

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

**Fiscal Year Ended
September 30, 2019**



Prepared by the Department of Finance

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

CITY COMMISSION

Lawrence Lunn, Mayor

Deborah Toth, District 1

Saleene Partridge, District 3

Tyler Payne, District 2

Heidi Horak, District 4

**CITY MANAGER
Garry Brumback**

**ASSISTANT CITY MANAGER/FINANCE DIRECTOR
Amy L. Davis**

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I. INTRODUCTORY SECTION

This section contains the following:

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS

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City of
Treasure Island

Florida 33706
Incorporated 1955

120 - 108th Avenue

Phone (727) 547-4575

Fax (727) 547-4584

March 31, 2020

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 ending September 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City on a Government-wide and a Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

The City of Treasure Island was incorporated in 1955. The City is located on the west coast of Florida in the Tampa Bay Region on the Gulf of Mexico. The City provides a full range of city services. These services include police, fire and emergency medical services; sanitation collection; the construction and maintenance of bridges, streets, a wastewater collection system, a stormwater management system, 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 in 2008 caused major reductions in real estate values resulting in a cumulative decline of 38% in the City's tax base. This resulted in significant property tax revenue declines and negatively impacted other city revenues. In FY 2019, the tax base has for the most part recovered to the pre-recession levels, reflecting 99.8% of the value it was 11 years earlier 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 stable economy combined with 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 has been steadily increasing year over year for the past several years and the City's building activity continues to be strong. These indicators allow for an optimistic view of the future, however, with the recent current events related to the COVID-19 outbreak at the time of writing this memo, economic uncertainty is now present. During FY 2019, while the economy was growing there have been some interest rate decreases to control the growth, however, short-term interest rates have just recently been reduced further to protect the economy spirally into a recession. Since we are currently in the early phases of this health pandemic, it is very hard to project the future economic outlook and whether this event will have lasting impact on the economy.

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the General Fund had a decrease of \$268,297 and is 26% of expenditures for FY2019. The overall fund balance in the General Fund had a decline of \$441,862 due to the transfer of remaining restricted funds (\$1,477,702) from the Building Division to establish a separate special revenue fund beginning in FY 2019. The small decline in the undesignated fund balance was projected and is largely due to the continued capital investments combined with a portion of the fund balance set aside for an early payoff of the 2011 loan for the rebuilding of the Palms and Capri bridges. This percentage of unassigned fund balance is just over the target set by the Commission for a fund balance of between 15 to 25%. Having sufficient unassigned General Fund fund balance is essential to protect the City from unanticipated events, such as a revenue short-fall or an emergency event. In the case of an emergency weather event 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 of a year or longer to receive reimbursement. Additionally, it is important that a smaller city maintain a healthy fund balance within the General Fund to protect itself from any unexpected revenue shortfalls or unanticipated expenses such as may occur with any emergency event or significant legislative changes.

Since FY 2014, the City was able to accumulate a dedicated portion of fund balance within the General Fund through an increase in the property tax rate towards the Treasure Island Causeway Bridge. As of FY 2019 the property tax rate was increased by an additional .10 mil to increase this dedicated portion of the property tax revenue to .20 mils. Additionally, the Commission adopted an ordinance that committed this portion of the property tax exclusively to be used to support the Treasure Island Causeway and Bridge. The City Commission should be commended for such taking action to increase the dedicated funding; however we recognize that this funding is not at a level to provide adequate resources necessary to maintain the bridge long-term. During the budget process the City discussed a five-year plan to increase the property tax rate by .10 mil annually for the next four years to provide for .50 mil committed portion of the property tax revenue to support the bridge. This level of funding is believed to be adequate to support the major capital projects, but will not be sufficient to fund the eventual replacement of the bridge.

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 to focus on maintaining City infrastructure such as city-wide repaving of roads, replacement of the lighting on the Causeway, pursuing a property purchase to serve as a City Hall and Community Room, and vehicle/equipment replacements. The Gulf Boulevard Undergrounding and Beautification project is nearing completion continuing through the first quarter of FY 2020.

On-going investments in the City's utility systems continued in the Sewer Collection program with the refurbishment of Lift Stations and the relining of sewer pipes to help mitigate inflow and infiltration of rain and sea water. The Sanitation program has completed the replacement of all of the sanitation trucks, which was done over a three-year period.

Stormwater improvements leading to flood protection in partnership with the Southwest Florida Water Management District (SWFWMD) were completed. The City began engineering for future Street-End Improvements to enhance drainage and for the rehabilitation and/or replacement of the City's seawalls.

Significant investments will continue into FY 2020 to include the anticipated closing on the purchase of property to serve as a new City Hall, the completion of the Gulf Boulevard Undergrounding and Beautification project, the East Causeway Roadway and Drainage Improvements (\$1.2M state grant), roadway resurfacing, sewer main relining, street-end drainage improvements, and the rehab/replacement of the City's curbing and seawalls.

The daily operations of the Treasure Island Causeway continues to be funded within the City's General Fund. The City will continue moving towards a long-term financial plan for the Treasure Island Causeway to ensure that bridge preservation requirements and significant capital rehabilitation projects are identified and funded.

FINANCIAL INFORMATION

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

Accounting and Budgetary System: The City has a fully integrated accounting and budgetary system, which provides for 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 53. Budget to actual comparisons are presented for the General fund and all major special revenue funds. Finally, the Combining Statements provide further detail for the funds that were classified as "non-major" in the Basic Financial Statements.

CHARTER REQUIREMENTS AND INDEPENDENT AUDIT

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Treasure Island for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018. 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-seven consecutive years (fiscal years ended 1981-2018). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

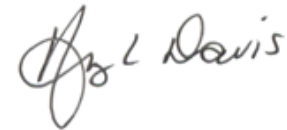
ACKNOWLEDGMENTS

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, responsive and forward-looking manner.

Respectfully submitted,

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

Garry Brumback
City Manager

A handwritten signature in black ink, appearing to read "Amy L. Davis", written in a cursive style.

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



Government Finance Officers Association

**Certificate of
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Presented to

**City of Treasure Island
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

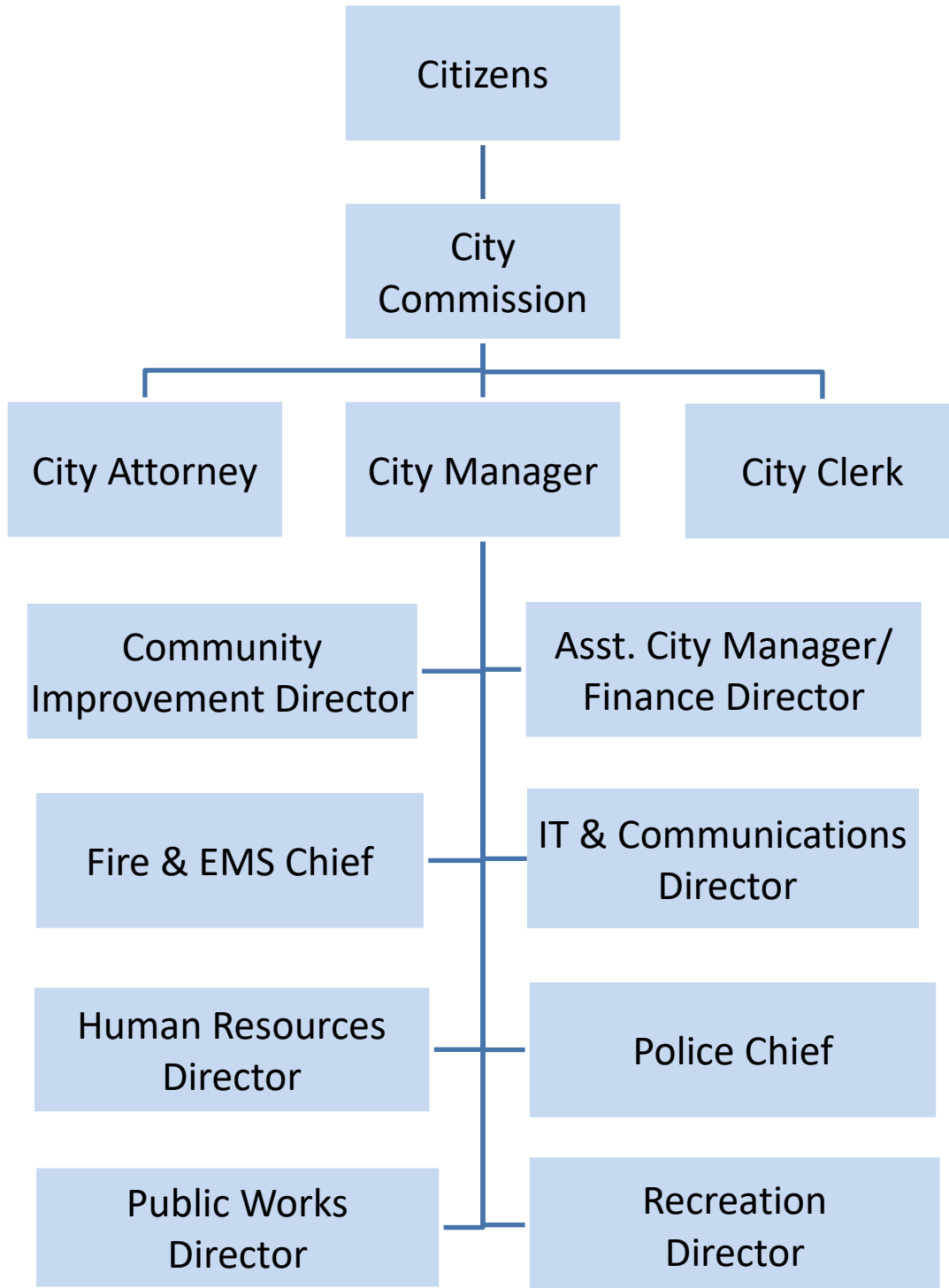
September 30, 2018

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, 2019

Elected Officials

Mayor	Lawrence Lunn
Commissioner, District 1	Deborah Toth
Commissioner, District 2	Tyler Payne
Commissioner, District 3	Saleene Patridge
Commissioner, District 4	Heidi Horak

Appointed Officials

City Manager	Garry Brumback
City Attorney	Jennifer Cowan
City Clerk	Ruth Nickerson
Community Improvement	Paula Cohen
Asst. City Manager/Finance Director	Amy Davis
Fire & EMS Chief	William "Trip" Barrs
Police Chief	Armand Boudreau
IT & Communication Director	Mark Santos
Human Resources Director	Tiffany Makras
Public Works Director	Mike Helfrich
Recreation Director	Cathy Hayduke

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II. FINANCIAL SECTION

This section contains the following subsections:

INDEPENDENT AUDITORS' 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, 2019, 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. 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, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Local Option Sales Tax Fund and the Building 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

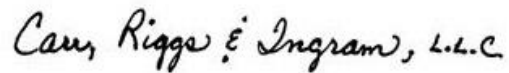
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Treasure Island, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section 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 31, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
March 31, 2020

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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, 2019. We encourage readers to consider the information presented here in conjunction with additional information in the letter of transmittal, which can be found on pages 3 - 8 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the current fiscal year by \$78,541,255 (*net position*). Of this amount, \$6,594,977 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total assets of the City equal \$89,839,310 and total liabilities are \$13,262,048 as of the close of the current fiscal year.
- Deferred outflows are \$2,585,818 and deferred inflows are \$621,825 as of the close of the current fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,960,866. \$3,168,378 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 \$3,168,378, or 26.3 percent of total general fund expenditures and 24.3 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 55 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, 2019.

The government-wide financial statements can be found on pages 39 – 41 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 seven 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 Building Fund, which are considered to be major funds. Data from the other three governmental funds (County Gas Tax, Capital Project, 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 42 – 45 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 49 – 51 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 55 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 95 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 \$78,541,255 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	
	2019	2018	2019	2018
Current and other assets	\$ 10,554,909	\$ 9,235,037	\$ 6,786,991	\$ 6,752,626
Capital assets	60,957,261	61,989,814	11,540,149	11,131,919
Total assets	71,512,170	71,224,851	18,327,140	17,884,545
Deferred outflows of resources	2,563,786	2,704,996	22,032	29,968
Liabilities:				
Long-term	10,814,916	10,617,556	1,486,113	1,542,625
Other liabilities	594,043	606,901	366,976	725,720
Total liabilities	11,408,959	11,224,457	1,853,089	2,268,345
Deferred inflows of resources	619,272	859,207	2,553	1,974
Net position:				
Net investment in capital assets	58,239,009	58,441,065	10,241,415	9,762,309
Restricted	3,465,854	3,168,963	-	-
Unrestricted	342,862	236,155	6,252,115	5,881,885
Total net position	\$ 62,047,725	\$ 61,846,183	\$ 16,493,530	\$ 15,644,194

Please refer to the *Statement of Net position* on page 39 for specific numerical data.

Governmental activities. The City's net position for Governmental Activities increased from the prior year, with an increase of \$201,542. This increase in net position was achieved by increasing current assets combined with a smaller increase in liabilities. Revenues exceeded expenses allowing for an increase in the net position.

Business-type activities. Business-type activities increased the City’s net position by \$849,336. Key elements of this increase is the maintenance of current assets as well as the significant investments in wastewater lift station(s) rehabilitation, sanitation truck replacements and stormwater improvements. These significant capital projects increase the City’s capital assets, along with a reduction in liabilities result in a larger net position. Revenues exceeded expenses allowing for an increase in the net position.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,593,314	\$ 4,180,311	\$ 7,618,696	\$ 7,284,704	\$ 12,212,010	\$ 11,465,015
Operating grants and contributions	31,261	2,680	-	-	31,261	2,680
Capital grants and contributions	343,899	827,371	47,008	315,015	390,907	1,142,386
General revenues:						
Ad Valorem taxes	6,148,249	5,584,737	-	-	6,148,249	5,584,737
Other taxes	2,865,538	2,764,586	-	-	2,865,538	2,764,586
Other general revenues	1,299,535	2,046,314	79,061	189,068	1,378,596	2,235,382
Total revenues	<u>15,281,796</u>	<u>15,405,999</u>	<u>7,744,765</u>	<u>7,788,787</u>	<u>23,026,561</u>	<u>23,194,786</u>
Expenses:						
General government	4,105,708	3,545,736	-	-	4,105,708	3,545,736
Public safety	6,551,349	5,200,712	-	-	6,551,349	5,200,712
Public works	2,437,780	2,483,434	-	-	2,437,780	2,483,434
Culture and recreation	1,890,558	1,765,960	-	-	1,890,558	1,765,960
Interest on long-term debt	94,859	109,630	-	-	94,859	109,630
Water pollution Control	-	-	3,929,700	3,295,676	3,929,700	3,295,676
Solid waste	-	-	2,311,942	2,047,546	2,311,942	2,047,546
Stormwater management	-	-	653,787	536,963	653,787	536,963
Total Expenses	<u>15,080,254</u>	<u>13,105,473</u>	<u>6,895,429</u>	<u>5,880,185</u>	<u>21,975,683</u>	<u>18,985,658</u>
Change in net position	201,542	2,300,526	849,336	1,908,602	1,050,878	4,209,128
Net position:						
Beginning of year	<u>61,846,183</u>	<u>59,545,657</u>	<u>15,644,194</u>	<u>13,735,592</u>	<u>77,490,377</u>	<u>73,281,249</u>
End of year	<u>\$ 62,047,725</u>	<u>\$ 61,846,183</u>	<u>\$ 16,493,530</u>	<u>\$ 15,644,194</u>	<u>\$ 78,541,255</u>	<u>\$ 77,490,377</u>

Please refer to the *Statement of Activities* on pages 40 – 41 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 \$13,676,390. With supplemental appropriations included, the General Fund's final budget was \$14,881,435 and can be briefly summarized as follows:

Actual General Fund revenues including sale of capital assets are \$13,046,923 and actual expenditures are \$12,046,495. While the revenues exceeding expenditures would typically result in an overall increase to the fund balance. During FY 2019, a transfer of funds of \$1,477,702 was made from the General Fund to establish the Building Fund, a special revenue fund. These funds were previously part of the restricted General Fund Building fund balance, however, during FY 2019 the building program activity was isolated by establishing a special revenue fund. The impact of the transfer out of monies caused the overall fund balance for the General Fund to be reduced. However, the reduction was offset by the higher revenues versus expenditures, as a result the reduction to the fund balance was \$441,862.

Please refer to the *Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund* on page 46 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 \$9,960,866, an increase of \$1,332,731 in comparison with the prior year. \$3,465,854 of this balance constitutes *restricted fund balance*, which is restricted for capital or infrastructure projects and for the City's Building program for the enforcement of the Florida Building Code funded within Special Revenue Funds. The *committed fund balance* of \$592,289 is for supporting the Treasure Island Causeway and Bridge and \$2,728,933 is *assigned* for beach improvements, facilities renewal and replacement, encumbrances, carryforwards and donations received for specific purposes. The *unassigned fund balance* of \$3,168,378 is available for spending at the government's discretion, while the remainder of the fund balance \$5,352 is *nonspendable* for inventory.

The General Fund is the primary operating fund of the City to provide services. At the end of FY2019 the unassigned fund balance of the General Fund was \$3,168,378, while total fund balance was \$6,495,012. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 26.3 percent of total General Fund expenditures, while total fund balance represents 53.9 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.

Revenues:

Ad Valorem Taxes	\$ 6,148,249	
Other Taxes	1,917,360	
Licenses and Permits	286,264	
Intergovernmental	1,011,254	
Charges for Services	3,293,312	
Fines and Forfeitures	178,611	
Investment Earnings	131,331	
Contributions and Donations	622	
Miscellaneous Revenues	<u>79,920</u>	
Total Revenues		13,046,923

Expenditures:

General Government	2,805,419	
Public Safety	4,619,613	
Public Works	2,116,723	
Culture and Recreation	1,717,157	
Debt Service:		
Principal Retirement	261,451	
Interest	75,337	
Capital outlay	<u>450,795</u>	
Total Expenditures		12,046,495

Other Financing Sources (Uses):

Transfer In	2,057	
Transfers Out	(1,477,702)	
Sale of Capital Assets	<u>33,355</u>	
Total Other Financing Sources (Uses)		<u>(1,442,290)</u>
Net Change in Fund Balance		(441,862)
Fund Balance - Beginning		<u>6,936,874</u>
Fund Balance - Ending		<u><u>\$ 6,495,012</u></u>

Key factors in this change are as follows:

- The restricted fund balance for enforcing the Florida Building Code of \$1,477,702 was transferred out of the General Fund for the establishment of a new Building Fund to isolate the revenues and expenditure associated with this program.
- The transfer to establish the Building Fund was partially off-set by the difference between revenues and expenditures which was nearly \$1,000,000, which went towards:
 - a \$93,878 increase to the dedicated funding for the Treasure Island Causeway and Bridge and was designated as *committed fund balance*
 - a \$379,853 increase in the *assigned fund balance* for the Facilities Renewal and Replacement
 - \$406,000 in *assigned fund balance* to save for an expedited loan repayment
 - \$195,090 increase to the *assigned fund balance* for the project carried-forwards and encumbrances that were appended to the next year’s budget

The Local Option Sales Tax Fund has a total fund balance of \$1,413,489 which is an increase from the prior year due to revenues exceeding expenditures. The newly established Building Fund has a total fund balance of \$1,421,925, slightly less than the transfer from the previously restricted portion of the General Fund balance used for establishment of the Building Fund.

The remaining Non-Major Governmental Funds, consist of the County Gas Tax, the Capital Improvement Fund, Transportation and Police Forfeiture Funds in total had little change in the fund balance, with a small decrease of \$86,468. The decrease is largely due to the addition of the Capital Projects Fund being categories as a non-major fund as of FY 2019, as this fund is being drawn to a close in FY 2020 due to project completion.

Please refer to the *Balance Sheet – Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* on pages 42 & 44 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	\$ 4,384,406	\$ 2,118,331	\$ 1,119,167	\$ 7,621,904
Operating Expenses	3,903,889	2,311,942	653,787	6,869,618
Operating Income (Loss)	480,517	(193,611)	465,380	752,286
Nonoperating Revenues	65,904	(12,841)	22,790	75,853
Nonoperating Expenses	(25,811)	-	-	(25,811)
Income before capital contributions	520,610	(206,452)	488,170	802,328
Capital contributions	-	4,975	42,033	47,008
Change in net position	520,610	(201,477)	530,203	849,336
Total Beginning Net Position as Restated	8,482,962	2,399,155	4,762,077	15,644,194
Total Ending Net Position	<u>\$ 9,003,572</u>	<u>\$ 2,197,678</u>	<u>\$ 5,292,280</u>	<u>\$ 16,493,530</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, 2019 amounts to \$68,480,424 (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 68 – 69 of this report.

Long-term debt. The City has three existing loan agreements, two loans with the Florida Department of Environmental Protection Clean Water State Revolving Fund for principal amounts of \$517,612 and \$1,056,884; and with BB&T for the Palm & Capri Bridges for \$4,024,407. Information on these loan agreements can be found as part of NOTE 2 in the Notes to the Financial Statements on pages 70 – 72.

A loan with Hancock Bank to provide funding for the Gulf Boulevard Undergrounding and Beautification Project for the original principal amount of \$1,810,000 was paid in full during FY 2019, thereby reducing the number of active loan agreements from four to three. The project was a partnership through the Big-C, between several beach communities and Pinellas County for use of the County’s Penny for Pinellas funds to beautify Gulf Boulevard. The Hancock loan was used to provide the City with cash to move forward with the project and then subsequently submit to Pinellas County for repayment through the use of the County’s Penny for Pinellas funds.

Economic Factors and Next Year’s Budgets & Rates

Treasure Island has been able to enjoy a stable and growing economy with most revenue streams increasing or remaining flat. The City’s tax base experienced an (6.83%) increase during the fiscal year and has finally regained the value lost over a five-year period beginning in 2008, at the start of the housing decline. This experience has caused the City to look to other revenue streams to diversify and increase revenues. As a result, the City has formalized and expanded metered public parking with new parking meter infrastructure and continual parking lot and signage improvements. Parking revenue has grown significantly over the past few years allowing the City to rely less on property taxes to fund operations. However, there is still not enough resources to address all of the City’s infrastructure needs, including maintaining the Treasure Island Causeway and Bridges. Revenues and expenditures are carefully evaluated annually to plan and program investments to protect the City’s assets.

City Tourism continued to increase during FY 2019 helping 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 Departments, City Manager and City Commission can use to follow the actual performance of revenue and expenditure estimates. At the end of July, an analysis of the budget estimates versus the actual expenditures is performed to assess the need for any supplemental appropriations. If necessary, the City Commission may consider passing a supplemental appropriations resolution prior to the end of the fiscal year.

The City continues to monitor the financial status and current performance in all its funds. A Wastewater rate increase to cover the increase to the bulk sewer rate charged to Treasure Island by the City of St. Petersburg for sewer treatment was implemented as of December 2018. This rate referred to as the pass-through-rate ensures the City recovers the cost of sewer treatment from usage by customers. The bulk sewer rate charged by the City of St. Petersburg for FY 2019 had a significant increase of an average of 10% between the two volumetric rate blocks for two major reasons. First, the City of St. Petersburg is making significant investments to the sewer system to increase its capacity for sewer treatment and second, they have a five-year goal to reduce their debt-financed capital projects to 50%, thereby causing less smoothing of significant capital expenditures.

A Recycling rate increase of 4% was implemented as of December 2018 to cover the cost of providing recycling, which is provided to residents by contracting with two vendors. A 10% Stormwater rate was also implemented as of December 2018 to continue to build up this fund to support the required infrastructure improvements to the stormwater management system.

Lastly, the City is pursuing the purchase of property with an office building that would be used as a new City Hall and Community Room. The City has entered into a purchase agreement with the sellers and will finance the purchase with a non-advalorem, tax-exempt note for \$8,000,000. The closing of the property will take place in FY 2020.

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
Year ended September 30, 2019

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 9,922,526	\$ 5,480,062	\$ 15,402,588
Receivables	627,030	1,306,929	1,933,959
Prepaid items	984	-	984
Inventory	4,369	-	4,369
Capital assets (net of accumulated depreciation)			
Land	4,480,641	13,885	4,494,526
Buildings	1,583,594	-	1,583,594
Improvements	65,687,779	17,172,967	82,860,746
Machinery and equipment	3,175,552	3,347,094	6,522,646
Capitalized leases	419,929	2,075,614	2,495,543
Construction in Progress	4,333,977	286,548	4,620,525
Accumulated depreciation	(18,724,211)	(11,355,959)	(30,080,170)
Total assets	71,512,170	18,327,140	89,839,310
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	2,469,870	-	2,469,870
Deferred outflows for OPEB	93,916	22,032	115,948
Total deferred outflows of resources	2,563,786	22,032	2,585,818
LIABILITIES			
Accounts payable	371,248	347,427	718,675
Accrued liabilities	222,795	19,549	242,344
Noncurrent liabilities:			
Due within one year	634,753	109,151	743,904
Due in more than one year	10,180,163	1,376,962	11,557,125
Total liabilities	11,408,959	1,853,089	13,262,048
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pensions	608,394	-	608,394
Deferred inflows for OPEB	10,878	2,553	13,431
Total deferred inflows of resources	619,272	2,553	621,825
NET POSITION			
Net investment in capital assets	58,239,009	10,241,415	68,480,424
Restricted:			
Building division	1,421,925	-	1,421,925
Infrastructure improvements	1,413,489	-	1,413,489
Capital projects	39,585	-	39,585
Road improvements	590,855	-	590,855
Unrestricted	342,862	6,252,115	6,594,977
Total net position	\$ 62,047,725	\$ 16,493,530	\$ 78,541,255

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

City of Treasure Island, Florida
Statement of Activities
Year ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,105,708	1,324,774	\$ -	\$ -
Public Safety	6,551,349	1,725,603	6,261	-
Public Works	2,437,780	952,320	-	343,899
Culture and recreation	1,890,558	590,617	25,000	-
Interest on long-term debt	94,859	-	-	-
Total governmental activities	15,080,254	4,593,314	31,261	343,899
Business-type activities:				
Wastewater	3,929,700	4,384,406	-	-
Solid Waste	2,311,942	2,115,123	-	4,975
Stormwater Management	653,787	1,119,167	-	42,033
Total business-type activities	6,895,429	7,618,696	-	47,008
Total primary government	\$ 21,975,683	\$ 12,212,010	\$ 31,261	\$ 390,907

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, 2019

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	
\$ (2,780,934)	\$ -	\$	(2,780,934)
(4,819,485)	-		(4,819,485)
(1,141,561)	-		(1,141,561)
(1,274,941)	-		(1,274,941)
(94,859)	-		(94,859)
(10,111,780)	-		(10,111,780)
-	454,706		454,706
-	(191,844)		(191,844)
-	507,413		507,413
-	770,275		770,275
\$ (10,111,780)	\$ 770,275	\$	(9,341,505)
\$ 6,148,249	\$ -	\$	6,148,249
1,149,525	-		1,149,525
767,835	3,208		771,043
197,161	-		197,161
305,664	-		305,664
451,105	-		451,105
95,042	-		95,042
838,139	-		838,139
26,063	-		26,063
198,010	95,552		293,562
136,529	(19,699)		116,830
10,313,322	79,061		10,392,383
201,542	849,336		1,050,878
61,846,183	15,644,194		77,490,377
\$ 62,047,725	\$ 16,493,530	\$	78,541,255

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

City of Treasure Island, Florida
Balance Sheet
Governmental Funds
September 30, 2019

	Major Governmental Funds			Non Major Governmental Funds	Total Governmental Funds
	General	Local Option Sales Tax	Building		
ASSETS					
Cash and cash equivalents	\$ 6,660,169	\$ 1,214,870	1,480,111	\$ 567,376	\$ 9,922,526
Receivables					
Taxes:					
Utility	150,414	-	-	-	150,414
Franchise Fees	79,862	-	-	-	79,862
Accounts	42,393	-	-	-	42,393
Intergovernmental:					
State	70,240	198,619	-	83,705	352,564
County	1,797	-	-	-	1,797
Due from other funds	20,641	-	-	-	20,641
Prepaid items	984	-	-	-	984
Inventories	4,369	-	-	-	4,369
Total assets	\$ 7,030,869	\$ 1,413,489	\$ 1,480,111	\$ 651,081	\$ 10,575,550
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 322,057	\$ -	\$ 49,191	\$ -	\$ 371,248
Accrued liabilities	207,606	-	4,698	-	212,304
Due to other governments	6,194	-	4,297	-	10,491
Due to other funds	-	-	-	20,641	20,641
Total liabilities	535,857	-	58,186	20,641	614,684
FUND BALANCES:					
Nonspendable	5,352	-	-	-	5,352
Restricted	-	1,413,489	1,421,925	630,440	3,465,854
Committed	592,289	-	-	-	592,289
Assigned	2,728,993	-	-	-	2,728,993
Unassigned	3,168,378	-	-	-	3,168,378
Total fund balances	6,495,012	1,413,489	1,421,925	630,440	9,960,866
Total liabilities and fund balances	\$ 7,030,869	\$ 1,413,489	\$ 1,480,111	\$ 651,081	\$ 10,575,550

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, 2019**

Fund balances - total governmental funds.	\$	9,960,866
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.		60,957,261
Long term debt not due and payable in current period and, therefore; not reported the in governmental funds.		(2,718,252)
Some liabilities, compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(827,966)
The net pension liability is not due and payable in the current period and, therefore, not reported in the governmental funds.		(6,967,452)
The total OPEB liability is not due and payable in the current period and, therefore, not reported in the governmental funds.		(301,246)
Deferred outflows and inflows of resources related to pension and OPEB are applicable to future periods and, therefore, are not reported in governmental funds.		
Deferred outflows of resources for pensions		2,469,870
Deferred outflows of resources for OPEB		93,916
Deferred inflows of resources for pensions		(608,394)
Deferred inflows of resources for OPEB		(10,878)
Net position of governmental activities	\$	62,047,725

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, 2019

	Major Governmental Funds			Non Major Governmental Funds	Total Governmental Funds
	General	Local Option Sales Tax	Building		
REVENUES					
Taxes:					
Ad Valorem Taxes	\$ 6,148,249	\$ -	\$ -	\$ -	6,148,249
Franchise Fees	767,835	-	-	-	767,835
Utility Services Taxes	1,149,525	-	-	-	1,149,525
Business Fees and Permits	286,264	-	-	-	286,264
Intergovernmental	1,011,254	838,139	-	438,941	2,288,334
Charges for Services	3,293,312	-	835,127	-	4,128,439
Fines and Forfeitures	178,611	-	-	318	178,929
Investment Earnings	131,331	19,770	28,338	18,573	198,012
Contributions and Donations	622	-	-	-	622
Miscellaneous Revenues	79,920	25,000	-	-	104,920
Total Revenues	13,046,923	882,909	863,465	457,832	15,251,129
EXPENDITURES					
Current:					
General Government	2,805,419	-	-	-	2,805,419
Public Safety	4,619,613	-	888,245	-	5,507,858
Public Works	2,116,723	-	-	-	2,116,723
Culture and Recreation	1,717,157	-	-	-	1,717,157
Debt Service:					
Principal Retirement	261,451	99,046	-	470,000	830,497
Interest	75,337	16,349	-	3,173	94,859
Capital Outlay	450,795	328,377	30,997	69,071	879,240
Total Expenditures	12,046,495	443,772	919,242	542,244	13,951,753
Excess (deficiency) of revenues over expenditures	1,000,428	439,137	(55,777)	(84,412)	1,299,376
Other Financing Sources (Uses)					
Transfers In	2,057	-	1,477,702	-	1,479,759
Transfers Out	(1,477,702)	-	-	(2,057)	(1,479,759)
Sale of capital assets	33,355	-	-	-	33,355
Total other financing sources (uses)	(1,442,290)	-	1,477,702	(2,057)	33,355
Net Change in Fund Balances	(441,862)	439,137	1,421,925	(86,469)	1,332,731
Fund Balances - Beginning	6,936,874	974,352	-	716,909	8,628,135
Fund Balances - Ending	\$ 6,495,012	\$ 1,413,489	\$ 1,421,925	\$ 630,440	\$ 9,960,866

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, 2019

Net change in fund balances - total governmental funds	\$	1,332,731
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.		830,497
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, (\$1,817,286), exceeded capital additions, (\$787,420), in the current period.		(1,029,866)
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.		62
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		601,002
Costs of benefits earned net of employee contributions		(1,488,289)
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.		(2,687)
In the government-wide financial statements, the City reports changes in total OPEB liability and related deferred outflows and inflows; however, this is not reported in the governmental funds:		
City OPEB benefit payment		(21,751)
Changes in total OPEB liability		(20,157)
<hr/>		
Change in net position of governmental activities	\$	201,542

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes	\$ 6,185,191	\$ 6,185,191	\$ 6,148,249	\$ (36,942)
Franchise Fees	694,000	694,000	767,835	73,835
Utility Services Taxes	1,078,000	1,078,000	1,149,525	71,525
Licenses and Permits	142,100	142,100	286,264	144,164
Intergovernmental	2,442,600	2,442,600	1,011,254	(1,431,346)
Charges for Services	3,406,840	3,406,840	3,293,312	(113,528)
Fines and Forfeitures	145,000	145,000	178,611	33,611
Investment Earnings	120,000	120,000	131,331	11,331
Contributions and Donations	-	-	622	622
Miscellaneous Revenues	10,000	10,000	79,920	69,920
Total Revenues	14,223,731	14,223,731	13,046,923	(1,176,808)
EXPENDITURES				
Current:				
General Government	2,659,224	3,144,914	2,805,419	339,495
Public Safety	4,667,625	4,679,782	4,619,613	60,169
Public Works	2,375,188	2,862,192	2,116,723	745,469
Culture and Recreation	1,753,724	1,748,155	1,717,157	30,998
Debt Service:				
Principal Retirement	261,451	261,451	261,451	-
Interest	75,337	75,337	75,337	-
Capital outlay:				
General Government	67,890	106,000	8,899	97,101
Public Safety	-	26,048	156	25,892
Public Works	1,785,950	1,947,556	411,740	1,535,816
Culture and Recreation	30,000	30,000	30,000	-
Total Expenditures	13,676,390	14,881,435	12,046,495	2,834,940
Excess (deficiency) of revenues over expenditures	547,341	(657,704)	1,000,428	1,658,132
Other Financing Sources (Uses)				
Transfers In	-	-	2,057	2,057
Transfers Out	(1,565,211)	(1,565,211)	(1,477,702)	87,509
Sale of capital assets	5,000	5,000	33,355	28,355
Total other financing sources (uses)	(1,560,211)	(1,560,211)	(1,442,290)	117,921
Net change in fund balances	(1,012,870)	(2,217,915)	(441,862)	1,776,053
Fund Balance - Beginning	6,936,874	6,936,874	6,936,874	-
Fund Balance - Ending	\$ 5,924,004	\$ 4,718,959	\$ 6,495,012	\$ 1,776,053

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Sales Tax	\$ 824,000	\$ 824,000	\$ 838,139	\$ 14,139
Investment Earnings	10,000	10,000	19,770	9,770
Miscellaneous Revenues	-	-	25,000	25,000
<hr/>				
Total Revenues	834,000	834,000	882,909	48,909
<hr/>				
EXPENDITURES				
Capital Outlay:				
General Government	391,400	969,136	38,848	930,288
Public Safety	200,000	193,187	179,580	13,607
Public Works	-	-	-	-
Culture and Recreation	109,900	172,927	109,949	62,978
Debt Service:				
Principal Retirement	115,396	99,047	99,046	1
Interest	-	16,349	16,349	-
<hr/>				
Total Expenditures	816,696	1,450,646	443,772	1,006,874
<hr/>				
Excess of revenues over expenditures	17,304	(616,646)	439,137	1,055,783
<hr/>				
Other Financing Sources (Uses)				
Sale of capital assets	5,000	5,000	-	(5,000)
<hr/>				
Total other financing sources (uses)	5,000	5,000	-	(5,000)
<hr/>				
Net change in fund balances	22,304	(611,646)	439,137	1,050,783
Fund Balance - Beginning	974,352	974,352	974,352	-
<hr/>				
Fund Balance - Ending	\$ 996,656	\$ 362,706	\$ 1,413,489	\$ 1,050,783

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 – Building Fund
Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 652,500	\$ 652,500	\$ 835,127	\$ 182,627
Investment Earnings	20,000	20,000	28,338	8,338
Total Revenues	672,500	672,500	863,465	190,965
EXPENDITURES				
Current:				
Public Safety	794,471	915,236	888,245	26,991
Capital Outlay:				
Public Safety	20,565	51,000	30,997	20,003
Total Expenditures	815,036	966,236	919,242	46,994
Excess (deficiency) of revenues over (under) expenditures	(142,536)	(293,736)	(55,777)	237,959
Other Financing Sources (Uses)				
Transfers In	1,565,211	1,565,211	1,477,702	(87,509)
Total other financing sources (uses)	1,565,211	1,565,211	1,477,702	(87,509)
Net change in fund balances	1,422,675	1,271,475	1,421,925	(150,450)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ 1,422,675	\$ 1,271,475	\$ 1,421,925	\$ (150,450)

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

City of Treasure Island, Florida
Statement of Net Position -
Proprietary Funds
September 30, 2019

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Wastewater	Solid Waste	Stormwater Management	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 3,436,416	\$ 858,040	\$ 1,185,606	\$ 5,480,062
Receivables:				
Accounts receivable	693,312	380,732	190,852	1,264,896
Due from other governments - State	-	-	42,033	42,033
Total current assets	4,129,728	1,238,772	1,418,491	6,786,991
Noncurrent Assets:				
Capital assets:				
Land	13,885	-	-	13,885
Improvements	12,738,561	-	4,434,406	17,172,967
Machinery and equipment	1,197,152	1,791,073	358,869	3,347,094
Capitalized leases-treatment plant	2,075,614	-	-	2,075,614
Construction in progress	99,277	98,635	88,636	286,548
Less accumulated depreciation	(9,632,283)	(745,479)	(978,197)	(11,355,959)
Total capital assets (net of accumulated depreciation)	6,492,206	1,144,229	3,903,714	11,540,149
Total noncurrent assets	6,492,206	1,144,229	3,903,714	11,540,149
Total assets	\$ 10,621,934	\$ 2,383,001	\$ 5,322,205	\$ 18,327,140
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for OPEB	\$ 8,517	\$ 10,740	\$ 2,775	\$ 22,032
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued expenses	\$ 272,337	\$ 70,228	\$ 4,862	\$ 347,427
State Revolving Loan Fund	72,260	-	-	72,260
Accrued compensated absences	6,033	25,739	5,119	36,891
Accrued interest SRF	4,052	-	-	4,052
Accrued wages payable	4,106	9,053	2,338	15,497
Total current liabilities	358,788	105,020	12,319	476,127
Noncurrent liabilities:				
State Revolving Loan Fund	1,226,474	-	-	1,226,474
Accrued compensated absences	13,310	55,350	11,157	79,817
Total OPEB liability	27,320	34,449	8,902	70,671
Total noncurrent liabilities	1,267,104	89,799	20,059	1,376,962
Total liabilities	\$ 1,625,892	\$ 194,819	\$ 32,378	\$ 1,853,089
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources for OPEB	\$ 987	\$ 1,244	\$ 322	\$ 2,553
NET POSITION				
Net investment in capital assets	5,193,472	1,144,229	3,903,714	10,241,415
Unrestricted	3,810,100	1,053,449	1,388,566	6,252,115
Total net position	\$ 9,003,572	\$ 2,197,678	\$ 5,292,280	\$ 16,493,530

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
September 30, 2019

Business-type Activities - Enterprise Funds				
Major Enterprise Funds				
	Wastewater	Solid Waste	Stormwater Management	Total
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 3,208	\$ -	\$ 3,208
Charges for Services	4,384,406	2,115,123	1,119,167	7,618,696
Total operating revenues	4,384,406	2,118,331	1,119,167	7,621,904
OPERATING EXPENSES				
Personal Services	271,055	758,432	181,882	1,211,369
Contractual Services	2,915,886	993,376	224,000	4,133,262
Materials, Supplies, Repairs and Utilities	301,343	285,770	51,887	639,000
Depreciation	415,605	274,364	196,018	885,987
Total operating expense	3,903,889	2,311,942	653,787	6,869,618
Operating income (loss)	480,517	(193,611)	465,380	752,286
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	57,804	17,275	20,473	95,552
Interest and fees on bonds	(25,811)	-	-	(25,811)
Miscellaneous	8,100	(30,116)	2,317	(19,699)
Total nonoperating revenues (expenses)	40,093	(12,841)	22,790	50,042
Income (loss) before capital contributions	520,610	(206,452)	488,170	802,328
Capital contributions (Grants)	-	4,975	42,033	47,008
Change in net position	520,610	(201,477)	530,203	849,336
Net position - beginning	8,482,962	2,399,155	4,762,077	15,644,194
Net position - ending	\$ 9,003,572	\$ 2,197,678	\$ 5,292,280	\$ 16,493,530

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, 2019

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Wastewater	Solid Waste	Stormwater Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 4,428,935	\$ 2,132,407	\$ 1,255,080	\$ 7,816,422
Payments to suppliers	(3,160,339)	(1,509,545)	(461,848)	(5,131,732)
Payments to employees	(303,244)	(696,075)	(182,669)	(1,181,988)
Net cash provided by operating activities	965,352	(73,213)	610,563	1,502,702
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(820,625)	(256,976)	(321,787)	(1,399,388)
Grant proceeds	-	4,975	42,033	47,008
Loan proceeds	(70,876)	-	-	(70,876)
Other receipts (payments)	8,100	75,055	2,317	85,472
Interest paid on long-term debt	(25,811)	-	-	(25,811)
Net cash provided by (used in) capital and related financing activities	(909,212)	(176,946)	(277,437)	(1,363,595)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	57,804	17,275	20,473	95,552
Net cash provided by investing activities	57,804	17,275	20,473	95,552
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	113,944	(232,884)	353,599	234,659
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,322,472	1,090,924	832,007	5,245,403
END OF YEAR	\$ 3,436,416	\$ 858,040	\$ 1,185,606	\$ 5,480,062
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 480,517	\$ (193,611)	\$ 465,380	\$ 752,286
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	415,605	274,364	196,018	885,987
Change in assets and liabilities:				
(Increase) Decrease in prepaid items	3,110	1,333	1,333	5,776
(Increase) Decrease in accounts receivable	5,434	(11,176)	(10,350)	(16,092)
(Increase) Decrease in due from other governments	39,095	25,253	146,263	210,611
(Increase) Decrease in deferred outflows	3,068	3,868	1,000	7,936
Increase (Decrease) in accts payable	53,780	(231,733)	(187,294)	(365,247)
Increase (Decrease) in accrued salaries payable	2,200	3,426	876	6,502
Increase (Decrease) in accrued compensated absences	(38,191)	54,140	(2,903)	13,046
Increase (Decrease) in OPEB liability	510	642	166	1,318
Increase (Decrease) in deferred inflows	224	281	74	505
Total adjustments	484,835	120,398	145,183	750,416
Net cash provided by operating activities	\$ 965,352	\$ (73,213)	\$ 610,563	1,502,702

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

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**NOTES TO THE
FINANCIAL STATEMENTS**

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City of Treasure Island, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Reporting Entity

The City of Treasure Island is a municipal corporation created by the Laws of Florida, 1955-31322. An elected mayor and a four-member commission govern the City. As required by generally accepted accounting principles, these financial statements present the City of Treasure Island (the primary government). The City has no component units as of September 30, 2019.

Government-Wide and Fund Financial Statements

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

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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

City of Treasure Island, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

City of Treasure Island, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

The City reports the following proprietary funds:

Major:

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

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

Budgetary Information

Budgetary basis of accounting

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

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

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

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

Cash and cash equivalents

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments for the City are reported at amortized cost as all investments meet all of the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in external investment pools are equal to the value of the pooled shares.

Receivables and Payables

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

The City considers all receivables at September 30, 2019 to be collectible; accordingly, no allowance for doubtful accounts is required. If any amounts are subsequently determined to be uncollectible, they are considered immaterial to the financial statements and will be charged to operations when that determination is made.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories and Prepaid Items

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

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

Capital Assets

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

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

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

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

Deferred Outflows/Inflows of Resources

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to OPEB* and the *deferred inflows related to pensions* are an aggregate of items related to pensions, both reported in the government-wide statement of net assets and only deferred inflows related to OPEB is reported in the business-type activities statement of net position. The deferred inflows related to OPEB and pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and Section P54: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*. The deferred inflows related to OEPB and pensions will be recognized as a reduction to pension expense in future reporting years.

Compensated Absences

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

Long-term Obligations

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

Pensions

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Post-Employment Benefits (OPEB) Liability

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

Categories and Classification of Fund Equity

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

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

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

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

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

City of Treasure Island, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater Fund, Solid Waste Fund, Stormwater Management Fund are charges to customers for sales and services. The Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrances

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

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2020. See Note 4 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

NOTE 2: DETAILED NOTES ON ALL FUNDS

Cash Deposits

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments

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

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

As of September 30, 2019, the City's pension investments are held in street name in the form of stock, debt securities and U.S. government bonds through a financial brokerage firms segregated out from the assets and investments held by other clients of the investment firm and their own assets.

Interest Rate Risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The City manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The City limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure benchmarks.

Credit Risk – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The City has limited its credit risk by limiting investments to the safest types of securities, primarily government investment pools. The City's investment objectives are prioritized by safety, liquidity and yield. Time Deposits, including Certificates of Deposit, are collateralized under the State of Florida Qualified Public Depository Program, whereby member institutions are collectively responsible for any individual member's default.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (Continued)

Concentration risk – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The City’s investment policy does not address concentration risk.

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

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

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

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

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

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

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The City’s investments are carried at amortized cost as of September 30, 2019, are as follows:

	Amortized Cost	Weighted Average Maturity	Credit Rating
Florida Safe Investment Pool	\$ 11,003,661	281.59	AAAm

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

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2019 as follows:

	Balance 9/30/2018	Increases	Decreases	Balance 9/30/2019
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,480,641	\$ -	\$ -	\$ 4,480,641
Construction in progress	4,155,173	178,804	-	4,333,977
Total capital assets, not being depreciated	8,635,814	178,804	-	8,814,618
Capital assets, being depreciated				
Buildings	1,583,594	-	-	1,583,594
Building improvements	65,678,934	8,845	-	65,687,779
Machinery and equipment	3,257,162	599,771	(261,452)	3,595,481
Total capital assets, being depreciated	70,519,690	608,616	(261,452)	70,866,854
Less accumulated depreciation for:				
Buildings	(607,035)	(58,797)		(665,832)
Building improvements	(14,811,316)	(1,395,041)		(16,206,357)
Machinery and equipment	(1,747,339)	(363,448)	258,765	(1,852,022)
Total accumulated depreciation	(17,165,690)	(1,817,286)	258,765	(18,724,211)
Total capital assets being depreciated, net	53,354,000	(1,208,670)	(2,687)	52,142,643
Governmental activities capital assets, net	\$ 61,989,814	\$ (1,029,866)	\$ (2,687)	\$ 60,957,261

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

	Balance 9/30/2018	Increases	Decreases	Transfers	Balance 9/30/2019
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 13,885	\$ -	\$ -	\$ -	\$ 13,885
Construction in progress	131,869	308,086	-	(153,407)	439,955
Total capital assets, not being depreciated	145,754	308,086	-	(153,407)	453,840
Capital assets, being depreciated:					
Improvements other than buildings	18,365,314	729,861	-	-	19,095,175
Machinery and equipment	3,575,287	361,442	(589,635)	153,407	3,500,501
Total capital assets, being depreciated	21,940,601	1,091,303	(589,635)	153,407	22,595,676
Less accumulated depreciation for:					
Improvements other than buildings	(7,202,880)	(465,071)	-	-	(7,667,951)
Machinery and equipment	(3,751,556)	(420,916)	442,045	-	(3,730,427)
Total accumulated depreciation	(10,954,436)	(885,987)	442,045	-	(11,398,378)
Total capital assets being depreciated, net	10,986,165	205,316	(147,590)	153,407	11,197,298
Business-type activities capital assets, net	\$ 11,131,919	\$ 513,402	\$ (147,590)	\$ -	\$ 11,651,138

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

Governmental activities:	
General government	\$ 1,291,799
Public safety	136,825
Public works	220,509
Culture and recreation	168,153
<hr/>	
Total depreciation expense - governmental activities	\$ 1,817,286
<hr/>	
Business-type activities:	
Water pollution control	\$ 415,605
Solid waste	274,364
Stormwater management	196,018
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Total depreciation expense - business-type activities	\$ 885,987
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NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt

State Revolving Loan Fund

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

BB&T Loans

The City has a general obligation revenue bond outstanding, Series Note 2011A. The bond was issued in 2011 in order to construct capital improvements to the Isle of Palms and Isle of Capri bridges. The principal amount of the loan is \$4,024,407. Providing for the payment of this loan are the City's Public Service Tax Revenues and Communication Services Tax Revenues. Repayment for the aforementioned Series Note 2011A will be repaid over 15 years and the interest rate is 2.98%.

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 loan was repaid in eight semi-annual loan payments beginning May 2016 with an interest rate of 1.35%. This loan was paid in full during FY 2019.

Capital Lease

A fire truck was acquired through a capital lease for governmental activities in the amount of \$419,929 during fiscal year 2018. This lease was financed through U.S. Bankcorp Government Leasing and Finance Inc. for annual payments over a period of four years. The payment of this loan will be funded by local option sales tax revenues through the Penny for Pinellas fund.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Long-term liability activity for the fiscal year ended September 30, 2019 as follows:

	Balance 9/30/2019	Additions	Reductions	Balance 9/30/2019	Due within One Year
Governmental Activities:					
Total OPEB liability	\$ 295,624	\$ 5,622	\$ -	\$ 301,246	\$ -
BB&T Capri & Palms Bridges	2,658,820	-	(261,451)	2,397,369	269,360
Hancock Bank Gulf Blvd	470,000	-	(470,000)	-	-
Rev Financial Services, LLC	419,929	-	(99,046)	320,883	102,903
Net pension liability	5,945,155	1,022,297	-	6,967,452	14,100
Compensated absences	828,028	454,231	(454,293)	827,966	248,390
<hr/>					
Governmental activities long-term liabilities	\$ 10,617,556	\$ 1,482,150	\$ (1,284,790)	\$ 10,814,916	\$ 634,753
<hr/>					
Business-type Activities:					
Total OPEB liability	\$ 69,353	\$ 1,318	\$ -	\$ 70,671	\$ -
State Revolving loan - 53601P	867,996	-	(46,057)	821,939	47,272
State Revolving loan - 520810	501,615	-	(24,819)	476,796	24,988
Compensated absences	103,660	52,606	(39,559)	116,707	36,891
<hr/>					
Business-type activities long-term liabilities	\$ 1,542,624	\$ 53,924	\$ (110,435)	\$ 1,486,113	\$ 109,151

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
2020	\$ 269,360	\$ 67,428	\$ 336,788
2021	277,508	59,280	336,788
2022	285,903	50,885	336,788
2023	294,551	42,237	336,788
2024	303,462	33,326	336,788
2025 - 2027	966,585	43,779	1,010,364
	<u>\$ 2,397,369</u>	<u>\$ 296,934</u>	<u>\$ 2,694,303</u>

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

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

State Revolving Loan Fund - 53601P		Principal	Interest	Total
2020	\$	47,272	\$ 21,227	\$ 68,499
2021		48,518	19,981	68,499
2022		49,798	18,701	68,499
2023		51,111	17,388	68,499
2024		52,459	16,040	68,499
2025 - 2034		572,780	77,961	650,741
	\$	821,939	\$ 171,297	\$ 993,236

State Revolving Loan Fund - 520810		Principal	Interest	Total
2020	\$	24,988	\$ 3,200	\$ 28,188
2021		25,158	3,030	28,188
2022		25,330	2,858	28,188
2023		25,502	2,686	28,188
2024		25,676	2,512	28,188
2025 - 2037		350,143	16,299	366,442
	\$	476,796	\$ 30,584	\$ 507,381

Obligations under Capital Lease

Equipment was acquired through a capital lease for governmental activities in the amount of \$419,929. Future minimum capital lease payments and the present value of the minimum lease payments at September 30 are as follows:

Capital Lease		Principal	Interest	Total
2020	\$	102,903	\$ 12,493	\$ 115,396
2021		106,909	8,487	115,396
2022		111,071	4,324	115,395
	\$	320,883	\$ 25,304	\$ 346,187

NOTE 3: 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. The City does not participate in a risk pool and does not retain any of the risks of loss.

The parties City of Treasure Island, FL v. Tahitian Treasure Island, LLC, case or otherwise known as the Beach Law Suit

On September 21, 2018 the Sixth Judicial Circuit Court entered a Modified Final Summary Judgement – Declaratory Relief and Permanent Injunction awarding Plaintiffs their attorney’s fees. The parties entered into a Settlement Agreement resolving the hotel owners’ claims to attorneys’ fees on January 8, 2019 where the City paid the plaintiffs \$450,000.

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.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: OTHER INFORMATION (Continued)

Fund Balance Classification

General Fund	
Nonspendable:	
Inventories	\$ 4,368
Prepaid items	984
Total nonspendable	5,352
Committed	
.20 Mill for Bridge Renewal & Replacement	592,289
Assigned:	
Beach improvements	500,000
.10 mill for facilities renewal and replacement	878,264
Expedited loan repayment	406,000
City IT supplies and maintenance	27,000
City infrastructure improvements	728,346
Vehicle purchase	29,503
Professional services	151,570
Supplies	8,285
Donations for specific purpose	25
Total assigned	2,728,993
Unassigned	3,168,378
Total General Fund fund balance	\$ 6,495,012
 Local Option Sales Tax	
Restricted for infrastructure improvements	\$ 1,413,489
Total restricted	1,413,489
Total Local Option Sales Tax fund balance	\$ 1,413,489
 Building Fund	
Restricted for Building Division	\$ 1,383,782
Restricted for Contractual Services	13,140
Restricted for software	25,003
Total restricted	1,421,925
Total Building Fund fund balance	\$ 1,421,925
 Nonmajor Governmental Funds	
Restricted:	
Capital Projects, County Gas Tax, Police Forfeiture, Transportation Trust, and Transportation Improvements	\$ 630,440
TOTAL	\$ 9,960,866

NOTE 3: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans

The City participates in two pension programs: First, for qualified public safety employees, the City participates in the Florida Retirement System's defined benefit plans. For all other employees, the City has a defined contribution pension plan which consists of a 401(A) qualified plan. Employees contribute five (5) percent of their gross earnings and the City contributed eight (8) percent for the fiscal year ending September 30, 2019. The City makes these contributions to the Plan as a part of the regular weekly payroll process.

Defined Benefit Plans

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

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

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

NOTE 3: OTHER INFORMATION (Continued)

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, 2019, were as follows:

	FRS	HIS
Regular Class	6.81%	1.66%
Special Risk Class	23.82%	1.66%
Senior Management Service Class	23.75%	1.66%
Elected Officials	47.16%	1.66%
DROP	12.94%	1.66%

The employer's contributions for the year ended September 30, 2019, were \$559,529 to the FRS and \$41,473 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2019, 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, 2019. 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 3: OTHER INFORMATION (Continued)

Pension Liabilities and Pension Expense (Continued)

	FRS	HIS
Net pension liability	\$ 6,133,924	\$ 833,528
Proportion at:		
Current measurement date	0.0178%	0.0074%
Prior measurement date	0.0172%	0.0071%
Pension expense (benefit)	\$ 1,423,600	\$ 64,684

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 363,821	\$ (3,807)	\$ 10,124	\$ (1,021)
Changes of assumptions	1,575,456	-	96,515	(68,126)
Net difference between projected and actual earnings on pension plan investments	-	(339,361)	538	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	222,436	(165,096)	41,545	(30,983)
Employer contributions subsequent to the measurement date	148,708	-	10,727	-
Total	\$ 2,310,421	\$ (508,264)	\$ 159,449	\$ (100,130)

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, 2020. 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
2020	\$ 565,064	\$ 17,108
2021	211,738	12,630
2022	426,461	8,425
2023	318,586	(5,540)
2024	92,588	3,835
Thereafter	39,012	12,134
Total	\$ 1,653,449	\$ 48,592

NOTE 3: OTHER INFORMATION (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2018. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2018. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2018, 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 return	6.90%	N/A
Discount rate	6.90%	3.50%

Mortality assumptions for the FRS Pension Plan were based on PUB2010 base tables projected generationally with Scale MP-2018. Mortality assumptions for the HIS Program 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, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2019:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.00% to 6.90%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.87% to 3.50%.

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 3: OTHER INFORMATION (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.3%	3.3%
Fixed income	18%	4.1%	4.1%
Global equity	54%	8.0%	6.8%
Real estate	11%	6.7%	6.1%
Private equity	10%	11.2%	8.4%
Strategic investments	6%	5.9%	5.7%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.90%. 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 3.50% 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 (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Employer's proportionate share of the net pension liability	\$ 10,603,512	\$ 6,133,924	\$ 2,401,062	\$ 951,515	\$ 833,528	\$ 735,258

NOTE 3: 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, 2019, 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 \$163,266 and the City's contributions totaled \$261,223 for a grand total of \$424,490.

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, 2019 was \$6,444,917. The City's contributions were calculated using the participant's salary amount of \$3,265,309. The City made its required contribution of \$261,223.

NOTE 3: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits

General Information about the OPEB Plan

Plan description. The City's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the City. The Plan is a single-employer defined benefit OPEB plan administered by the City. The Plan is not administered through a trust and no assets are accumulated to meet the criteria of a trust in the accounting standards.

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

Employees covered by benefit terms. At September 30, 2019, the following employees were covered by the benefit terms:

Active employees	93
Inactive employees currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	-
Total	95

Total OPEB Liability

The City's total OPEB liability of \$371,917 was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2017.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Discount rate	3.35%
Salary rate increase	4.00%
Health Care Trend rates	6.5% initial rate decreasing to ultimate rate of 4.5%
Mortality table	RP-2014 combined annuitant mortality table

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

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits (Continued)

The actuarial assumptions used in the September 30, 2018 valuation was based on actuarial experience.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2018	\$ 364,977
Changes for the year:	
Service cost	19,064
Interest on total OPEB liability	11,862
Changes of assumptions and other inputs	(4,823)
Benefit payments	(21,751)
Other changes	2,588
Net changes	6,940
Balance at September 30, 2019	\$ 371,917

Changes of assumptions and other inputs reflect a change in the discount rate from 3.35 percent in 2017 to 3.64 percent in 2018.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current discount rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB liability	\$ 398,476	\$ 371,917	\$ 347,513

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (7.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits (Continued)

	1% Decrease	Health Care Cost Trend Rate	1% Increase
	(5.5% decreasing to 3.5%)	(6.5% decreasing to 4.5%)	(7.5% decreasing to 5.5%)
Total OPEB liability	\$ 339,802	\$ 371,917	\$ 409,135

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$51,739. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 104,552	\$ -
Changes of assumptions or other inputs	11,397	(13,430)
Total	\$ 115,949	\$ (13,430)

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

Year ended September 30:	
2020	\$ 14,058
2021	14,058
2022	14,058
2023	14,058
2024	14,058
Thereafter	32,229
Total	\$ 102,519

City of Treasure Island, Florida Notes to Financial Statements

NOTE 4: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after September 30, 2019 through March 31, 2020, the date the current year's financial statements were available to be issued. The following events occurred: The purchase of property to serve as a City Hall and a Community Room by issuing tax-exempt debt. The closing was held on March 5, 2020 and an \$8,000,000 15-year note was used to purchase the property through Truist Bank after a competitive bidding process was held.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 19,064	\$ 20,630
Interest on total OEPB liability	11,862	6,260
Difference between expected and actual experience	-	133,177
Changes of assumptions and other inputs	(4,823)	(2,199)
Benefit payments	(21,751)	(23,291)
Other changes	2,588	2,141
Net change in total OPEB liability	6,940	136,718
Total OPEB liability - beginning	364,977	228,259
Total OPEB liability - ending	<u>\$ 371,917</u>	<u>\$ 364,977</u>
Covered payroll	\$ 4,882,312	\$ 4,492,334
Total OPEB liability as a percentage of covered payroll	7.62%	8.12%

Notes to Schedule:

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

Note 2: The Plan's long-term expected rate of return and the discount used to determine the the total OPEB liability increased from 3.35% to 3.64%.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability (asset)	0.017811185%	0.017248153%	0.017691499%	0.018311777%	0.015912654%
City's proportionate share of the net pension liability (asset)	\$ 6,133,924	\$ 5,195,233	\$ 5,233,027	\$ 4,623,738	\$ 2,055,333
City's covered payroll	\$ 2,497,865	\$ 2,349,746	\$ 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 payroll	245.57%	221.10%	226.22%	205.88%	91.04%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	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 7.00% to 6.90%.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability (asset)	0.007449531%	0.007085356%	0.007173178%	0.007516286%	0.007338387%
City's proportionate share of the net pension liability (asset)	\$ 833,528	\$ 833,528	\$ 766,989	\$ 875,992	\$ 748,400
City's covered payroll	\$ 2,497,865	\$ 2,349,746	\$ 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 payroll	33.37%	35.47%	33.16%	39.00%	33.15%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	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 decreased from 3.87% to 3.50%.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 559,529	\$ 506,157	\$ 464,877	\$ 460,749	\$ 387,964
Contributions in relation to the contractually required contribution	<u>559,529</u>	<u>506,157</u>	<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>
City's covered payroll	\$ 2,497,865	\$ 2,349,746	\$ 2,313,204	\$ 2,245,865	\$ 2,257,738
Contributions as a percentage of covered payroll	22.40%	21.54%	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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 41,473	\$ 39,015	\$ 38,045	\$ 37,281	\$ 28,052
Contributions in relation to the contractually required contribution	<u>41,473</u>	<u>39,015</u>	<u>38,045</u>	<u>37,281</u>	<u>28,052</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,497,865	\$ 2,349,746	\$ 2,313,204	\$ 2,245,865	\$ 2,257,738
Contributions as a percentage of covered payroll	1.66%	1.66%	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 ***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 ***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
Year ended September 30, 2019

	Capital Projects	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 545,061	\$ 22,315	\$ -	\$ 567,376
Receivables:					
Due from other governments	60,226	23,479	-	-	83,705
Total assets	\$ 60,226	\$ 568,540	\$ 22,315	\$ -	\$ 651,081
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	20,641	-	-	-	20,641
Total liabilities	20,641	-	-	-	20,641
FUND BALANCES:					
Restricted	39,585	568,540	22,315	-	630,440
Total fund balances	39,585	568,540	22,315	-	630,440
Total liabilities and fund balances	\$ 60,226	\$ 568,540	\$ 22,315	\$ -	\$ 651,081

City of Treasure Island, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non-Major Governmental Funds
Year ended September 30, 2019

	Capital Projects	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
REVENUES					
Intergovernmental	\$ 343,899	\$ 95,042	\$ -	\$ -	\$ 438,941
Fines and forfeitures	-	-	-	318	318
Investment Earnings	8,065	10,056	416	36	18,573
Total Revenues	351,964	105,098	416	354	457,832
EXPENDITURES					
Debt Service:					
Principal Retirement	470,000	-	-	-	470,000
Interest	3,173	-	-	-	3,173
Capital Outlay	60,226	8,845	-	-	69,071
Total Expenditures	533,399	8,845	-	-	542,244
Excess (deficiency) of revenues over expenditures	(181,435)	96,253	416	354	(84,412)
Other Financing Sources (Uses)					
Transfers Out	-	-	-	(2,057)	(2,057)
Total other financing sources (uses)	-	-	-	(2,057)	(2,057)
Net change in fund balances	(181,435)	96,253	416	(1,703)	(86,469)
Fund Balances - Beginning	221,020	472,287	21,899	1,703	716,909
Fund Balances - Ending	\$ 39,585	\$ 568,540	\$ 22,315	\$ -	\$ 630,440

**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
Capital Projects Fund
Year ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 755,446	\$ 755,446	\$ 343,899	\$ (411,547)
Interest	1,000	1,000	8,065	7,065
Total Revenues	756,446	756,446	351,964	(404,482)
EXPENDITURES				
Debt service:				
Principal retirement	470,000	470,000	470,000	-
Interest	3,173	3,173	3,173	-
Capital Outlay	505,097	505,097	60,226	444,871
Total Expenditures	978,270	978,270	533,399	444,871
Net change in fund balances	(221,824)	(221,824)	(181,435)	40,389
Fund Balance - Beginning	221,020	221,020	221,020	-
Fund Balance - Ending	\$ (804)	\$ (804)	\$ 39,585	\$ 40,389

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
County Gas Tax	\$ 105,000	\$ 105,000	\$ 95,042	\$ (9,958)
Miscellaneous:				
Investment Earnings	4,000	4,000	10,056	6,056
Total Revenues	109,000	109,000	105,098	(3,902)
EXPENDITURES				
Current:				
Capital outlay	125,000	374,998	8,845	366,153
Total Expenditures	125,000	374,998	8,845	366,153
Net change in fund balances	(16,000)	(265,998)	96,253	362,251
Fund Balance - Beginning	472,287	472,287	472,287	-
Fund Balance - Ending	\$ 456,287	\$ 206,289	\$ 568,540	\$ 362,251

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Transportation Trust Fund
Year ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Earnings	\$ -	\$ -	\$ 416	\$ 416
Total Revenues	-	-	416	416
EXPENDITURES				
Capital Outlay	8,305	21,859	-	21,859
Total Expenditures	8,305	21,859	-	21,859
Net change in fund balances	(8,305)	(21,859)	416	22,275
Fund Balance - Beginning	21,899	21,899	21,899	-
Fund Balance - Ending	\$ 13,594	\$ 40	\$ 22,315	\$ 22,275

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures:				
Contraband forfeitures	\$ -	\$ -	\$ 318	\$ 318
Miscellaneous:				
Investment earnings	-	-	36	36
Total Revenues	-	-	354	354
EXPENDITURES				
Current:				
Public safety	305	305	-	305
Total Expenditures	305	305	-	305
Excess (deficiency) of revenues over (under) expenditures	(305)	(305)	354	659
Other Financing Sources (Uses)				
Transfers Out	-	-	(2,057)	(2,057)
Total other financing sources (uses)	-	-	(2,057)	(2,057)
Net change in fund balances	(305)	(305)	(1,703)	(1,398)
Fund Balance - Beginning	1,703	1,703	1,703	-
Fund Balance - Ending	\$ 1,398	\$ 1,398	\$ -	\$ (1,398)

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	109 – 114
<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.....	117 – 120
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity	123 – 126
<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.....	129 – 130
<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	133 – 135
<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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 58,239,009	\$ 58,441,065	\$ 55,708,180	\$ 55,418,462	\$ 55,452,891	\$ 55,775,791	\$ 55,035,870	\$ 56,222,960	\$ 55,654,875	\$ 56,075,896
Restricted	3,465,854	3,168,963	3,606,871	3,340,941	3,455,213	1,905,886	2,194,764	-	-	-
Unrestricted	342,862	236,155	302,115	(262,014)	(531,730)	2,475,352	2,820,014	4,285,666	4,547,630	4,831,451
Total governmental activities net assets	\$ 62,047,725	\$ 61,846,183	\$ 59,617,166	\$ 58,497,389	\$ 58,376,374	\$ 60,157,029	\$ 60,050,648	\$ 60,508,626	\$ 60,202,505	\$ 60,907,347
Business-type activities:										
Net investment in capital assets	\$ 10,241,415	\$ 9,762,309	\$ 8,175,686	\$ 7,867,811	\$ 5,533,880	\$ 5,537,038	\$ 4,930,183	\$ 4,370,006	\$ 3,757,145	\$ 3,373,848
Restricted or Assigned	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,252,115	5,881,885	5,576,682	4,088,107	4,970,944	3,816,248	3,170,981	2,908,439	2,792,710	2,645,688
Total business-type activities net assets	\$ 16,493,530	\$ 15,644,194	\$ 13,752,368	\$ 11,955,918	\$ 10,504,824	\$ 9,353,286	\$ 8,101,164	\$ 7,278,445	\$ 6,549,855	\$ 6,019,536
Primary government:										
Net investment in capital assets	\$ 68,480,424	\$ 68,203,374	\$ 63,883,866	\$ 63,286,273	\$ 60,986,771	\$ 61,312,829	\$ 59,966,053	\$ 60,592,966	\$ 59,412,020	\$ 59,449,744
Restricted	3,465,854	3,168,963	3,606,871	3,340,941	3,455,213	1,905,886	2,194,764	-	-	-
Unrestricted	6,594,977	6,118,040	5,878,797	3,826,093	4,439,214	6,291,600	5,990,995	7,194,105	7,340,340	7,477,139
Total primary government net assets	\$ 78,541,255	\$ 77,490,377	\$ 73,369,534	\$ 70,453,307	\$ 68,881,198	\$ 69,510,315	\$ 68,151,812	\$ 67,787,071	\$ 66,752,360	\$ 66,926,883

City of Treasure Island, Florida

Changes in Net Position - Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EXPENSES										
Governmental activities:										
General government	\$4,105,708	\$ 3,545,736	\$ 3,445,797	\$ 3,023,297	\$ 3,100,750	\$ 3,059,328	\$ 2,616,740	\$ 3,233,294	\$ 2,626,350	\$ 2,531,746
Public Safety	6,551,349	5,200,712	4,764,149	4,813,545	4,107,508	4,294,575	4,438,408	4,437,898	4,619,128	4,556,728
Public Works	2,437,780	2,483,434	2,393,235	2,738,271	2,217,027	2,173,996	2,021,674	1,803,930	1,904,503	1,877,358
Culture and recreation	1,890,558	1,765,960	1,470,607	1,325,097	1,285,986	1,258,982	1,203,034	1,113,669	1,049,834	977,776
Interest on Long-term Debt	94,859	109,630	126,775	143,452	146,784	142,560	201,965			
Total governmental activities expenses	15,080,254	13,105,471	12,200,563	12,043,662	10,858,055	10,929,441	10,481,821	10,588,791	10,199,815	9,943,608
Business-type activities:										
Wastewater	3,929,700	3,295,676	3,346,250	3,404,087	3,291,043	3,470,698	3,414,281	3,475,736	2,974,115	3,133,637
Solid Waste	2,311,942	2,047,546	1,750,506	1,815,631	1,713,922	1,752,275	1,523,329	1,587,639	1,604,151	1,564,125
Stormwater Management	653,787	536,963	504,116	468,424	475,098	414,394	368,207	392,716	355,452	323,335
Total business-type activities expenses	6,895,429	5,880,185	5,600,873	5,688,142	5,480,063	5,637,367	5,305,817	5,456,091	4,933,718	5,021,097
Total primary government expenses	\$ 21,975,683	\$ 18,985,658	\$ 17,801,435	\$ 17,731,804	\$ 16,338,118	\$ 16,566,808	\$ 15,787,638	\$ 16,044,882	\$ 15,133,533	\$ 14,964,705
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 1,324,774	\$ 1,207,380	\$ 1,138,648	\$ 1,147,967	\$ 1,094,673	\$ 1,080,323	\$ 929,436	\$ 932,103	\$ 831,014	\$ 834,500
Public Safety	1,725,603	1,688,959	1,482,003	1,249,625	1,484,615	992,829	887,987	1,072,246	1,037,434	1,071,882
Public Works	952,320	718,683	680,712	510,674	440,751	373,516	308,578	282,757	274,631	188,579
Culture and recreation	590,617	565,289	496,084	469,916	521,691	511,979	493,634	508,511	402,588	383,793
Operating Grants and Contributions	31,261	2,680	5,989	5,702	5,002	4,942	42,482	49,696	94,752	222,063
Capital Grants and Contributions	343,899	827,371	683,521	377,723	1,125,996	-	228,852	497,371	113,714	-
Total Governmental Activities Program Revenues	\$ 4,968,474	\$ 5,010,363	\$ 4,486,957	\$ 3,761,607	\$ 4,672,728	\$ 2,963,589	\$ 2,890,969	\$ 3,342,684	\$ 2,754,133	\$ 2,700,817
Business-type activities:										
Capital Grants and Contributions	\$ 47,008	\$ 315,015	\$ 389,723	\$ 344,508	\$ 417,734	\$ 533,375	\$ 144,765	\$ 486,825	\$ -	\$ -
Charges for services:										
Wastewater	4,384,406	4,160,144	4,149,533	4,081,892	3,983,203	3,915,615	3,620,957	3,357,131	3,195,693	3,127,320
Solid Waste	2,115,123	2,123,493	1,848,792	1,807,889	1,799,927	1,764,988	1,754,570	1,795,841	1,812,956	1,789,364
Stormwater Management	1,119,167	1,001,067	925,342	824,566	830,715	643,715	592,602	538,998	432,692	362,495
Total business-type activities Program Revenues	\$ 7,665,704	\$ 7,599,719	\$ 7,313,390	\$ 7,058,855	\$ 7,031,579	\$ 6,857,693	\$ 6,112,894	\$ 6,178,795	\$ 5,441,341	\$ 5,279,179
Total Primary Government Program Revenues	\$ 12,634,178	\$ 12,610,083	\$ 11,800,347	\$ 10,820,462	\$ 11,704,307	\$ 9,821,282	\$ 9,003,863	\$ 9,521,479	\$ 8,195,474	\$ 7,979,996
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (10,111,780)	\$ (8,095,111)	\$ (7,713,606)	\$ (8,282,055)	\$ (6,185,327)	\$ (7,965,852)	\$ (7,590,852)	\$ (7,246,107)	\$ (7,445,682)	\$ (7,242,791)
Business-type Activities	770,275	1,719,534	1,712,517	1,370,713	1,551,516	1,220,326	807,077	722,704	507,623	258,082
Total Primary Government Net Expense	\$ (9,341,505)	\$ (6,375,577)	\$ (6,001,089)	\$ (6,911,342)	\$ (4,633,811)	\$ (6,745,526)	\$ (6,783,775)	\$ (6,523,403)	\$ (6,938,059)	\$ (6,984,709)

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS										
Governmental activities:										
Ad Valorem Taxes	\$ 6,148,249	\$ 5,584,737	\$ 5,144,646	\$ 4,793,125	\$ 4,485,887	\$ 4,213,370	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550
Franchise Fees	767,835	713,777	1,041,247	682,507	724,311	710,361	665,446	698,360	730,504	779,042
Utility Taxes	1,149,525	1,067,000	678,268	1,035,446	1,007,967	1,018,239	960,772	919,930	973,997	1,008,406
Unrestricted Intergovernmental Revenues:										
Communications Services Tax	305,664	336,868	338,122	342,861	349,246	352,080	366,088	371,048	374,584	386,481
Half-cent Sales Tax	451,105	441,284	428,621	426,212	411,008	387,375	369,364	353,047	373,761	361,491
Infrastructure Sales Surtax	838,139	796,662	751,856	731,449	695,465	646,122	605,417	572,983	541,308	559,173
State Shared Revenues	197,161	192,859	189,156	186,700	201,809	183,605	182,375	182,767	181,956	180,788
Other	121,105	122,772	125,463	126,617	141,228	117,889	106,492	122,880	107,404	126,139
Gain on Sale of Machinery & Equipment	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	136,529	1,037,484	81,018	56,333	82,414	56,376	78,280	82,780	43,508	321,483
Unrestricted investment earnings	198,010	102,195	54,986	21,820	21,920	21,835	13,105	15,432	25,015	24,258
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 10,313,322	\$ 10,395,637	\$ 8,833,383	\$ 8,403,070	\$ 8,121,255	\$ 7,707,252	\$ 7,132,874	\$ 7,204,585	\$ 6,740,840	\$ 7,707,811
Business-type activities:										
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Investment Earnings	95,552	57,230	30,001	10,463	14,784	7,281	2,844	4,534	16,544	12,958
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	(16,491)	131,838	53,931	69,918	8,241	24,515	12,800	1,350	6,152	(18,807)
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ 79,061	\$ 189,068	\$ 83,932	\$ 80,381	\$ 23,025	\$ 31,796	\$ 15,644	\$ 5,884	\$ 22,696	\$ (5,849)
Total primary government revenues	\$ 10,392,383	\$ 10,584,705	\$ 8,917,315	\$ 8,483,451	\$ 8,144,280	\$ 7,739,048	\$ 7,148,518	\$ 7,210,469	\$ 6,763,536	\$ 7,701,962
CHANGE IN NET POSITION										
Governmental activities:	\$ 201,542	\$ 2,300,526	\$ 1,119,777	\$ 121,015	\$ 1,935,927	\$ (258,600)	\$ (457,978)	\$ (41,522)	\$ (704,842)	\$ 465,020
Business-type activities:	849,336	1,908,602	1,796,450	1,451,094	1,574,542	1,252,122	822,721	728,588	530,319	252,233
Total primary government	\$ 1,050,878	\$ 4,209,128	\$ 2,916,227	\$ 1,572,109	\$ 3,510,469	\$ 993,522	\$ 364,743	\$ 687,066	\$ (174,523)	\$ 717,253

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Nonspendable	\$ 5,352	\$ 32,279	\$ 17,414	\$ 10,623	\$ 9,851	\$ 85,298	\$ 150,447	\$ 43,714	\$ 62,731	\$ -
Restricted	-	1,477,702	1,116,276	800,068	638,291	136,378	-	-	-	-
Committed	592,289	-	-	-	-	-	-	-	729,963	-
Assigned	2,728,993	1,990,218	2,086,390	1,650,430	1,185,302	1,124,155	1,467,556	1,735,738	1,020,970	-
Unassigned	3,168,378	3,436,675	3,073,851	2,668,605	2,595,893	2,045,722	1,940,223	2,442,390	2,325,468	-
Reserved	-	-	-	-	-	-	-	-	-	704,682
Unreserved	-	-	-	-	-	-	-	-	-	3,471,459
Total General Fund	\$ 6,495,012	\$ 6,936,874	\$ 6,293,931	\$ 5,129,726	\$ 4,429,337	\$ 3,391,553	\$ 3,558,226	\$ 4,221,842	\$ 4,139,132	\$ 4,176,141
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,465,854	1,691,261	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
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	311,217
Capital Projects Funds	-	-	-	-	-	-	-	-	-	166,586
Total all other Governmental Funds	\$ 3,465,854	\$ 1,691,261	\$ 2,490,595	\$ 2,540,873	\$ 2,816,921	\$ 1,769,508	\$ 2,194,764	\$ 6,331,534	\$ 1,099,900	\$ 1,351,285

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES:										
Ad Valorem Taxes	\$ 6,148,249	\$ 5,584,737	\$ 5,144,646	\$ 4,793,125	\$ 4,485,887	\$ 4,213,370	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550
Franchise Fees	767,834	713,776	678,268	682,507	724,311	710,361	665,446	698,360	730,504	779,042
Utility Services Taxes	1,149,525	1,067,000	1,041,247	1,035,446	1,007,967	1,018,239	960,772	919,930	973,997	1,008,406
Business Taxes & Permits	1,121,391	1,139,679	991,670	801,697	1,056,216	579,822	394,422	535,814	480,078	412,003
Intergovernmental	2,288,334	2,720,495	2,522,727	2,197,263	2,929,754	1,692,013	1,722,078	2,138,804	1,778,613	1,836,135
Charges for Service	3,293,309	2,932,465	2,671,553	2,475,227	2,402,469	2,279,237	2,077,507	2,065,467	1,852,223	1,880,937
Fines & Forfeitures	178,930	108,533	134,485	101,257	83,268	99,588	140,968	160,206	208,343	185,814
Miscellaneous Revenue	278,553	1,125,561	108,436	66,746	98,531	74,972	294,226	131,295	82,077	330,171
Total Revenues	15,226,125	\$ 15,392,246	\$ 13,293,032	\$ 12,153,267	\$ 12,788,403	\$ 10,667,602	\$ 10,040,954	\$ 10,535,234	\$ 9,494,638	\$ 10,393,058
EXPENDITURES:										
General Government	2,805,424	\$ 2,344,389	\$ 2,258,524	\$ 1,841,626	\$ 1,872,027	\$ 1,709,359	\$ 1,474,024	\$ 1,801,207	\$ 1,441,732	\$ 1,363,363
Public Safety	5,507,857	4,833,878	4,441,029	4,537,913	4,273,937	4,248,038	4,387,786	4,434,693	4,618,976	4,470,788
Public Works	2,116,718	2,204,174	2,130,287	1,930,170	1,924,440	2,007,034	1,899,133	1,715,575	1,812,659	1,801,417
Culture & Recreation	1,717,155	1,614,130	1,331,022	1,200,822	1,156,800	1,148,905	1,106,800	1,035,824	990,124	926,843
Debt Service:										
Principal retirement	830,497	1,538,945	845,394	824,716	379,226	369,166	309,799	-	-	-
Interest	94,859	109,630	126,775	143,452	146,784	142,560	201,965	-	-	-
Capital Outlay	879,239	3,337,172	1,073,382	1,269,907	2,765,573	2,002,690	5,489,993	1,831,691	921,790	470,002
Total Expenditures	13,951,750	\$ 15,982,318	\$ 12,206,413	\$ 11,748,606	\$ 12,518,787	\$ 11,627,752	\$ 14,869,500	\$ 10,818,990	\$ 9,785,281	\$ 9,032,413
Excess of Revenues over (under) Expenditures	\$ 1,274,375	\$ (590,072)	\$ 1,086,617	\$ 404,662	\$ 269,616	\$ (960,150)	\$ (4,828,546)	\$ (283,756)	\$ (290,643)	\$ 1,360,645
OTHER FINANCING SOURCES (USES)										
Debt proceeds (payments)	-	419,929	-	-	1,810,000	-	-	5,586,066	-	-
Transfers in	1,479,759	-	246,071	3,429	4,690	1,037,596	255,740	289,000	197,750	236,600
Transfers out	(1,479,759)	-	(246,071)	(3,429)	(4,690)	(1,037,596)	(255,740)	(289,000)	(197,750)	(236,600)
Sale of capital assets	58,355	13,753	27,310	19,680	5,580	3,240	28,160	12,034	2,250	15,570
Total other financing sources (uses)	58,355	433,682	27,310	19,680	1,815,580	3,240	28,160	5,598,100	2,250	15,570
Net change in fund balances	\$ 1,332,730	\$ (156,390)	\$ 1,113,927	\$ 424,342	\$ 2,085,196	\$ (956,910)	\$ (4,800,386)	\$ 5,314,344	\$ (288,393)	\$ 1,376,215
Debt Service as a percentage of non-capital expenditures, excluding transfers, special items and prior period adjustments.	7%	13%	9%	9%	5%	5%	5%	0%	0%	0%

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

	TOTAL TAXES ¹	AD VALOREM TAXES	FRANCHISE TAXES	UTILITY SERVICE TAXES
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	6,864,160	5,144,645	678,268	1,041,247
2018	7,365,513	5,584,737	713,777	1,067,000
2019	8,065,610	6,148,249	767,835	1,149,525

(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 Property	Less: Tax Exempt Property	Total Taxable Value	Total Assessed Value	Property Tax Rate ²	Estimated Actual Taxable Value
	Residential Property	Commercial Property						
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
2018	1,689,375	565,728	20,101	541,656	1,733,489	2,275,145	3.3368	2,676,641
2019	1,770,220	614,719	21,432	554,421	1,851,913	2,406,334	3.4368	2,830,981

(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	DEBT SERVICE MILLAGE	TOTAL COUNTY MILLAGE				
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
2018	3.3368	0	3.3368	5.3740	0	5.3740		7.0090	2.1270	17.8468
2019	3.4368	0	3.4368	5.3740	0	5.3740		6.7270	2.1094	17.6472

SOURCE: Pinellas County Tax Collector

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

TAXPAYER	Fiscal Year 2019			Fiscal Year 2010		
	2019 TAXABLE VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE VALUE	2010 TAXABLE VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE VALUE
Treasure Res LLC	\$ 22,000,000	1	1.19%			
Treas Island LLC	21,999,032	2	1.19%	15,142,811		
Which Treasure Island Owner, LLC	17,993,206	3	0.97%			
Publix Super Markets Inc	7,875,000	4	0.43%	9,214,934		
King, Henry G. TRE	7,619,975	5	0.41%	5,500,000		
Sunset Bay Properties LLC	7,099,518	6	0.38%			
SFMB Treasure Island Property LLC	6,380,498	7	0.34%			
Treasure Island Palms LLC	5,845,126	8	0.32%			
Pride Enterprises	4,891,891	9	0.26%			
Palms of Treasure Island LLC	4,813,746	10	0.26%	6,042,424		
TI Resort LLC	-		-	13,676,789		
RICE FAMILY HOLDINGS LLLP	-		-	7,418,062		
Treasure Island Property Devel.	-		-	7,336,882		
SUNSET BAY PROPERTIES LLC	-		-	6,525,000		
Trails End Motel Inc	-		-	5,400,000		
SAND PEBBLE RESORT OF TREASURE	-		-	6,288,300		
SUB-TOTAL:	106,517,992		5.75%	82,545,202		4.48%
ALL OTHERS:	1,745,395,689		94.25%	1,760,186,780		95.52%
TOTAL:	\$ 1,851,913,681		100.00%	\$ 1,842,731,982		100.00%

NOTES: The 2018 tax roll was the basis for ad valorem tax receipts received during FY 2019 and the 2009 tax roll was the basis for ad valorem tax receipts received during FY 2010

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

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

FISCAL YEAR	COLLECTIONS WITHIN THE FISCAL YEAR OF LEVY			COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	TAX LEVY	AMOUNT	PERCENT OF LEVY		AMOUNT	PERCENT OF CURRENT LEVY
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%
2018	5,784,308	5,571,486	96.3%	13,251	5,584,737	96.5%
2019	6,364,657	6,145,404	96.6%	2,845	6,148,249	96.6%

DEBT CAPACITY

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Government	Business-Type	Total Debt Per Capita
	Revenue Bonds	Capital Leases	State Revolving Loan Fund	Revenue Bonds				Debt Per Capita	Debt Per Capita	
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	-	1,430,481	-	1,430,481	6,098,246	1.58%	676.19	207.23	883.42
2018	3,548,749	419,929	1,369,610	-	1,369,610	5,338,288	1.30%	500.81	193.28	694.10
2019	2,718,252	320,883	1,298,735	-	1,298,735	4,337,870	0.98%	346.19	165.40	511.59

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
Direct Debt:			
City of Treasure Island	\$ 2,718,252	100.00%	\$ 2,718,252
Bonded Debt:			
Pinellas County School Board	\$ 852,480	2.33%	\$ 19,889
Pinellas County Government	\$ 18,634,328	2.33%	\$ 434,755
Capital Leases:			
Pinellas County School Board	\$ 4,752,393	2.33%	\$ 110,877
Pinellas County Government	\$ 298,264	2.33%	\$ 6,959
<hr/>			
Total overlapping debt ²	\$ 24,537,465		\$ 572,480
Total direct debt	\$ 2,718,252		\$ 2,718,252
<hr/>			
Total direct and overlapping debt	\$ 27,255,717		\$ 3,290,732
Overall debt to FY 2018 taxable value ³			1.47%
Overall debt to per capita ⁴			\$ 454

(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) 2018 taxable value was used to compute the FY 2018 budget.

(4) 2019 permanent Treasure Island population is estimated at 7,253

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

LEGAL DEBT MARGIN - TOTAL DEBT¹	9/30/19	09/30/18	09/30/17	09/30/16	09/30/15	09/30/14	9/30/13	9/30/12	09/30/11	9/30/10
Assessed Valuation of Tax Base ²	\$ 2,042,582,845	\$ 1,922,362,364	\$ 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
Debt Limit-3.5% of Assessed Valuation	71,490,400	67,282,683	62,195,691	57,546,941	54,720,003	45,524,455	43,574,202	44,526,135	46,171,178	52,260,275
Amount of Debt Applicable to Debt Limit:										
Total Outstanding Principal	4,016,987	4,918,360	6,098,247	6,469,750	7,337,064	5,927,345	736,933	613,726	60,515	60,515
LEGAL DEBT MARGIN	\$ 67,473,413	\$ 62,364,323	\$ 56,097,444	\$ 51,077,191	\$ 47,382,939	\$ 39,597,110	\$ 42,837,269	\$ 43,912,409	\$ 46,110,663	\$ 52,199,760
LEGAL DEBT MARGIN - ANNUAL DEBT¹										
Revenues Applicable to Debt Limit										
Total City Revenues	\$ 23,029,240	\$ 23,194,786	\$ 20,963,728	\$ 19,303,912	\$ 19,848,587	\$ 17,560,330	\$ 19,637,181	\$ 16,227,204	\$ 14,935,979	\$ 15,672,237
Less: State Revenue Sharing	197,161	192,859	189,156	186,700	201,809	183,605	182,375	182,767	181,956	180,788
Causeway Revenue	0	-	-	-	-	-	-	-	-	-
Total Revenues Applicable to Debt Limit:	22,832,079	23,001,927	20,774,572	19,117,212	19,646,778	17,376,725	19,454,806	16,044,437	14,754,023	15,491,449
Debt Limit: 20% of Total Revenues	4,566,416	4,600,385	4,154,914	3,823,442	3,929,356	3,475,345	3,890,961	3,208,887	2,950,805	3,098,290
Amount of Debt Applicable to Debt Limit:										
Current Debt Service ³	1,022,042	1,736,568	1,040,669	1,036,647	559,717	559,533	-	-	-	-
LEGAL DEBT MARGIN	\$ 3,544,374	\$ 2,863,817	\$ 3,114,245	\$ 2,786,795	\$ 3,369,639	\$ 2,915,812	\$ 3,890,961	\$ 3,208,887	\$ 2,950,805	\$ 3,098,290

(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.

(3) The Central Beach Trail BB&T Loan was paid off as of the 5/1/2018 payment date by paying off the loan to include a payment of \$667,597 in addition to the debt service payment.

City of Treasure Island, Florida
Pledged Revenue Coverage –
Wastewater Fund –
Last Ten Fiscal Years

	GROSS REVENUE	EXPENSE ¹	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS ²			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
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
2018	4,160,144	2,903,698	1,256,446	60,871	27,116	87,987	14.28
2019	4,384,406	3,488,284	896,122	70,876	25,811	96,687	9.27

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

A State Revolving Loan required repayment in June 2014 and a second State Revolving Loan will require 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
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	359,079,435	56,699	52,767	58.5	15.00	42.6%	198	4.4
2017	6,903	387,065,016	61,461	56,072	59.3	15.00	42.2%	199	3.1
2018	7,086	411,781,632	65,204	58,112	56.2	15.00	42.7%	198	3.5
2019	7,253	442,063,097	75,083	60,949	56.2	15.00	44.1%	168	3.0

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 2010 through 2019.
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 2010 to 2019

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

Employer Name	2019			2010		
	Number of ** Employees	Rank	Percentage* of Total City Employment	Number of ** Employees	Rank	Percentage* of Top 10 City Employment
City of Treasure Island	146	1	4.14%	126	1	5.31%
Publix Super Markets, Inc	120	2	3.40%	94	2	3.96%
Gators Café & Saloon	110	3	3.12%	52	10	2.19%
Bimar Beach Resort & Sloppy Joe's	100	4	2.83%	60	T6	2.53%
TI Beach Resort	95	5	2.69%	n/a		
Resident Inn	90	6	2.55%	n/a		
Middle Grounds Grill	70	7	1.98%	55	9	2.32%
Caddy's	60	8	1.70%	60	T6	2.53%
Club at Treasure Island	50	9	1.42%	78	5	3.29%
Thunderbird, Tahitian, Best Western	40	10	1.13%	60	T6	2.53%
Allied Specialty Insurance	n/a			85	3	3.58%
Sloppy Joe's				80	4	3.37%
Top 10 City Employment Total**	881			750		
Total City Employment Total*	3,528			2,372		

* Source : Pinellas County Economic Development

OPERATING INFORMATION

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

	2019	2018*	2017	2016	2015	2014	2013	2012	2011	2010
FUNCTION										
General Government	11.95	11.98	12.00	12.00	12.00	12.00	11.50	11.50	12.50	11.50
Public Safety										
Police	23.60	24.10	23.00	23.00	23.00	23.00	26.50	26.50	28.50	29.00
Fire	14.93	14.58	14.50	14.50	14.50	14.50	13.50	13.38	13.38	13.38
Community Improvement	6.20	5.05	7.00	7.00	6.00	6.00	6.00	7.00	6.00	6.00
Public Works										
Equipment & Vehicle Maint.	0.65	0.65	1.55	1.55	2.30	2.30	2.30	2.30	2.30	2.55
Beautification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Municipal Facilities	8.76	8.76	14.15	14.15	14.65	14.65	14.65	14.65	15.15	14.65
Causeway	8.42	8.40	5.55	5.55	5.05	5.05	4.55	4.55	4.55	4.55
Wastewater	5.70	5.70	7.90	7.90	8.00	8.00	8.00	8.25	7.75	7.00
Solid Waste	9.93	9.93	9.60	9.60	10.35	10.35	10.35	10.35	10.35	10.10
Stormwater Management	3.15	3.15	2.75	2.75	2.65	2.65	2.65	2.40	2.40	2.15
Culture and recreation	16.27	15.65	11.51	11.51	10.51	10.51	10.51	11.62	11.62	14.89
Total Full-Time Equivalents	109.56	107.95	109.51	109.51	109.01	109.01	110.51	112.50	114.50	115.77

Source: Budget Document

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
FUNCTION										
Police										
Physical arrests	333	343	336	425	329	349	385	467	823	822
Parking violations	4,108	3,151	4,400	4,027	2,830	2,418	3,013	4,725	4,939	3,216
Traffic violations	1,535	1,889	1,736	1,643	1,142	1,733	1,982	1,726	1,986	1,779
Fire										
Incidents/Calls answered										
EMS	1,308	1,291	1,373	1,257	1,255	1,197	1,015	1,132	1,269	1,084
Fire	124	117	268	253	249	189	366	295	180	147
Fire alarm systems	109	93	122	114	118	101	107	94	100	117
Hazardous conditions	5	-	-	-	66	27	63	36	30	15
Other incidents	2	63	321	248	61	23	66	68	50	46
Inspections	366	240	35	10	295	152	137	124	128	104
Highways and streets										
Street sweeping (miles)	648	648	648	648	648	648	648	648	648	648
Causeway										
Bridge openings	1,613	1,876	2,008	2,135	1,946	2,237	979	2,424	2,685	2,456
Sanitation										
Yard waste collected (tons)	721	857	676	421	243	353	211	459	448	337
Recyclables collected (tons)	714	723	829	819	775	707	744	600	612	600
Solid waste collected (tons)	7,501	7,495	7,631	7,947	7,807	7,446	7,567	7,534	7,611	7,614
Culture and recreation										
Number of golfers	8,013	8,581	9,333	9,326	10,015	10,257	9,658	12,202	9,007	10,178
Number of tennis players	8,100	8,420	8,320	8,537	7,295	9,139	8,148	8,177	7,434	7,418
Children's program enrollments	195	175	180	174	261	196	200	236	218	192
Number paid facilities rentals	146	147	88	81	76	66	41	57	74	77
Wastewater										
Wastewater processed (thousands of gallons)	451,670	435,847	431,274	510,373	490,985	459,713	372,431	434,627	404,361	473,921
Sanitary Sewers/Storm Drains										
Lines Cleaned (lineal feet)	59,421	12,361	16,055	32,368	48,185	37,553	36,234	40,276	40,484	67,462

Sources: Various City Departments

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
FUNCTION										
Public Safety										
Police										
Police station	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5	5	5	5	5
Patrol boats	1	1	1	1	1	1	1	1	1	1
Fire										
Fire station	1	1	1	1	1	1	1	1	1	1
Pumper trucks	2	2	2	2	2	2	2	2	2	2
Rescue Vehicles	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	6	8	6	5	5	5	5	5	5	5
Refuse dumpsters	390	390	384	384	384	394	392	392	390	679
Highways and streets										
Streets (miles)	25	25	25	25	25	25	25	25	25	25
Streetlights	1060	1060	1060	1060	1060	1060	1060	1060	1060	1060
Traffic signals ⁽¹⁾	5	6	6	6	6	6	6	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										
Beach Trail	1	1	1	1	1	1	1	1	1	0
Public beach access	30	30	30	30	30	30	30	30	30	29
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
Community/Neighborhood Park:	5	5	5	5	5	5	5	5	5	5
Mini Parks/Bay Access	15	15	15	15	15	15	15	15	15	15
Golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Marina (number of slips)	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	4	4.3	4.3	4.3
Manholes	466	466	466	466	466	466	466	466	466	466
CTI Cleanouts	48	48	48	48	48	48	48	48	48	48
Lift Stations (sewer)	11	11	11	11	11	11	11	11	11	11
Lift Stations (stormwater)	1	1	1	1	1	1	1	1	1	1
Master pump station	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

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

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

(3) East/West bridges were replaced 2013

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OTHER AUDITORS' REPORTS

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INDEPENDENT AUDITORS' 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, 2019, 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 31, 2020.

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.

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

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
March 31, 2020

**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, 2019, and have issued our report thereon dated March 31, 2020.

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 Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of Auditor General. Disclosures in those reports, which are dated March 31, 2020, 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. Corrective actions have been taken to address findings and recommendations made in the preceding 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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)3., 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.

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.

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

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
March 31, 2020

**INDEPENDENT ACCOUNTANTS' 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

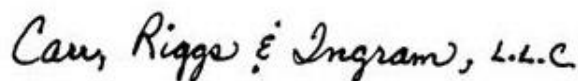
We have examined City of Treasure Island, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on 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, 2019.

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

Tampa, Florida

March 31, 2020

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