as of September 30, 2017, carry-forward items and the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund.

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Budget amounts are those as adopted by the City Commission in September 2016, effective October 1, 2016 plus budget amendment resolutions adopted during the fiscal year ended September 30, 2017.

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

NOTE 3: DETAILED NOTES ON ALL FUNDS

Cash Deposits

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

Investments

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's investments are carried at amortized cost as of September 30, 2017, are as follows:

	Amortized Cost	Weighted Average Maturity	Credit Rating
Florida Safe Investment Pool	\$ 10,845,910	277.2	AAAm

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

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

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

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2017 as follows:

	Balance 9/30/2016	Increases	Decreases	Balance 9/30/2017
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,068,129	\$ -	\$ -	\$ 4,068,129
Construction in progress	2,943,142	310,549	(166,750)	3,086,941
Total capital assets, not being depreciated	7,011,271	310,549	(166,750)	7,155,070
Capital assets, being depreciated				
Buildings	1,583,594	-	-	1,583,594
Building improvements	64,280,440	326,138	-	64,606,578
Machinery and equipment	2,649,060	523,327	(267,786)	2,904,601
Total capital assets, being depreciated	68,513,094	849,465	(267,786)	69,094,773
Less accumulated depreciation for:				
Buildings	(486,940)	(61,298)	-	(548,238)
Building improvements	(12,255,738)	(1,264,561)	-	(13,520,299)
Machinery and equipment	(1,850,066)	(223,081)	267,786	(1,805,361)
Total accumulated depreciation	(14,592,744)	(1,548,940)	267,786	(15,873,898)
Total capital assets being depreciated, net	53,920,350	(699,475)	-	53,220,875
Governmental activities capital assets, net	\$ 60,931,621	\$ (388,926)	\$ (166,750)	\$ 60,375,945

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

	Balance 9/30/2016	Increases	Decreases	Transfers	Balance 9/30/2017
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 13,885	\$ -	\$ -	\$ -	\$ 13,885
Construction in progress	83,146		-	-	83,146
 Total capital assets, not being depreciated	 97,031	 -	 -	 -	 97,031
Capital assets, being depreciated:					
Improvements other than buildings	14,471,098	537,966	-	-	15,009,064
Machinery and equipment	4,237,011	792,557	(251,026)	-	4,778,542
 Total capital assets, being depreciated	 18,708,109	 1,330,523	 (251,026)	 -	 19,787,606
Less accumulated depreciation for:					
Improvements other than buildings	(6,408,372)	(386,222)	-	-	(6,794,594)
Machinery and equipment	(3,572,366)	(162,535)	251,026	-	(3,483,875)
 Total accumulated depreciation	 (9,980,738)	 (548,757)	 251,026	 -	 (10,278,469)
 Total capital assets being depreciated, net	 8,727,371	 781,766	 -	 -	 9,509,137
 Business-type activities capital assets, net	 \$ 8,824,402	 \$ 781,766	 \$ -	 \$ -	 \$ 9,606,168

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

Governmental activities:	
General government	\$ 1,206,423
Public safety	39,513
Public works	182,437
Culture and recreation	120,567
 Total depreciation expense - governmental activities	 \$ 1,548,940
 Business-type activities:	
Water pollution control	\$ 348,235
Solid waste	89,640
Stormwater management	110,882
 Total depreciation expense - business-type activities	 \$ 548,757

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Transfers

	Transfers In			
	Capital Projects Fund	Local Option Sales Tax	Transportation Fund	Total
<u>Transfers out:</u>				
Capital Projects Fund	\$ 245,154	\$ 435	\$ 482	\$ 246,071
Totals	\$ 245,154	\$ 435	\$ 482	\$ 246,071

The transfer from the Capital Projects Fund to the General Fund, Local Option Sales Tax and the Transportation Fund were as a result of an internal audit conducted by the Finance Department on all completed projects and reconciling and funds that were owed to the funding sources of those projects depending on if the projects were completed over or under budget.

Long-Term Debt

State Revolving Loan Fund

The City entered into a second loan agreement with the Florida Department of Environmental Protection Clean Water State Revolving Fund during 2017 for the purpose of construction of a major sewer lift stations rehabilitation. The principal amount of the loan was \$1,452,976. The agreement calls for pledged revenue as security for repayment of the loan, defined as gross revenues derived from the operation of the sewer system after payment of the operation and maintenance expense. The loan shall be repaid in 40 semi-annual loan payments beginning on October 15, 2017. The interest rate is 0.68%.

The City entered into a loan agreement with the Florida Department of Environmental Protection Clean Water State Revolving Fund during a previous fiscal year for the purpose of construction of a major sewer rehabilitation and inflow/infiltration correction project. The principal amount of the loan was \$1,056,884. The agreement calls for pledged revenue as security for repayment of the loan, defined as gross revenues derived from the operation of the sewer system after payment of the operation and maintenance expense. The loan shall be repaid in 40 semi-annual loan payments in the sum of \$34,250 beginning on June 15, 2014. The interest rate is 2.62%.

BB&T Loans

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

City of Treasure Island, Florida Notes to Financial Statements

Hancock Loan

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

Long-term liability activity for the fiscal year ended September 30, 2017 as follows:

	Balance 9/30/2016	Additions	Reductions	Balance 9/30/2017	Due within One Year	
Governmental Activities:						
OPEB costs	\$ 79,238	\$ 15,273	\$ -	\$ 94,511	\$ -	\$ -
BB&T Beach Trail	979,243	-	(154,072)	825,171	157,615	667,556
BB&T Capri & Palms Bridges	3,158,916	-	(246,322)	2,912,594	253,774	2,658,820
Hancock Bank Gulf Blvd	1,375,000	-	(445,000)	930,000	460,000	470,000
Net pension liability	5,499,730	500,286	-	6,000,016	20,600	5,979,416
Compensated absences	820,205	422,417	(377,211)	865,411	259,623	605,788
Governmental activities long-term liabilities	\$ 11,912,332	\$ 937,976	\$ (1,222,605)	\$ 11,627,703	\$ 1,151,612	\$ 10,476,091
Business-type Activities:						
OPEB costs	\$ 18,707	\$ 3,465	\$ -	\$ 22,172	\$ -	\$ -
State Revolving loan - 53601P	956,591	-	(43,721)	912,870	44,874	-
State Revolving loan - 520810	-	517,612	-	517,612	15,997	-
Compensated absences	98,070	42,555	(48,367)	92,258	27,025	-
Business-type activities long-term liabilities	\$ 1,073,368	\$ 563,632	\$ (92,088)	\$ 1,544,912	\$ 87,896	\$ 1,457,016

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.

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

Capital Improvement Revenue Note, Series 2011A	Principal	Interest	Total
2018	\$ 253,774	\$ 83,014	\$ 336,788
2019	261,451	75,337	336,788
2020	269,360	67,428	336,788
2021	277,508	59,280	336,788
2022	285,903	50,885	336,788
2023 - 2027	1,564,598	119,341	1,683,939
	<u>\$ 2,912,594</u>	<u>\$ 455,285</u>	<u>\$ 3,367,879</u>

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Capital Improvement Revenue Note, Series 2011B	Principal	Interest	Total
2018	\$ 157,615	\$ 17,166	\$ 174,781
2019	161,240	13,500	174,740
2020	164,949	9,749	174,698
2021	168,743	5,911	174,654
2022	172,624	1,985	174,609
	<u>\$ 825,171</u>	<u>\$ 48,311</u>	<u>\$ 873,482</u>

Capital Improvement Revenue Note Series 2014	Principal	Interest	Total
2018	\$ 460,000	\$ 9,450	\$ 469,450
2019	470,000	3,173	473,173
	<u>\$ 930,000</u>	<u>\$ 12,623</u>	<u>\$ 942,623</u>

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

State Revolving Loan Fund - 53601P	Principal	Interest	Total
2018	\$ 44,874	\$ 23,625	\$ 68,499
2019	46,057	22,442	68,499
2020	47,272	21,227	68,499
2021	48,518	19,981	68,499
2022	49,798	18,701	68,499
2023 - 2034	676,350	111,389	787,739
	<u>\$ 912,870</u>	<u>\$ 217,364</u>	<u>\$ 1,130,234</u>

State Revolving Loan Fund - 520810	Principal	Interest	Total
2018	\$ 15,997	\$ 3,456	\$ 19,454
2019	24,819	3,368	28,187
2020	24,988	3,200	28,188
2021	25,158	3,030	28,188
2022	25,330	2,858	28,188
2023 - 2037	401,320	21,496	422,816
	<u>\$ 517,612</u>	<u>\$ 37,408</u>	<u>\$ 555,020</u>

NOTE 4: OTHER INFORMATION

Risk Management

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

Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City. See page 75 for further detail on one outstanding claim against the City.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Fund Balance Classification

General Fund

Nonspendable:

Inventories	\$ 17,414
Total nonspendable	17,414

Restricted

Building division	1,116,276
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Assigned:

Beach improvements	500,000
.10 mill for bridge renewal and replacement	137,712
.10 mill for facilities renewal and replacement	531,440
Expedited loan repayment	377,850
Encumbrances	408,511
Carryforwards	128,267
Donations for specific purpose	2,610
Total assigned	2,086,390
Unassigned	3,073,851

Total General Fund fund balance	\$ 6,293,931
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Local Option Sales Tax

Restricted for infrastructure improvements	\$ 321,175
Restricted encumbrances	95,190
Restricted carryforwards	667,224
Total restricted	1,083,589

Total Local Option Sales Tax fund balance	\$ 1,083,589
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Capital Projects

Restricted for capital projects	\$ 949,198
Total restricted	949,198

Total Capital Projects fund balance	\$ 949,198
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Nonmajor Governmental Funds

Restricted:

Police Forfeiture, Transportation Trust, and Transportation Improvements	\$ 457,808
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TOTAL	\$ 8,784,526
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NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans

The City participates in two pension programs: First, for qualified public safety employees, the City participates in the Florida Retirement System's defined benefit plans. For all other employees, the City has a defined contribution pension plan which consists of a 401(A) qualified plan. Employees contribute five (5) percent of their gross earnings and the City contributed eight (8) percent for the fiscal year ending September 30, 2017. 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 pPlans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

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

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

NOTE 4: OTHER INFORMATION (Continued)

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2017, were as follows:

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

The employer's contributions for the year ended September 30, 2017, were \$464,877 to the FRS and \$38,045 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2017, 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, 2017. 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.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Pension Liabilities and Pension Expense (Continued)

	FRS	HIS
Net pension liability	\$ 5,233,027	\$ 766,989
Proportion at:		
Current measurement date	0.1770%	0.0072%
Prior measurement date	0.1830%	0.0075%
Pension expense (benefit)	\$ 788,103	\$ 55,081

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	FRS	FRS	HIS	HIS
Differences between expected and actual experience	\$ 480,266	\$ (28,988)	\$ -	\$ (1,597)
Changes of assumptions	1,758,666	-	107,812	(66,322)
Net difference between projected and actual earnings on pension plan investments	-	(129,687)	425	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	232,334	(383,335)	16,288	(38,351)
Employer contributions subsequent to the measurement date	126,857	-	10,030	-
Total	\$ 2,598,123	\$ (542,010)	\$ 134,555	\$ (106,270)

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, 2018. 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
2018	\$ 186,942	\$ 9,242
2019	644,599	9,242
2020	484,355	9,242
2021	134,807	4,960
2022	359,745	816
Thereafter	118,808	(15,247)
Total	\$ 1,929,256	\$ 18,255

NOTE 4: OTHER INFORMATION (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2017. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2017. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2016, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of ret	7.10%	N/A
Discount rate	7.10%	3.58%

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

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

The following changes in key actuarial assumptions occurred in 2017:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.60% to 7.10%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.85% to 3.58%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.0%	3.0%
Fixed income	18%	4.5%	4.4%
Global equity	53%	7.8%	6.6%
Real estate	10%	6.6%	5.9%
Private equity	6%	11.5%	7.8%
Strategic investments	12%	6.1%	5.6%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.10%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.58% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Employer's proportionate share of the net pension liability	\$ 9,471,463	\$ 5,233,027	\$ 1,714,154	\$ 875,236	\$ 766,989	\$ 676,825

NOTE 4: OTHER INFORMATION (Continued)

Pension Plans' Fiduciary Net Position

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

401 (A) Pension Plan

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

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

Employees choose from several investment options, ranging from aggressive to conservative, to invest both their contribution and the City's. At September 30, 2017, those options included five (5) classifications as follows:

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

For the current fiscal year, employee contributions totaled \$152,129 and the City's contributions totaled \$243,407 for a grand total of \$395,539.

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, 2017 was \$6,092,429. The City's contributions were calculated using the participant's salary amount of \$3,042,591. The City made its required contribution of \$243,407.

NOTE 4: OTHER INFORMATION (Continued)

Post-Employee Health Care Benefits

Annual OPEB Cost and Net OPEB Obligation

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

	Annual OPEB Cost
Annual required contribution (ARC)	\$ 18,085
Interest on net OPEB obligation	3,918
Adjustment to ARC	(3,265)
Annual OPEB cost	18,738
Contributions made (pay-as-you-go basis)	-
Increase in net OPEB obligation	18,738
Net OPEB obligation, beginning of year	97,945
Net OPEB obligation, end of year	\$ 116,683

Membership Information

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

NOTE 4: OTHER INFORMATION (Continued)

Post-Employee Health Care Benefits (Continued)

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Contributed	Net OPEB Obligation
9/30/2017	\$ 18,738	\$ -	0.0%	\$ 116,683
9/30/2016	16,512	19,322	117.0%	97,945
9/30/2015	19,045	-	0.0%	100,755

Funded Status and Funding Progress

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

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

Actuarial Methods and Assumptions

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actually determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. Certain assumptions are made regarding population, future employment, termination, mortality, the healthcare cost trend, investment discount rate and the benefits provided far into the future. The actuarial assumptions included an inflation rate of 3%, discount rate of 4%, payroll growth rate of 3% and healthcare inflation of 10%, reduced annually to an ultimate rate of 5% after ten years. The remaining amortization period as of September 30, 2017 was 25 years. The projected unit credit cost method was used, with amortization of the UAAL as a level percent of pay over 30 years based on an open group. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point.

NOTE 4: OTHER INFORMATION (Continued)

Contingency

The City was named a defendant in the case Tahitian, et. al. v. City of Treasure Island, Florida. This case involves a declaratory relief action filed by three motel owners that the City was permitting unlawful driving and parking on the public beach relating to Special Events (July 4th Fireworks, Community Events, etc.). In October 2014, the Plaintiffs were granted a Summary Judgement in their favor, prohibiting vehicles on the beach that were not engaged in either cleanup, repair or public safety. Further, the judgement would allow the prevailing party reasonable attorneys' fees and costs. To date the fee amount remains undetermined. The Plaintiffs have alleged more than \$600,000 in attorney's fees. The City appealed the Circuit Court's ruling. In January 2018, the Second District Court of Appeal issued its Mandate wherein it affirmed in part, reversed in part, and remanded the case to the lower court in accordance with its opinion. The parties are presently awaiting the 6th Judicial Circuit Court's decision on remand and the City's liability, if any, for the hotel owners attorneys' fees claim remains unclear.

On November 7, 2017 the City entered into a settlement agreement with the Plaintiffs in Case No: 2014-CA-006080-CI or City of Treasure Island v. Graham-Booth et. al. regarding the repair of the City's Central Beach Trail. The City received \$880,000 in accordance with the settlement agreement and filed a notice of voluntary dismissal with prejudice on December 26, 2017.

Subsequent Events

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

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REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Funding Progress - Post-Employment Health Benefits

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll (b-a) / (c)
10/1/2015	\$ -	\$205,454	\$205,454	0.0%	\$ 4,924,922	4.2%
10/1/2012	-	209,282	209,282	0.0%	4,740,741	4.4%
10/1/2009	-	150,451	150,451	0.0%	4,794,155	3.1%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability (asset)	0.017691499%	0.018311777%	0.015912654%
City's proportionate share of the net pension liability (asset)	\$ 5,233,027	\$ 4,623,738	\$ 2,055,333
City's covered-employee payroll	\$ 2,313,204	\$ 2,245,865	\$ 2,257,738
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	226.22%	205.88%	91.04%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%

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

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

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

Note 3: The Plan's long-term expected rate of return and the discount used to determine the total pension liability decreased from 7.60% to 7.10%.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability (asset)	0.007173178%	0.007516286%	0.007338387%
City's proportionate share of the net pension liability (asset)	\$ 766,989	\$ 875,992	\$ 748,400
City's covered-employee payroll	\$ 2,313,204	\$ 2,245,865	\$ 2,257,738
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.16%	39.00%	33.15%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%

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

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

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

Note 3: The municipal rate used to determine the total pension liability increased from 2.85% to 3.58%.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 464,877	\$ 460,749	\$ 387,964
Contributions in relation to the contractually required contribution	<u>464,877</u>	<u>460,749</u>	<u>387,964</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
City's covered-employee payroll	\$ 2,313,204	\$ 2,245,865	\$ 2,257,738
Contributions as a percentage of covered-employee payroll	20.10%	20.52%	17.18%

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 38,045	\$ 37,281	\$ 28,052
Contributions in relation to the contractually required contribution	<u>38,045</u>	<u>37,281</u>	<u>28,052</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	\$ 2,313,204	\$ 2,245,865	\$ 2,257,738
Contributions as a percentage of covered-employee payroll	1.64%	1.66%	1.24%

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

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

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COMBINING FINANCIAL STATEMENTS

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

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

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NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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City of Treasure Island, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2017

	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
ASSETS				
Cash and cash equivalents	\$ 362,235	\$ 76,953	\$ 1,321	\$ 440,509
Receivables:				
Due from other governments	17,299	-	-	17,299
Total assets	\$ 379,534	\$ 76,953	\$ 1,321	\$ 457,808
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
FUND BALANCES:				
Restricted	379,534	76,953	1,321	457,808
Total fund balances	379,534	76,953	1,321	457,808
Total liabilities and fund balances	\$ 379,534	\$ 76,953	\$ 1,321	\$ 457,808

City of Treasure Island, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non-Major Governmental Funds
Year ended September 30, 2017

	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
REVENUES				
Intergovernmental	\$ 105,315	\$ -	\$ -	\$ 105,315
Fines and forfeitures	-	-	293	293
Miscellaneous	-	-	-	-
Investment Earnings	2,171	477	8	\$ 2,656
Total Revenues	107,486	477	301	108,264
EXPENDITURES				
Current:				
Public Safety	-	-	5,117	5,117
Capital Outlay	14,385	7,924	-	22,309
Total Expenditures	14,385	7,924	5,117	27,426
Excess (deficiency) of revenues over expenditures	93,101	(7,447)	(4,816)	80,838
Transfers In	-	482	-	482
Total other financing sources (uses)	-	482	-	482
Net change in fund balances	93,101	(6,965)	(4,816)	81,320
Fund Balances - Beginning	286,433	83,918	6,137	376,488
Fund Balances - Ending	\$ 379,534	\$ 76,953	\$ 1,321	\$ 457,808

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

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City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
County Gas Tax Fund
Year ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
County Gas Tax	\$ 102,500	\$ 102,500	\$ 105,315	\$ 2,815
Miscellaneous:				
Investment Earnings	600	600	2,171	1,571
Total Revenues	103,100	103,100	107,486	4,386
EXPENDITURES				
Current:				
Capital outlay	150,000	267,035	14,385	252,650
Total Expenditures	150,000	267,035	14,385	252,650
Net change in fund balances	(46,900)	(163,935)	93,101	257,036
Fund Balance - Beginning	286,433	286,433	286,433	-
Fund Balance - Ending	\$ 239,533	\$ 122,498	\$ 379,534	\$ 257,036

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Transportation Trust Fund
Year ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Miscellaneous:				
Investment Earnings	\$ 300	\$ 300	\$ 477	\$ 177
Total Revenues	300	300	477	177
EXPENDITURES				
Capital Outlay	84,796	84,796	7,924	76,872
Total Expenditures	84,796	84,796	7,924	76,872
Excess (deficiency) of revenues over expenditures	(84,496)	(84,496)	(7,447)	77,049
Transfers In	482	482	482	-
Total other financing sources (uses)	482	482	482	-
Net change in fund balances	(84,014)	(84,014)	(6,965)	77,049
Fund Balance - Beginning	83,918	83,918	83,918	-
Fund Balance - Ending	\$ (96)	\$ (96)	\$ 76,953	\$ 77,049

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Police Contraband Forfeiture Fund
Year ended September 30, 2017

	Budgeted Amounts		Actual	Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Fines and forfeitures:				
Contraband forfeitures	\$ -	\$ -	\$ 293	\$ 293
Miscellaneous:				
Investment earnings	10	10	8	(2)
Total Revenues	10	10	301	291
EXPENDITURES				
Current:				
Public safety	6,141	11,098	5,117	5,981
Total Expenditures	6,141	11,098	5,117	5,981
Net change in fund balances	(6,131)	(11,088)	(4,816)	6,272
Fund Balance - Beginning	6,137	6,137	6,137	-
Fund Balance - Ending	\$ 6	\$ (4,951)	\$ 1,321	\$ 6,272

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Capital Projects Fund
Year ended September 30, 2017

	Budgeted Amounts					Actual	Final Budget -				
	Original		Final			Amounts	Positive				
							(Negative)				
REVENUES											
Intergovernmental	\$	755,446	\$	755,446	\$	683,521	\$	(71,925)			
Interest		1,000		1,000		6,340		5,340			
Total Revenues								756,446	756,446	689,861	(66,585)
EXPENDITURES											
Debt service:											
Principal retirement		445,000		445,000		445,000		-			
Interest		15,559		15,559		15,559		-			
Capital Outlay		-		538,775		101,525		437,250			
Total Expenditures								460,559	999,334	562,084	437,250
Excess (deficiency) of revenues over (under) expenditures								295,887	(242,888)	127,777	370,665
Other Financing Sources (Uses)											
Transfer out		(246,071)		(246,071)		(246,071)		-			
Total other financing sources (uses)								(246,071)	(246,071)	(246,071)	-
Net change in fund balances								49,816	(488,959)	(118,294)	370,665
Fund Balance - Beginning								1,067,492	10,674,922	1,067,492	-
Fund Balance - Ending	\$	1,117,308	\$	10,185,963	\$	949,198	\$	370,665			

III. STATISTICAL SECTION

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STATISTICAL SECTION

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

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

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

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FINANCIAL TRENDS

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City of Treasure Island, Florida

Net Position by Component -

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Net investment in capital assets	\$ 55,708,180	\$ 55,418,462	\$ 55,452,891	\$ 55,775,791	\$ 55,035,870	\$ 56,222,960	\$ 55,654,875	\$ 56,075,896	\$ 56,927,929	\$ 57,024,177
Restricted	3,606,871	3,340,941	3,455,213	1,905,886	2,194,764	-	-	-	-	-
Unrestricted	302,115	(262,014)	(531,730)	2,475,352	2,820,014	4,285,666	4,547,630	4,831,451	3,514,398	2,535,118
Total governmental activities net assets	\$ 59,617,166	\$ 58,497,389	\$ 58,376,374	\$ 60,157,029	\$ 60,050,648	\$ 60,508,626	\$ 60,202,505	\$ 60,907,347	\$ 60,442,327	\$ 59,559,295
Business-type activities:										
Net investment in capital assets	\$ 8,175,686	\$ 7,867,811	\$ 5,533,880	\$ 5,537,038	\$ 4,930,183	\$ 4,370,006	\$ 3,757,145	\$ 3,373,848	\$ 2,828,331	\$ 2,966,074
Restricted or Assigned	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,576,682	4,088,107	4,970,944	3,816,248	3,170,981	2,908,439	2,792,710	2,645,688	2,938,972	2,496,669
Total business-type activities net assets	\$ 13,752,368	\$ 11,955,918	\$ 10,504,824	\$ 9,353,286	\$ 8,101,164	\$ 7,278,445	\$ 6,549,855	\$ 6,019,536	\$ 5,767,303	\$ 5,462,743
Primary government:										
Net investment in capital assets	\$ 63,883,866	\$ 63,286,273	\$ 60,986,771	\$ 61,312,829	\$ 59,966,053	\$ 60,592,966	\$ 59,412,020	\$ 59,449,744	\$ 59,756,260	\$ 59,990,251
Restricted	3,606,871	3,340,941	3,455,213	1,905,886	2,194,764	-	-	-	-	-
Unrestricted	5,878,797	3,826,093	4,439,214	6,291,600	5,990,995	7,194,105	7,340,340	7,477,139	6,453,370	5,031,787
Total primary government net assets	\$ 73,369,534	\$ 70,453,307	\$ 68,881,198	\$ 69,510,315	\$ 68,151,812	\$ 67,787,071	\$ 66,752,360	\$ 66,926,883	\$ 66,209,630	\$ 65,022,038

City of Treasure Island, Florida

Changes in Net Position -

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EXPENSES										
Governmental activities:										
General government	\$ 3,445,797	\$ 3,023,297	\$ 3,100,750	\$ 3,059,328	\$ 2,616,740	\$ 3,233,294	\$ 2,626,350	\$ 2,531,746	\$ 2,358,447	\$ 1,817,631
Public Safety	4,764,149	4,813,545	4,107,508	4,294,575	4,438,408	4,437,898	4,619,128	4,556,728	4,415,753	4,298,618
Public Works	2,393,235	2,738,271	2,217,027	2,173,996	2,021,674	1,803,930	1,904,503	1,877,358	1,776,428	3,420,037
Culture and recreation	1,470,607	1,325,097	1,285,986	1,258,982	1,203,034	1,113,669	1,049,834	977,776	927,540	479,706
Interest on Long-term Debt	126,775	143,452	146,784	142,560	201,965					
Total governmental activities expenses	12,200,563	12,043,662	10,858,055	10,929,441	10,481,821	10,588,791	10,199,815	9,943,608	9,478,168	10,015,992
Business-type activities:										
Wastewater	3,346,250	3,404,087	3,291,043	3,470,698	3,414,281	3,475,736	2,974,115	3,133,637	2,879,778	2,747,915
Solid Waste	1,750,506	1,815,631	1,713,922	1,752,275	1,523,329	1,587,639	1,604,151	1,564,125	1,537,815	1,637,202
Stormwater Management	504,116	468,424	475,098	414,394	368,207	392,716	355,452	323,335	320,644	120,199
Total business-type activities expenses	5,600,872	5,688,142	5,480,063	5,637,367	5,305,817	5,456,091	4,933,718	5,021,097	4,738,237	4,505,316
Total primary government expenses	\$ 17,801,435	\$ 17,731,804	\$ 16,338,118	\$ 16,566,808	\$ 15,787,638	\$ 16,044,882	\$ 15,133,533	\$ 14,964,705	\$ 14,216,405	\$ 14,521,308
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 1,138,648	\$ 1,147,967	\$ 1,094,673	\$ 1,080,323	\$ 929,436	\$ 932,103	\$ 831,014	\$ 834,500	\$ 831,580	\$ 581,403
Public Safety	1,482,003	1,249,625	1,484,615	992,829	887,987	1,072,246	1,037,434	1,071,882	1,028,029	975,991
Public Works	680,712	510,674	440,751	373,516	308,578	282,757	274,631	188,579	122,951	85,664
Culture and recreation	496,084	469,916	521,691	511,979	493,634	508,511	402,588	383,793	403,220	377,315
Operating Grants and Contributions	5,989	5,702	5,002	4,942	42,482	49,696	94,752	222,063	136,966	73,219
Capital Grants and Contributions	683,521	377,723	1,125,996	-	228,852	497,371	113,714	-	495,750	985,502
Total Governmental Activities										
Program Revenues	\$ 4,486,957	\$ 3,761,607	\$ 4,672,728	\$ 2,963,589	\$ 2,890,969	\$ 3,342,684	\$ 2,754,133	\$ 2,700,817	\$ 3,018,496	\$ 3,079,094
Business-type activities:										
Capital Grants and Contributions	\$ 389,723	\$ 344,508	\$ 417,734	\$ 533,375	\$ 144,765	\$ 486,825	\$ -	\$ -	\$ -	\$ 5,652
Charges for services:										
Wastewater	4,149,533	4,081,892	3,983,203	3,915,615	3,620,957	3,357,131	3,195,693	3,127,320	3,000,025	2,934,514
Solid Waste	1,848,792	1,807,889	1,799,927	1,764,988	1,754,570	1,795,841	1,812,956	1,789,364	1,707,335	1,706,665
Stormwater Management	925,342	824,566	830,715	643,715	592,602	538,998	432,692	362,495	328,367	261,268
Total business-type activities										
Program Revenues	\$ 7,313,390	\$ 7,058,855	\$ 7,031,579	\$ 6,857,693	\$ 6,112,894	\$ 6,178,795	\$ 5,441,341	\$ 5,279,179	\$ 5,035,727	\$ 4,908,099
Total Primary Government										
Program Revenues	\$ 11,800,347	\$ 10,820,462	\$ 11,704,307	\$ 9,821,282	\$ 9,003,863	\$ 9,521,479	\$ 8,195,474	\$ 7,979,996	\$ 8,054,223	\$ 7,987,193
NET (EXPENSE) REVENUE										
Governmental Activities	(7,113,606)	(8,282,055)	(6,185,327)	(7,965,852)	(7,590,852)	(7,246,107)	(7,445,682)	(7,242,791)	(6,459,672)	(6,936,898)
Business-type Activities	1,712,518	1,370,713	1,551,516	1,220,326	807,077	722,704	507,623	258,082	297,490	402,783
Total Primary Government Net Expense	\$ (6,001,088)	\$ (6,911,342)	\$ (4,633,811)	\$ (6,745,526)	\$ (6,783,775)	\$ (6,523,403)	\$ (6,938,059)	\$ (6,984,709)	\$ (6,162,182)	\$ (6,534,115)

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS										
Governmental activities:										
Ad Valorem Taxes	\$ 5,144,646	\$ 4,793,125	\$ 4,485,887	\$ 4,213,370	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550	\$ 4,019,708	\$ 4,293,760
Franchise Fees	1,041,247	682,507	724,311	710,361	665,446	698,360	730,504	779,042	738,816	653,011
Utility Taxes	678,268	1,035,446	1,007,967	1,018,239	960,772	919,930	973,997	1,008,406	834,438	506,227
Unrestricted Intergovernmental Revenues:										
Communications Services Tax	338,122	342,861	349,246	352,080	366,088	371,048	374,584	386,481	342,020	176,142
Half-cent Sales Tax	428,621	426,212	411,008	387,375	369,364	353,047	373,761	361,491	334,788	394,917
Infrastructure Sales Surtax	751,856	731,449	695,465	646,122	605,417	572,983	541,308	559,173	629,152	781,642
State Shared Revenues	189,156	186,700	201,809	183,605	182,375	182,767	181,956	180,788	179,975	183,370
Other	125,463	126,617	141,228	117,889	106,492	122,880	107,404	126,139	117,943	125,631
Gain on Sale of Machinery & Equipment	-	-	-	-	-	-	-	-	-	1,350
Miscellaneous Revenues	81,018	56,333	82,414	56,376	78,280	82,780	43,508	321,483	122,965	90,430
Unrestricted investment earnings	54,986	21,820	21,920	21,835	13,105	15,432	25,015	24,258	22,899	104,311
Transfers	-	-	-	-	-	-	-	-	-	(16,048)
Total governmental activities	\$ 8,833,383	\$ 8,403,070	\$ 8,121,255	\$ 7,707,252	\$ 7,132,874	\$ 7,204,585	\$ 6,740,840	\$ 7,707,811	\$ 7,342,704	\$ 7,294,743
Business-type activities:										
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Investment Earnings	30,001	10,463	14,784	7,281	2,844	4,534	16,544	12,958	7,035	56,127
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	53,931	69,918	8,241	24,515	12,800	1,350	6,152	(18,807)	35	21,254
Transfers	-	-	-	-	-	-	-	-	-	16,048
Total business-type activities	\$ 83,932	\$ 80,381	\$ 23,025	\$ 31,796	\$ 15,644	\$ 5,884	\$ 22,696	\$ (5,849)	\$ 7,070	\$ 93,429
Total primary government revenues	\$ 8,917,315	\$ 8,483,451	\$ 8,144,280	\$ 7,739,048	\$ 7,148,518	\$ 7,210,469	\$ 6,763,536	\$ 7,701,962	\$ 7,349,774	\$ 7,388,172
CHANGE IN NET POSITION										
Governmental activities:	\$ 1,119,777	\$ 121,015	\$ 1,935,927	\$ (258,600)	\$ (457,978)	\$ (41,522)	\$ (704,842)	\$ 465,020	\$ 883,032	\$ 357,845
Business-type activities:	1,796,450	1,451,094	1,574,542	1,252,122	822,721	728,588	530,319	252,233	304,560	496,212
Total primary government	\$ 2,916,227	\$ 1,572,109	\$ 3,510,469	\$ 993,522	\$ 364,743	\$ 687,066	\$ (174,523)	\$ 717,253	\$ 1,187,592	\$ 854,057

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<hr/>										
General Fund:										
Nonspendable	\$ 17,414	\$ 10,623	\$ 9,851	\$ 85,298	\$ 150,447	\$ 43,714	\$ 62,731	\$ -	\$ -	\$ -
Restricted	1,116,276	800,068	638,291	136,378	-	-	-	-	-	-
Committed	-	-	-	-	-	-	729,963	-	-	-
Assigned	2,086,390	1,650,430	1,185,302	1,124,155	1,467,556	1,735,738	1,020,970	-	-	-
Unassigned	3,073,851	2,668,605	2,595,893	2,045,722	1,940,223	2,442,390	2,325,468	-	-	-
Reserved	-	-	-	-	-	-	-	704,682	781,738	83,637
Unreserved	-	-	-	-	-	-	-	3,471,459	2,199,710	1,877,660
<hr/>										
Total General Fund	\$ 6,293,931	\$ 5,129,726	\$ 4,429,337	\$ 3,391,553	\$ 3,558,226	\$ 4,221,842	\$ 4,139,132	\$ 4,176,141	\$ 2,981,448	\$ 1,961,297
<hr/>										
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,490,595	2,540,873	2,816,921	1,769,508	2,194,764	6,331,534	1,099,900	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	873,482	788,269	819,591
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	311,217	364,839	329,256
Capital Projects Funds	-	-	-	-	-	-	-	166,586	16,655	3,169
<hr/>										
Total all other Governmental Funds	\$ 2,490,595	\$ 2,540,873	\$ 2,816,921	\$ 1,769,508	\$ 2,194,764	\$ 6,331,534	\$ 1,099,900	\$ 1,351,285	\$ 1,169,763	\$ 1,152,016
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Note: GASB 54 was implemented in the fiscal year ended September 30, 2011.

City of Treasure Island, Florida

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES:										
Ad Valorem Taxes	\$ 5,144,646	\$ 4,793,125	\$ 4,485,887	\$ 4,213,370	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550	\$ 4,019,708	\$ 4,293,760
Franchise Fees	678,268	682,507	724,311	710,361	665,446	698,360	730,504	779,042	738,816	653,011
Utility Services Taxes	1,041,247	1,035,446	1,007,967	1,018,239	960,772	919,930	973,997	1,008,406	834,438	506,227
Business Taxes & Permits	991,670	801,697	1,056,216	579,822	394,422	535,814	480,078	412,003	366,244	337,815
Intergovernmental	2,522,728	2,197,263	2,929,754	1,692,013	1,722,078	2,138,804	1,778,613	1,836,135	2,236,594	2,090,252
Charges for Service	2,671,553	2,475,227	2,402,469	2,279,237	2,077,507	2,065,467	1,852,223	1,880,937	1,814,222	1,524,907
Fines & Forfeitures	134,485	101,257	83,268	99,588	140,968	160,206	208,343	185,814	205,314	159,800
Miscellaneous Revenue	108,433	66,746	98,531	74,972	294,226	131,295	82,077	330,171	145,864	824,113
Total Revenues	\$ 13,293,030	\$ 12,153,268	\$ 12,788,403	\$ 10,667,602	\$ 10,040,954	\$ 10,535,234	\$ 9,494,638	\$ 10,393,058	\$ 10,361,200	\$ 10,389,885
EXPENDITURES:										
General Government	\$ 2,258,524	\$ 1,841,626	\$ 1,872,027	\$ 1,709,359	\$ 1,474,024	\$ 1,801,207	\$ 1,441,732	\$ 1,363,363	\$ 1,332,997	\$ 1,509,867
Public Safety	4,441,029	4,537,913	4,273,937	4,248,038	4,387,786	4,434,693	4,618,976	4,470,788	4,336,124	4,345,419
Public Works	2,130,287	1,930,170	1,924,440	2,007,034	1,899,133	1,715,575	1,812,659	1,801,417	1,711,360	3,216,308
Culture & Recreation	1,331,022	1,200,822	1,156,800	1,148,905	1,106,800	1,035,824	990,124	926,843	877,739	807,943
Debt Service:										
Principal retirement	845,394	824,716	379,226	369,166	309,799	-	-	-	-	-
Interest	126,775	143,452	146,784	142,560	201,965	-	-	-	-	-
Capital Outlay	1,073,382	1,269,907	2,765,573	2,002,690	5,489,993	1,831,691	921,790	470,002	1,245,045	424,415
Total Expenditures	\$ 12,206,413	\$ 11,748,606	\$ 12,518,787	\$ 11,627,752	\$ 14,869,500	\$ 10,818,990	\$ 9,785,281	\$ 9,032,413	\$ 9,503,265	\$ 10,303,952
Excess of Revenues over (under) Expenditures	\$ 1,086,617	\$ 404,663	\$ 269,616	\$ (960,150)	\$ (4,828,546)	\$ (283,756)	\$ (290,643)	\$ 1,360,645	\$ 857,935	\$ 85,933
OTHER FINANCING SOURCES (USES)										
Debt proceeds (payments)	-	-	1,810,000	-	-	5,586,066	-	-	-	-
Transfers in	246,071	3,429	4,690	1,037,596	255,740	289,000	197,750	236,600	132,584	858,536
Transfers out	(246,071)	(3,429)	(4,690)	(1,037,596)	(255,740)	(289,000)	(197,750)	(236,600)	(132,584)	(874,584)
Sale of capital assets	27,310	19,680	5,580	3,240	28,160	12,034	2,250	15,570	179,963	-
Total other financing sources (uses)	27,310	19,680	1,815,580	3,240	28,160	5,598,100	2,250	15,570	179,963	(16,048)
Net change in fund balances	\$ 1,113,927	\$ 424,343	\$ 2,085,196	\$ (956,910)	\$ (4,800,386)	\$ 5,314,344	\$ (288,393)	\$ 1,376,215	\$ 1,037,898	\$ 69,885
Debt Service as a percentage of non- capital expenditures, excluding transfers, special items and prior period	9%	9%	5%	5%	5%	0%	0%	0%	0%	0%

FY 2016 column was corrected in FY 2017 to include all funds.

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
2008	\$ 5,452,998	\$ 4,293,760	\$ 653,011	\$ 506,227
2009	5,592,962	4,019,708	738,816	834,438
2010	5,747,998	3,960,550	779,042	1,008,406
2011	5,093,304	3,388,803	730,504	973,997
2012	5,503,648	3,885,358	698,360	919,930
2013	5,411,753	3,785,535	665,446	960,772
2014	5,941,970	4,213,370	710,361	1,018,239
2015	6,218,165	4,485,887	724,311	1,007,967
2016	6,511,077	4,793,125	682,507	1,035,445
2017	6,864,161	5,144,646	678,268	1,041,247

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

REVENUE CAPACITY

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

Fiscal Year ¹	Real Property		Personal	Less:	Total Taxable	Total	Property	Estimated
	Residential	Commercial	Property	Tax Exempt	Value	Assessed	Tax	Actual
	Property	Property		Property		Value	Rate ²	Taxable
								Value
2008	\$ 2,010,668	\$ 353,385	\$ 17,822	\$ 624,453	\$ 1,757,422	\$ 2,381,875	2.3878	\$ 2,802,206
2009	1,820,933	324,580	19,867	510,867	1,654,513	2,165,380	2.4999	2,547,506
2010	1,598,324	284,938	19,987	410,098	1,493,151	1,903,249	2.6868	2,239,116
2011	1,301,619	291,761	20,920	295,123	1,319,177	1,614,300	2.6868	1,899,176
2012	1,269,831	275,476	20,236	293,368	1,272,175	1,565,544	3.1368	1,841,816
2013	1,283,389	266,735	19,438	324,585	1,244,977	1,505,711	3.1368	1,771,425
2014	1,317,130	269,451	19,404	305,286	1,300,699	1,605,985	3.3368	1,889,394
2015	1,348,755	422,851	19,697	401,693	1,389,610	1,791,303	3.3368	2,107,415
2016	1,456,888	455,156	20,029	444,972	1,487,100	1,932,072	3.3368	2,273,026
2017	1,581,763	510,824	18,304	515,868	1,595,023	2,110,892	3.3368	2,483,402

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

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

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

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

FISCAL YEAR	CITY OF TREASURE ISLAND			OVERLAPPING RATES						TOTAL DIRECT & OVERLAPPING RATES
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	COUNTY			DEBT SERVICE MILLAGE	TOTAL SCHOOL MILLAGE	SPECIAL DISTRICTS	
				OPERATING MILLAGE	SERVICE MILLAGE	COUNTY MILLAGE				
2008	2.3878	0	2.3878	4.8730	0	4.8730		7.7310	2.0953	17.0871
2009	2.4999	0	2.4999	4.8730	0	4.8730		8.0610	2.1383	17.5722
2010	2.6868	0	2.6868	4.8730	0	4.8730		8.3460	2.0938	17.9996
2011	2.6868	0	2.6868	4.8730	0	4.8730		8.3400	2.0242	17.9240
2012	3.1368	0	3.1368	4.8730	0	4.8730		8.3850	2.0896	18.4844
2013	3.1368	0	3.1368	5.0727	0	5.0727		8.3020	2.2192	18.7307
2014	3.3368	0	3.3368	5.3377	0	5.3377		8.0600	2.2117	18.9462
2015	3.3368	0	3.3368	5.3377	0	5.3377		7.8410	2.1957	18.7112
2016	3.3368	0	3.3368	5.3537	0	5.3537		7.7700	2.1627	18.6232
2017	3.3368	0	3.3368	5.3527	0	5.3527		7.3180	2.1456	18.1531

SOURCE: Pinellas County Tax Collector

City of Treasure Island, Florida Property Tax Levies and Collections - Current and Ten Years Ago

TAXPAYER	Fiscal Year 2017			Fiscal Year 2007		
	2016 TAXABLE VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE VALUE	2006 TAXABLE VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE VALUE
Treasure Res LLC	\$ 19,071,101	1	1.20%			
Which Treasure Island Owner, LLC	15,315,265	2	0.96%			
Publix Super Markets Inc	7,820,000	3	0.49%	\$ 6,425,200	7	0.36%
King, Henry G. TRE	6,297,500	4	0.39%			
Sunset Bay Properties LLC	5,867,370	5	0.37%			
Treas Island LLC	5,810,809	6	0.36%			
SFMB Treasure Island Property LLC	5,515,730	7	0.35%			
Treasure Island Palms LLC	4,830,683	8	0.30%			
Sand Pebble Resort of TI	4,469,160	9	0.28%	8,611,160	4	-
Palms of Treasure Island LLC	3,978,302	10	0.25%			
Rice, Agnes	-		-	11,502,700	1	0.64%
TI Resort LLC	-		-	10,856,000	2	0.60%
TI Group Investment LLC	-		-	9,199,500	3	0.51%
Ocerin, Inc.	-		-	8,089,200	5	0.45%
Trails End Motel Inc	-		-	7,278,200	6	0.40%
TI Holdings Inc.	-		-	6,231,600	8	0.36%
Schwegel, Ernst L	-		-	5,497,812	9	0.31%
Dowling Hotels, Inc.	-		-	5,496,800	10	0.31%
SUB-TOTAL:	78,975,920		4.95%	79,188,172		4.40%
ALL OTHERS:	1,516,047,263		95.05%	1,720,185,272		95.60%
TOTAL:	\$ 1,595,023,183		100.00%	\$ 1,799,373,444		100.00%

NOTES: The 2016 assessment roll was the basis for ad valorem tax receipts received during FY 2017 and the 2006 assessment roll was the basis for ad valorem tax receipts received during FY 2007

SOURCE: Pinellas County Property Appraiser

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

FISCAL YEAR	COLLECTIONS WITHIN THE FISCAL YEAR OF LEVY				TOTAL COLLECTIONS TO DATE		
	TAX LEVY	AMOUNT	PERCENT OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	AMOUNT	PERCENT OF CURRENT LEVY	
2008	\$ 4,432,529	\$ 4,097,803	92.4%	\$ 195,957	\$ 4,293,760	96.9%	
2009	4,136,117	4,007,242	96.9%	12,466	4,019,708	97.2%	
2010	4,011,797	3,934,108	98.1%	26,442	3,960,550	98.7%	
2011	3,544,363	3,377,162	95.3%	11,641	3,388,803	95.6%	
2012	3,993,339	3,871,296	96.9%	14,062	3,885,358	97.3%	
2013	3,905,244	3,781,450	96.8%	4,085	3,785,535	96.9%	
2014	4,340,171	4,210,245	97.0%	3,125	4,213,370	97.1%	
2015	4,636,851	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%	

DEBT CAPACITY

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City of Treasure Island, Florida

Ratios or Outstanding Debt by Type – Last Ten Fiscal Years

Fiscal Year	Governmental					Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Government	Business-Type	Total Debt Per Capita
	Activities		Business-Type Activities						Activities	Activities	
	Revenue Bonds	State Revolving Loan Fund	Revenue Bonds	Capital Leases	Debt Per Capita				Debt Per Capita		
2008	\$ -	\$ 60,515	\$ -	\$ -	\$ 60,515	\$ 60,515	0.02%	\$ -	\$ 8.07	\$ 8.07	
2009	-	60,515	-	-	60,515	60,515	0.02%	-	7.96	7.96	
2010	-	60,515	-	-	60,515	60,515	0.02%	-	8.14	8.14	
2011	-	60,515	-	-	60,515	60,515	0.02%	-	8.19	8.19	
2012	5,586,066	613,726	-	-	613,726	6,199,792	1.87%	836.11	91.86	927.97	
2013	5,276,267	736,933	-	-	736,933	6,013,200	1.92%	787.15	109.94	897.09	
2014	4,907,101	1,020,244	-	-	1,020,244	5,927,345	1.88%	723.55	150.43	873.98	
2015	6,337,875	999,189	-	-	999,189	7,337,064	2.28%	933.41	147.16	1,080.57	
2016	5,513,159	956,591	-	-	956,591	6,469,750	1.80%	810.16	140.57	950.73	
2017	4,667,765	1,430,482	-	-	1,430,482	6,098,247	1.58%	676.19	207.23	883.42	

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

GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	APPLICABLE TO CITY OF TREASURE ISLAND	
		PERCENT ¹	AMOUNT
Bonded Debt:			
Pinellas County School Board	\$ 6,748,440	2.34%	\$ 157,895
Pinellas County Government	9,018,561	2.34%	211,010
Capital Leases:			
Pinellas County School Board	6,451,652	2.34%	150,951
Pinellas County Government	438,052	2.34%	10,249
Total overlapping debt ²	\$ 22,656,705		\$ 530,106
Total direct debt			5,513,159
Total direct and overlapping debt			\$ 6,043,265
Overall debt to FY 2017 taxable value ³			1.42%
Overall debt to per capita ⁴			\$ 875.45

(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) 2016 taxable value was used to compute the FY 2017 budget.

(4) 2017 permanent Treasure Island population is estimated at 6,903.

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

LEGAL DEBT MARGIN - TOTAL DEBT ¹	09/30/17	09/30/16	09/30/15	09/30/14	9/30/13	9/30/12	09/30/11	9/30/10	9/30/09	9/30/08
Assessed Valuation of Tax Base ²	\$ 1,777,019,734	\$ 1,644,198,313	\$ 1,563,428,668	\$ 1,300,698,703	\$ 1,244,977,194	\$ 1,272,175,299	\$ 1,319,176,519	\$ 1,493,150,720	\$ 1,654,512,887	\$ 1,838,501,095
Debt Limit-3.5% of Assessed Valuation	62,195,691	57,546,941	54,720,003	45,524,455	43,574,202	44,526,135	46,171,178	52,260,275	57,907,951	64,347,538
Amount of Debt Applicable to Debt Limit:										
Total Outstanding Principal	6,152,247	6,469,750	7,337,064	5,927,345	736,933	613,726	60,515	60,515	60,515	60,515
LEGAL DEBT MARGIN	\$ 56,043,444	\$ 51,077,191	\$ 47,382,939	\$ 39,597,110	\$ 42,837,269	\$ 43,912,409	\$ 46,110,663	\$ 52,199,760	\$ 57,847,436	\$ 64,287,023

LEGAL DEBT MARGIN - ANNUAL DEBT ¹										
Revenues Applicable to Debt Limit										
Total City Revenues	\$ 20,963,728	\$ 19,303,912	\$ 19,848,587	\$ 17,560,330	\$ 19,637,181	\$ 16,227,204	\$ 14,935,979	\$ 15,672,237	\$ 15,396,927	\$ 15,292,332
Less: State Revenue Sharing	189,156	186,700	201,809	183,605	182,375	182,767	181,956	180,788	179,975	183,370
Causeway Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenues Applicable to Debt Limit:	20,774,572	19,117,212	19,646,778	17,376,725	19,454,806	16,044,437	14,754,023	15,491,449	15,216,952	15,108,962
Debt Limit: 20% of Total Revenues	4,154,914	3,823,442	3,929,356	3,475,345	3,890,961	3,208,887	2,950,805	3,098,290	3,043,390	3,021,792
Amount of Debt Applicable to Debt Limit:										
Current Debt Service	1,040,669	1,036,647	559,717	559,533	-	-	-	-	-	-
LEGAL DEBT MARGIN	\$ 3,114,245	\$ 2,786,795	\$ 3,369,639	\$ 2,915,812	\$ 3,890,961	\$ 3,208,887	\$ 2,950,805	\$ 3,098,290	\$ 3,043,390	\$ 3,021,792

(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		DEBT SERVICE REQUIREMENTS ²			
			AVAILABLE FOR DEBT SERVICE		PRINCIPAL	INTEREST	TOTAL	COVERAGE
								-
2008	\$ 2,934,514	\$ 2,403,474	\$ 531,040	\$ -	\$ -	\$ -	\$ -	n/a
2009	3,000,025	2,723,263	276,762	-	-	-	-	n/a
2010	3,127,320	2,948,925	178,395	-	-	-	-	n/a
2011	3,195,693	2,757,752	437,941	-	-	-	-	n/a
2012	3,357,131	3,251,010	106,121	-	-	-	-	n/a
2013	3,620,957	3,161,795	459,162	-	-	-	-	n/a
2014	3,915,615	3,168,244	747,371	36,640	11,166	47,806	15.63	
2015	3,983,203	3,013,693	969,510	21,055	26,974	48,029	20.19	
2016	4,081,892	3,115,100	966,792	42,598	25,902	68,499	14.11	
2017	4,149,533	2,973,322	1,176,211	43,721	24,778	68,499	17.17	

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

² A State Revolving Loan required repayment in June 2014 and a second State Revolving Loan will requirement repayment beginning in October 2017.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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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
2008	7,501	\$ 370,421,883	-	\$ 49,383	52.4	13.88	-	268	7.9
2009	7,600	321,328,000	-	42,280	53.0	13.88	-	242	10.1
2010	7,430	323,138,130	-	43,491	55.5	13.88	-	226	12.4
2011	7,393	300,118,835	-	40,595	55.3	13.88	-	241	11.4
2012	6,681	330,963,378	-	49,538	55.5	13.88	-	230	9.4
2013	6,703	312,829,010	-	46,670	56.5	13.88	-	233	7.4
2014	6,782	316,095,456	-	46,608	57.9	14.00	-	217	6.4
2015	6,790	321,669,460	-	47,374	58.3	14.00	-	216	5.7
2016	6,805	-	56,699	52,767	58.5	15.00	42.6%	198	4.4
2017	6,903	-	61,461	56,072	59.3	15.00	42.2%	199	3.1

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 2017.
- (3) Estimate based on educational attainment figures for population 25 years and over, U.S. Census Bureau and Pinellas County Economic Development for 2007 through 2017.
Towncharts.com/Florida/Education/Treasure-Island-city-FL-Education-data.html and US Census for 2011-2016.
- (4) Public Pinellas County School District's demographer, K-12 school counts taken end of September 2007 to 2017.
- (5) Florida Research and Economic Database Unemployment Rate for Pinellas County used 2002-2006.
St. Petersburg-Clearwater Metro Area used 2007-2014. Pinellas County Economic Indicators per
Pinellas County Economic Development Data for 2015-2017.

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

Employer Name	2017			2008		
	Number of ** Employees	Rank	Percentage* of Total City Employment	Number of ** Employees	Rank	Percentage* of Top 10 City Employment
Bimar Beach Resort & Sloppy Joe's	170	1	7.06%	125	2	15.59%
Sea Dog	160	2	6.65%			
Publix Super Markets, Inc	128	3	5.32%			
City of Treasure Island	103	4	4.28%	127	1	15.84%
Caddy's	90	5	3.74%			
Middle Grounds Grill	83	6	3.45%			
The Club at Treasure Island	67	7	2.78%	45	9	5.61%
Gators Café & Saloon	64	8	2.66%	120	3	14.96%
Allied Specialty Insurance	60	9	2.49%	85	5	10.60%
Thunderbird, Tahitian	55	10	2.29%	40	10	4.99%
McDonalds				45	7	5.61%
Sloppy Joe's				100	4	12.47%
Sterling Enterprises Group, Inc.				45	8	5.61%
Kingfish Wharf Corp				70	6	8.73%
Top 10 City Employment Total**	980			802		
Total City Employment Total*	2,407			n/a		

* Source : Pinellas County Economic Development

** Source: Research performed by City Staff

OPERATING INFORMATION

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<hr/>										
FUNCTION										
General Government	12.00	12.00	12.00	12.00	11.50	11.50	12.50	11.50	12.00	12.00
Public Safety										
Police	23.00	23.00	23.00	23.00	26.50	26.50	28.50	29.00	28.50	28.50
Fire	14.50	14.50	14.50	14.50	13.50	13.38	13.38	13.38	13.50	13.50
Community Improvement	7.00	7.00	6.00	6.00	6.00	7.00	6.00	6.00	7.00	7.00
Public Works										
Equipment & Vehicle Maint.	1.55	1.55	2.30	2.30	2.30	2.30	2.30	2.55	3.00	3.00
Beautification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00	9.00
Municipal Facilities	14.15	14.15	14.65	14.65	14.65	14.65	15.15	14.65	9.60	11.50
Causeway	5.55	5.55	5.05	5.05	4.55	4.55	4.55	4.55	7.00	7.00
Wastewater	7.90	7.90	8.00	8.00	8.00	8.25	7.75	7.00	6.30	8.35
Solid Waste	9.60	9.60	10.35	10.35	10.35	10.35	10.35	10.10	10.75	10.75
Stormwater Management	2.75	2.75	2.65	2.65	2.65	2.40	2.40	2.15	2.25	0.40
Culture and recreation	11.51	11.51	10.51	10.51	10.51	11.62	11.62	14.89	10.83	10.20
Total Full-Time Equivalents	109.51	109.51	109.01	109.01	110.51	112.50	114.50	115.77	119.73	121.20

Source: Budget Document

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<hr/>										
FUNCTION										
Police										
Physical arrests	336	425	329	349	385	467	823	822	847	491
Parking violations	4,400	4,027	2,830	2,418	3,013	4,725	4,939	3,216	4,449	4,405
Traffic violations	1,736	1,643	1,142	1,733	1,982	1,726	1,986	1,779	1,949	2,006
Fire										
Incidents/Calls answered										
EMS	1,373	1,257	1,255	1,197	1,015	1,132	1,269	1,084	1,159	1,093
Fire	268	253	249	189	366	295	180	147	144	37
Fire alarm systems	122	114	118	101	107	94	100	117	61	92
Hazardous conditions	-	-	66	27	63	36	30	15	24	21
Other incidents	321	248	61	23	66	68	50	46	92	97
Inspections	35	10	295	152	137	124	128	104	116	121
Highways and streets										
Street sweeping (miles)	648	648	648	648	648	648	648	648	594	696
Causeway										
Bridge openings	2,008	2,135	1,946	2,237	979	2,424	2,685	2,456	2,564	7,555
Sanitation										
Yard waste collected (tons)	676	421	243	353	211	459	448	337	409	679
Recyclables collected (tons)	829	819	775	707	744	600	612	600	392	385
Solid waste collected (tons)	7,631	7,947	7,807	7,446	7,567	7,534	7,611	7,614	6,759	7,234
Culture and recreation										
Number of golfers	9,333	9,326	10,015	10,257	9,658	12,202	9,007	10,178	11,132	11,955
Number of tennis players	8,320	8,537	7,295	9,139	8,148	8,177	7,434	7,418	8,598	8,248
Children's program enrollments	180	174	261	196	200	236	218	192	204	195
Number paid facilities rentals	88	81	76	66	41	57	74	77	59	84
Wastewater										
Wastewater processed (thousands of gallons)	431,274	510,373	490,985	459,713	372,431	434,627	404,361	473,921	488,086	546,492
Sanitary Sewers/Storm Drains										
Lines Cleaned (lineal feet)	16,055	32,368	48,185	37,553	36,234	40,276	40,484	67,462	32,604	23,099

Sources: Various City Departments

City of Treasure Island, Florida

Capital Asset Statistics by Function -

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
FUNCTION										
Public Safety										
Police										
Police station (shared with Fire Dept.)	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5	5	5	6	7
Patrol boats	1	1	1	1	1	1	1	1	1	1
Fire										
Fire station (shared with Police Dept.)	1	1	1	1	1	1	1	1	1	1
Pumper trucks	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection trucks	6	5	5	5	5	5	5	5	5	5
Refuse dumpsters	384	384	384	394	392	392	390	679	679	679
Highways and streets										
Streets (miles)	25	25	25	25	25	25	25	25	25	25
Streetlights	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Traffic signals ⁽¹⁾	6	6	6	6	6	5	5	5	5	5
Causeway										
Bascule bridge	1	1	1	1	1	1	1	1	1	1
East/West bridges	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Public beach acreage	181	181	181	181	181	181	181	181	181	181
Parks acreage	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45
Parks	8	8	8	8	8	8	8	7	6	6
Golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Marina (number of slips)	14	14	14	14	14	14	14	14	14	14
Pavillion	1	1	1	1	1	1	1	1	1	1
Sewer										
Gravity lines (miles)	24	24	24	24	24	24	24	24	24	24
Force main (miles)	4	4	4	4	4	4.3	4.3	4.3	4.3	4.3
Manholes	466	466	466	466	466	466	466	466	466	466
CTI Cleanouts	48	48	48	48	48	48	48	48	48	48
Lift Stations (sewer)	11	11	11	11	11	11	11	11	11	11
Lift Stations (stormwater)	1	1	1	1	1	1	1	1	1	1
Master pump station	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

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

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OTHER AUDITORS' REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Treasure Island, Florida (the “City”), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise City of Treasure Island, Florida’s basic financial statements, and have issued our report thereon dated March 29, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

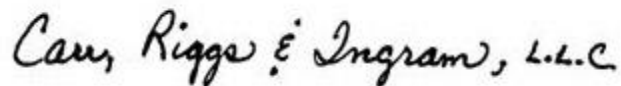
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
March 29, 2018

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Treasure Island, Florida (the "City"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 29, 2018.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of Auditor General. Disclosures in those reports, which are dated March 29, 2018, 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.

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.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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 did not have any such recommendations.

Annual Financial Report

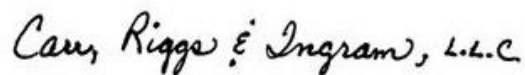
Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

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 Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
March 29, 2018

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

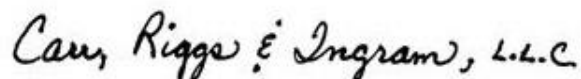
Honorable Mayor and Members of the City Commission
City of Treasure Island, Florida

We have examined City of Treasure Island, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
March 29, 2018

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