

# The Town of Longboat Key, Florida



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2011



COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT  
of the  
TOWN OF LONGBOAT KEY, FLORIDA  
FISCAL YEAR ENDED SEPTEMBER 30, 2011



Prepared by: Thomas D. Kelley, CPA, Finance Director  
Finance Department  
Town of Longboat Key, Florida



TOWN OF LONGBOAT KEY, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

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## INTRODUCTORY SECTION





# TOWN OF LONGBOAT KEY

*Incorporated November 14, 1955*

Town Hall  
501 Bay Isles Road  
Longboat Key, FL 34228  
(941) 316-1999  
FAX (941) 316-1656  
[www.longboatkey.org](http://www.longboatkey.org)

May 4, 2012

Honorable Mayor and Town Commission  
Town of Longboat Key  
Longboat Key, Florida 34228

Dear Sir:

We are pleased to present to you, the Town Commission and the citizens of the Town of Longboat Key, the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2011. This report was prepared in accordance with generally accepted accounting principles by the Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Director. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the Town's financial activity have been included.

The Finance Department is responsible for establishing and maintaining internal controls to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Chapter 218.39 of the Florida Statutes requires an independent certified public accountants financial audit of the municipalities in the State. This requirement has been met for the fiscal year ended September 30, 2011, and the report of the independent auditor's has been included in the financial section of this report.

The Town of Longboat Key was incorporated in 1955 as a political subdivision of the State of Florida and operates under a Charter that was adopted in 1955. The voters approved a revised charter in 2008.

The Town has a Commission/Manager form of government. Seven Commissioners are elected for two-year terms. Longboat Key has imposed limits of three terms. The appointed Mayor is the Commission's presiding officer. Elections are held annually with either four or three seats to be decided upon. The Town has five election districts and two At Large Commission seats. The Town Manager is appointed by the Commission and administers the daily operations of the Town through appointed department heads.

Governmental accounting and auditing principles requires 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 compliment the MD&A and should be read in conjunction with it. Longboat Key's MD&A can be found immediately following the independent auditors' report.

**Town organization.** The Town is situated on a barrier island off the mainland cities of Sarasota and Bradenton on Florida's West Coast. The Town covers 4.75 square miles and is located in both Sarasota and Manatee Counties. The Town includes two dependent special districts consisting of Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B. The citizens enjoy a full range of services including Police, Fire, Ambulance, Streets, Parks, Recreation, Public Improvements, Planning, Zoning and General Administrative Services. The Town also operates a Town wide water and sewer transmission system. The Town purchases its water and wastewater treatment from Manatee County. Sanitation, electric, telephone, gas and cable television services are provided by franchisees.

Formal budgetary integration is employed as a management control device during the year. Town department directors must submit their budgets by May 1 of each year. After work sessions on departmental budgets are conducted, a tentative budget is submitted to the Town Commission and public hearings are held to obtain public comments. A final hearing is then held and the final budget adopted. The legal level of budgetary control is the line item. Transfers of appropriations between funds and/or use of unallocated fund balances amend the budget and require approval by the Town Commission. Transfers of appropriations up to \$10,000 between line items within a department or among programs within a department may be approved by the Town Manager. Budget to actual comparisons are presented in this report for each individual fund for which an annual budget has been adopted. The Town of Longboat Key follows the laws of Florida regarding the control, adoption and amendment of the budget during each fiscal year.

**Local economy.** Economic factors for which many other cities and counties are vitally concerned (e.g., unemployment and commercial/industrial growth) do not have the same significance in a town that is more than 95% built out, and 60% of the population is over 65 and retired. However, Longboat Key has gained national recognition as a premier community. Prior to 2008 the Town experienced significant growth in property values. After 2008 there was a significant downturn in the real estate market and the change in assessed values from 2008 to 2011 was a reduction of 1.96 billion (29.6%) to \$4.65 billion. The Town's functional population remains steady at an estimated 23,525.

**Goals and objectives.** Management's goals and objectives are to continue to provide a level of infrastructure to complement the residents' lifestyle. This has been accomplished at the same time that tax rates continue to fall. Examples of these goals and objectives are as follows:

- The Town Commission authorized the search for new sand reserves in preparation for a future beach nourishment project and for any necessary interim nourishment projects. The Town voters approved a referendum question in the March 2011 election approving a \$16,000,000 bond issue to place erosion control structures and sand at the north end of Longboat Key as well as certain areas of concern, or "hotspots".
- The Public Works Department continues its lift station rehabilitation program to provide uninterrupted wastewater treatment services to the residents. Public Works is also methodically sliplining the Town's wastewater lines to eliminate problems associated with inflow and infiltration.
- The public works department has completed the Mid-Key potable water pumping station.
- The Town Commission approved the funding of a preliminary design study for a new recreation center at the Town owned Bayfront Park site.

### **Long-term Financial Planning**

The Town is also in the design and engineering phase of the next beach nourishment project which will include erosion control structures at the north end of the Town and sand placement at various "hotspots". The planned method of funding the project is with general obligation debt to be paid back with ad valorem taxes generated by dedicated millages in the beach Special Districts.

The newly constituted Finance Committee has directed the development of a long-term capital financing plan for the Town's future projects with the goal of determining an optimal capital strategy.

### **Relevant Financial Policies**

The property tax valuation falling by 4.2% for budget year 2011-12 combined with the increased required Town contributions to its pension plans led to further cost cutting by Town staff. This enabled the Town Commission to keep the same millage for FY 2011-12 of 1.8872 as the previous year. The Town Commission continued to reserve \$1,000,000 of the general fund balance to offset future pension plan cost increases.

**Awards.** The Government Finance Officers Association and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Longboat Key, Florida for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2010. This was the 30th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive

annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

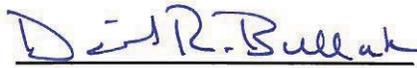
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

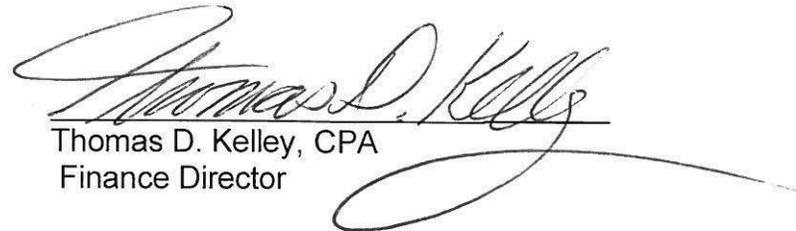
**Acknowledgment.** The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We take this opportunity to express appreciation to the entire staff for their tireless attention to detail which makes compiling this report all the easier.

The staff of Carr, Riggs and Ingram, LLC is appreciated for their comments and advice.

**Also, our thanks to members of the Town Commission for their support in planning and guiding the financial affairs of the Town in a responsible and progressive manner.**

Respectfully submitted,

  
David R. Bullock  
Town Manager

  
Thomas D. Kelley, CPA  
Finance Director

**TOWN COMMISSION**

**MAYOR – Jim Brown**  
**VICE-MAYOR – David Brenner**

**District 1**  
**Lynn Larson**

**District 4**  
**Jim Brown**

**District 2**  
**Jack Duncan**

**District 5**  
**Pat Zunz**

**District 3**  
**David Brenner**

**At Large:**  
**Hal Lenobel**  
**Phill Younger**

**DEPARTMENT HEADS**

**Town Manager**  
**David R. Bullock**

**Town Clerk**  
**Patricia J. Granger**

**Finance Director**  
**Thomas D. Kelley**

**Police Chief**  
**Albert F. Hogle**

**Fire Chief**  
**Paul Dezzi**

**Planning, Zoning & Building**  
**Director**  
**Monica Simpson**

**Management Information**  
**Systems Director**  
**Kathi J. Pletzke**

**Public Works Director**  
**Juan J. Florensa**

**Town Attorney**  
**David Persson**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Longboat Key  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director



FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the  
Board of Town Commissioners  
Town of Longboat Key, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Longboat Key, Florida (the "Town"), as of and for the year ended September 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Town of Longboat Key, Florida, as of September 30, 2011, and the respective changes in financial position and, cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2012, on our consideration of the Town of Longboat Key, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other information listed in the table of contents as required supplementary information, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Longboat Key, Florida's financial statements as a whole. 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 financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-profit Organizations*, as is 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 financial statements and schedules. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

*Carri Riggs & Ingram, L.L.C.*

Clearwater, Florida  
May 4, 2012

## Management's Discussion and Analysis

As Town Manager and Finance Director for the Town of Longboat Key, Florida, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Longboat Key for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages i-iv of this report.

### Financial Highlights

- The Town of Longboat Key's assets exceeded its liabilities (net assets) at September 30 by \$100,412,923 for fiscal year 2011, as compared to \$100,520,468 for fiscal year 2010. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors; the Town of Longboat Key's unrestricted net assets at September 30, 2011 amounted to \$22,038,088 Unrestricted net assets decreased \$3,714,698 from the previous fiscal year.
- The Town's total net assets this fiscal year decreased \$107,545 over the previous year with a decrease of (\$1,702,055) in governmental activities and an increase of \$1,594,510 resulting from business-type activities.
- At September 30, 2011 the Town of Longboat Key's governmental fund statements reported combined ending fund balances of \$16,995,020, a decrease of \$6,734,862 from the previous fiscal year. Of this amount, \$3,369,650 remains in the various fund types of the Town as unassigned.
- The General Fund reported an unassigned fund balance of \$3,369,650 compared to last year's unassigned amount of \$3,986,168; a decrease from last fiscal year of \$616,518.

### Overview of the Financial Statements

Our discussion and analysis is intended to serve as an introduction to the Town of Longboat Key's financial statements, which include government-wide statements, fund statements, as well as notes to the basic financial statements. There is additional supplementary information following these financial statements which may be of interest to the reader.

### Government-Wide Financial Statements

Government-wide financial statements are designed to provide you with a broad overview of the financial position of the Town of Longboat Key and are similar to private-sector financial statements. They include a *Statement of Net Assets* and a *Statement of Activities*. These statements appear on pages 12 to 13 of the report.

The Statement of Net Assets shows the Town's assets less its liabilities as of September 30, 2011. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

The Statement of Activities follows the Statement of Net Assets and presents information showing how the net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of the related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

Both statements attempt to distinguish functions of the Town of Longboat Key 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).

Governmental activities reported in the statements include general government, public safety, transportation, and culture and recreation. Major business activities in the Town of Longboat Key include water and sewer operations and Building Department functions.

## **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. Like other state and local governments, the Town of Longboat Key uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of The Town of Longboat Key government can be divided into three categories: governmental, proprietary and fiduciary funds.

### **Governmental Funds**

Governmental Funds, presented on pages 14 to 16, essentially account for the same functions as those reported under the government-wide Statement of Net Assets and Statement of Activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the Town of Longboat Key's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in the Town of Longboat Key's statements include five major funds, the General Fund, Road and Bridge Fund, Beach Erosion Control District A, General Obligation Beach Bonds, and the Beach Nourishment Capital Project Fund. Although there are many smaller governmental funds in the Town of Longboat Key government, they have been presented in a total column termed as "other governmental funds". Combining statements for these other governmental funds have been presented elsewhere in the report.

### **Proprietary Funds**

The Town of Longboat Key maintains and presents two major proprietary funds, a Water and Sewer enterprise fund and a Building Department enterprise fund that are presented on pages 17 to 19 of this report. Enterprise funds report, in greater detail, the same information presented as business-type activities in the government-wide financial statements for water and sewer operations and Building Department functions.

### **Fiduciary Funds**

The Town of Longboat Key uses fiduciary funds to account for resources held for the benefit of parties outside Town government. Examples of the Town's fiduciary funds are the funds used to account for the Town's three retirement systems. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the Town of Longboat Key government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are presented on pages 20 and 21 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 22 to 43 of the report.

### **Other Information**

The combining and individual statements and schedules, referred to earlier, present more detailed views of nonmajor funds used in governmental and enterprise funds begin on page 64. This section includes budget to actual schedules for nonmajor special revenue funds and debt service funds. Also included are statements for pension and agency funds. Additional information about the Town, which may be of interest to the reader, is found under the Statistical section of this report.

## Government-Wide Financial Analysis

Comparative data for fiscal years ending September 30, 2011 and 2010 are shown below.

### Town of Longboat Key Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current/other assets	\$ 18,363	\$ 24,346	\$ 19,519	\$ 21,129	\$ 37,882	\$ 45,475
Capital assets	54,408	52,385	25,980	21,944	80,388	74,329
Total assets	<u>72,771</u>	<u>76,731</u>	<u>45,499</u>	<u>43,073</u>	<u>118,270</u>	<u>119,804</u>
Current liabilities	1,599	3,363	1,065	304	2,664	3,667
Long-term liabilities	2,406	2,900	12,787	12,717	15,193	15,617
Total liabilities	<u>4,005</u>	<u>6,263</u>	<u>13,852</u>	<u>13,021</u>	<u>17,857</u>	<u>19,284</u>
Invested in capital assets net of related debt	52,338	47,245	16,835	13,980	69,173	61,225
Restricted	-	-	9,202	13,531	9,202	13,531
Unrestricted	16,428	23,223	5,610	2,541	22,038	25,764
Total net assets	<u>\$ 68,766</u>	<u>\$ 70,468</u>	<u>\$ 31,647</u>	<u>\$ 30,052</u>	<u>\$ 100,413</u>	<u>\$ 100,520</u>

The overall financial position of the Town declined slightly in fiscal year 2011. As noted earlier in our discussion, changes in net assets over time can be one of the best and most useful indicators of financial position. The Town of Longboat Key's decrease in net assets for the fiscal year ending September 30, 2011 is \$107,545. Although the Town of Longboat Key's taxable value has decreased -\$1,738,208,433 or -26% between fiscal year 2008 and 2011, this is the first decrease we have seen in net assets. The Town's fiscal outlook remains positive due to the Town's substantial tax base which saw only a 4.2% reduction in taxable value for fiscal year 2012.

### Governmental Activities

The Town is reporting a positive change in restricted net assets in governmental activities. However, the Town reports a negative change in unrestricted net assets at September 30, 2011. The reduction of net assets is \$1,702,055 from 2010 which is mainly due to lower tax revenues, interest earnings, sales tax revenues and franchise fees. Invested in capital assets, net of related debt increased \$5,092,893 over 2010 mostly due to the final principal payment on the G.O. Beach bond. Unrestricted net assets are Town resources that may be used to meet the Town's ongoing obligations to citizens and creditors while restricted assets are resources subject to external restriction.

The Town of Longboat Key's investment in capital assets for governmental activities such as land, roads, parks, buildings, machinery and equipment, as a percentage of net assets, amount to 76% as of September 30, 2011. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The Town uses capital assets to provide services to the citizens and consequently these assets are not available for future spending. Although our investment in capital assets is reported net of related debt, the capital assets themselves cannot be used to liquidate that liability and other resources will be needed to repay any associated debt.

### Business-type Activities

The Town's business-type activities, for both fiscal years, reports positive balances in all categories of net assets. The Town's business-type net assets at September 30, 2011 increased a total of \$1,594,510 over 2010. Current unrestricted assets increased a total of \$3,068,838 from the previous year. This increase was primarily a result of the positive cash flow from operations. The Town Commission approves a system rate increase each time Manatee County increases the Town's wholesale costs which allows the revenues to keep pace with the increases in the utility's largest expenses. The utility's rate consultant has recommended maintaining the rates at a level that meet today's more stringent debt coverage requirements recommended by the rating agencies as well as provide sufficient reserves to continue doing some capital projects on a pay as you go basis.

**Business-type Activities - continued**

A comparison of current unrestricted assets as compared to current unrestricted liabilities for both governmental and business-type activities can be a good indication of the Town's ability to meet its current and existing operational responsibilities.

The ratio for both years is as follows:

**Comparison of Current Unrestricted Assets and Liabilities (in thousands)**

	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>
<b>Fiscal year ending September 30, 2011:</b>		
Current unrestricted assets	\$ 18,302	\$ 14,369
Current unrestricted liabilities	\$ 1,598	\$ 771
Ratio of current assets to current liabilities	11.45	18.63
<b>Fiscal year ending September 30, 2010:</b>		
Current unrestricted assets	\$ 24,267	\$ 9,318
Current unrestricted liabilities	\$ 3,303	\$ 51
Ratio of current assets to current liabilities	7.35	182.71

The Town continues to maintain healthy ratios as noted above which indicates more than adequate cash flows for the Town. The increase in the Business-Type Activities current ratio for 2011 is due to the reduction in the current portion of a utility bond issue that is paid off.

**Town of Longboat Key Statement of Activities (in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Program Revenues:</b>						
Charges for services	\$ 900	\$ 914	\$ 8,196	\$ 8,474	\$ 9,096	\$ 9,388
Operating grants and contributions	131	147	-	-	131	147
Capital grants and contributions	571	425	614	-	1,185	425
<b>General Revenues:</b>						
Property taxes	9,247	10,258	-	-	9,247	10,258
Gasoline taxes	487	490	-	-	487	490
Sales taxes	1,128	1,083	-	-	1,128	1,083
Unrestricted State revenue sharing	592	602	-	-	592	602
Business Tax	166	158	-	-	166	158
Tourist tax	542	615	-	-	542	615
Franchise tax	981	1,020	-	-	981	1,020
Interest income	181	550	115	180	296	731
Miscellaneous	414	107	-	-	414	107
Total revenues	<u>15,340</u>	<u>16,369</u>	<u>8,925</u>	<u>8,654</u>	<u>24,265</u>	<u>25,024</u>
<b>Expenses:</b>						
General government	7,467	6,054	-	-	7,467	6,054
Public safety	7,023	6,594	-	-	7,023	6,594
Transportation	507	780	-	-	507	780
Economic Environment	69	27	-	-	69	27
Culture and recreation	3,147	2,970	-	-	3,147	2,970
Interest on long-term debt	93	281	-	-	93	281
Water and sewer	-	-	5,533	5,043	5,533	5,043
Building Department	-	-	534	482	534	482
Total expenses	<u>18,305</u>	<u>16,706</u>	<u>6,067</u>	<u>5,525</u>	<u>24,372</u>	<u>22,232</u>
Increase in net assets before other items	(2,965)	(336)	2,858	3,129	(107)	2,792
Net transfers	<u>1,263</u>	<u>1,284</u>	<u>(1,263)</u>	<u>(1,284)</u>	<u>-</u>	<u>0</u>
Change in net assets	(1,702)	948	1,595	1,845	(107)	2,792
Net assets - beginning	<u>70,468</u>	<u>69,521</u>	<u>30,052</u>	<u>28,207</u>	<u>100,520</u>	<u>97,728</u>
Net assets - ending	<u>\$ 68,766</u>	<u>\$ 70,469</u>	<u>\$ 31,647</u>	<u>\$ 30,052</u>	<u>\$ 100,413</u>	<u>\$ 100,520</u>

**Governmental Activities**

The Town posted decreases in net assets for governmental activities of (\$1,702,055) for fiscal year 2011 as compared to an increase of \$947,406 posted for fiscal year 2010. These changes in net assets represent percentage changes of (2.5%) and 1.3%, respectively, in total assets from the previous year.

Changes in revenues and expenses over fiscal year 2010 can be noted in several areas of governmental activities in fiscal year 2011. Revenues were reduced in several areas including tourist taxes, franchise fees and communications services tax partially due to the downturn in the economy and lower property tax revenues due to declining property values and the Commissions policy to reduce expenditures paid for with taxes.

The expense increase was primarily due to increased pension costs and the addition of two Police Officers.

Property taxes are down because of a reduction of -9.00% in taxable values. Tourist taxes and franchise fees are lower due to the downturn in the economy.

## Governmental Funds

Governmental funds provide information on near-term inflows, outflows, and balances of available resources. In assessing the Town of Longboat Key's financing requirements, unreserved fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The governmental fund types include the general fund, special revenue, debt service, and capital projects funds.

The Town of Longboat Key's governmental funds reported combined fund balances of \$16,995,020 for 2011 and \$23,729,882 for 2010. These fund balances indicate a decrease from the previous year of \$6,734,862 and these same funds show a decrease of \$2,293,940 for 2010.

## Business-type Activities

Changes in net assets for business-type activities totaled an increase of \$1,594,510 and an increase of \$1,844,575 for fiscal years 2011 and 2010, respectively, representing a 5.3% increase and a 6.5% increase in total net assets over the previous fiscal year.

## Financial Analysis of the Town of Longboat Key's Funds

As noted earlier, the Town of Longboat Key employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## Major Fund Information

The General Fund is the chief operating fund of the Town. At September 30, 2011, total fund balance in the General Fund was \$5,010,163 of which \$3,697,650 was unassigned. As a measure of the General Fund's liquidity, total fund expenditures compared to both total and unassigned fund balances shows percentages of 34.2% and 25.8% for fiscal year 2011 and 38.3% and 28.4% for fiscal year 2010. Property values declined by -9% resulting in lower tax revenues to the Town of \$946,873. In addition to the reduced property tax revenue, franchise fees were lower due to the slowing economy. General Fund expenditures increased 4.43% due to the increased pension costs and the additional two police officer positions. Also, transfers from other funds to the general fund decreased by \$650,839 because of fewer transfers from the Infrastructure Surtax Fund for public safety capital expenditures.

The major governmental funds chart also discloses information regarding the other major governmental funds of the Town. Data for the Road and Bridge Fund, Beach Erosion Control District A Fund, General Obligation Beach Bond Fund and the Beach Nourishment Capital Project Fund are presented for fiscal years 2011 and 2010.

The Beach Nourishment Capital Project Fund was created to account for the expenditures of reconstructing a beach along the Town's Gulf of Mexico coastline. The sand search and beach engineering has begun for the next beach nourishment project scheduled for 2013, which is causing the expenditures to increase again.

### Major Fund Information (in thousands)

	General Fund	Road and Bridge Fund	Beach Erosion Control District A Fund	General Obligation Beach Bonds Debt Service Fund	Beach Nourishment Capital Project Fund
<b>Fiscal Year 2011:</b>					
Revenues and other sources	\$ 14,585	\$ 561	\$ (12)	\$ 2,861	\$ 1,318
Expenditures and other uses	14,942	492	2,462	2,861	5,220
Increase (decrease) in fund balance	<u>\$ (357)</u>	<u>\$ 69</u>	<u>\$ (2,474)</u>	<u>\$ -</u>	<u>\$ (3,902)</u>
<b>Fiscal Year 2010:</b>					
Revenues and other sources	\$ 13,876	\$ 627	\$ 1,965	\$ 2,867	\$ 1,507
Expenditures and other uses	14,011	558	1,841	2,867	2,193
Increase (decrease) in fund balance	<u>\$ (135)</u>	<u>\$ 69</u>	<u>\$ 124</u>	<u>\$ -</u>	<u>\$ (686)</u>

## Proprietary Fund

Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail.

At September 30, 2011, total net assets amounted to \$31,646,504 as compared to \$30,051,994 at September 30, 2010. Net asset increases are a result of increased building permit activity, reduced Building Division personnel expenses, and lower water and sewer operating costs. Water and sewer revenues are lower due to the Town Commission authorizing a rate decrease and interest costs are higher because of the new bank note and State Revolving Fund loans. The Town's major enterprise funds are comprised of water and sewer operations and the building department.

### Proprietary Funds Condensed Information (in thousands)

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Operating Revenues	\$ 8,183	\$ 8,474	\$ (291)
Operating Expenses	<u>5,405</u>	<u>4,925</u>	<u>480</u>
Operating Income	2,778	3,549	(771)
Non-operating income (expense)	79	(420)	499
Net transfers	<u>(1,263)</u>	<u>(1,285)</u>	<u>22</u>
Change in Net Assets	1,594	1,845	(251)
Total Net Assets - beginning	<u>30,052</u>	<u>28,207</u>	<u>1,845</u>
Total Net Assets - ending	<u>\$ 31,646</u>	<u>\$ 30,052</u>	<u>\$ 1,595</u>

## Capital Assets

Our financial statements present capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction-in-progress.

The Town of Longboat Key's investment in capital assets for both governmental and business-type activities, net of accumulated depreciation at September 30, 2011 totaled \$79,112,812 while September 30, 2010 totaled \$74,328,776.

This investment in capital assets, both purchased and donated, includes land, buildings and systems, improvements, machinery and equipment, parks, roads, and drainage structures.

Investment in capital assets, net of depreciation, changed as follows for fiscal year 2011

### Comparison of Increase in Capital Assets (in thousands)

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent</u>
Governmental funds	\$ 54,408	\$ 52,385	\$ 2,023	3.86%
Proprietary funds	\$ 24,705	\$ 21,944	\$ 2,761	12.58%

Major capital asset events during the current fiscal year include the following multi-year projects:

- Permitting and sand search for upcoming beach project
- Rebuilding utility infrastructure

Additional information on the Town of Longboat Key's capital assets can be found in Note 3 on pages 36 and 37 of this report.

## Debt Administration

At September 30, 2011 the Town of Longboat Key had total bonded debt outstanding of \$15,271,960 of which \$2,095,000 is for the G.O. Facilities Bonds, \$8,764,018 is for the G.O. Note Series 2009 and \$4,412,942 is for the Water and Sewer State Revolving Fund Loans.

The Town's current general obligation rating, with Standard & Poor's continues as AA-. The ratings reflect the strength of the Town of Longboat Key and its management staff. The Town of Longboat Key's rating of A2 was recently upgraded to A1 by Moody's Investor Services.

	Outstanding Debt (in thousands)		
	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
General Obligation Bonds	\$ 10,859	\$ 14,201	\$ (3,342)
Revenue Bonds	<u>4,413</u>	<u>3,614</u>	<u>799</u>
Total	<u>\$ 15,272</u>	<u>\$ 17,815</u>	<u>\$ (2,543)</u>

The constitution of the State of Florida sets no debt limit for municipalities. Additional information on The Town of Longboat Key's long-term debt can be found in Note 4 on pages 37 to 39 of this report.

## Budgetary Highlights

Budget to actual statements are provided in the financial statements for the General Fund. Budget columns are provided for both the original budget adopted for the fiscal year as well as the final budget. A column for actual expenditures follows these columns.

The differences between the final amended budget and actual results resulted in a positive variance in revenues of \$134,478 and a positive variance in expenditures of \$322,870. This resulted in a total difference between the final budgeted and actual results of \$457,348

On the revenue side, income from investments came in lower by \$54,341 due to lower interest rates and franchise fees were lower due to the slower economy and fewer tourists.

The positive variance in expenditures between the final budget and the actual results were primarily the result of lower than budgeted pension costs, capital expenditures on other equipment, savings in contingencies, lower fuel costs and \$158,253 reserved for encumbrances in fiscal year 2011-12.

## Economic Factors and Year 2012 Budgets and Rates

Factors considered in preparing The Town of Longboat Key's budget for the 2012 fiscal year included:

- The total assessed value for real and personal property has decreased slightly over nine percent in the past year. These values are used to determine the ad valorem tax revenue to be received.

<u>Fiscal Year</u>	<u>Taxable Value</u>	<u>Percent Change</u>
2002	3,395,861,821	14.75%
2003	4,022,050,972	18.44%
2004	4,618,875,625	14.84%
2005	5,014,504,388	8.57%
2006	5,695,624,611	13.58%
2007	6,555,048,538	15.09%
2008	6,606,809,366	0.79%
2009	5,954,878,099	(9.87%)
2010	5,350,393,405	(10.15%)
2011	4,868,600,933	(9.00%)

- Franchise fees and tourist taxes continue to decline because of the slumping economy.
- Interest revenues continue to remain low reducing the Town's investment income. Interest earnings have declined significantly because of the "flight to safety" into investments that the Town keeps in its portfolio that has driven down yields.

All of these factors were considered in preparing the Town's budget for the 2012 fiscal year.

During the current fiscal year, the fund balance in the General Fund decreased by \$134,528. All funds carried over in the General Fund for fiscal year 2011 are available for expenditures except \$148,402 that is reserved for encumbrances, \$232,990 reserved for prepaid items and \$1,000,000 reserved for offsetting future pension costs. The Town has increased its operating millage rate from 1.4903 in fiscal year 2010 to 1.8872 in fiscal year 2011.

In March of 2011 the voters approved a referendum to authorize a \$16,000,000 general obligation bond issue to fund a partial beach nourishment to address the erosion at North Shore and various other "hot spots" in need of sand.

#### Requests for Information

This financial report is designed to provide a general overview of The Town of Longboat Key Government's finances for all those with an interest in our government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Finance Director at 501 Bay Isles Road, Longboat Key, Florida, 34228 or by phone at (941) 316-1999. We also recommend that you visit our website at [www.longboatkey.org](http://www.longboatkey.org) for further information.



## BASIC FINANCIAL STATEMENTS



TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2011

ASSETS	Governmental Activities	Business-type Activities	Total	LIABILITIES	Governmental Activities	Business-type Activities	Total
<b>Current assets:</b>				<b>Current Liabilities:</b>			
Cash and cash equivalents	\$ 17,729,967	\$ 13,531,958	\$ 31,261,925	Accounts payable	\$ 719,615	\$ 277,306	\$ 996,921
Accounts receivables	106,754	654,517	761,271	Wages and benefits payable	571,718	15,389	587,107
Due from other governmental units	245,080	-	245,080	Unearned revenue	14,823	-	14,823
Accrued income on investments	60,427	32,369	92,796	Due to other governmental entities	519	18,978	19,497
Inventory	70,329	106,319	176,648	Compensated absences	46,780	-	46,780
Prepaid items	83,931	43,648	127,579	Bonds, notes and loans payable	245,000	459,658	704,658
Other assets	5,207	-	5,207	Interest Payable - restricted	-	15,854	15,854
Cash and cash equivalents - restricted	-	5,149,751	5,149,751	Security deposits - restricted	-	277,370	277,370
<b>Total current assets</b>	<b>18,301,695</b>	<b>19,518,562</b>	<b>37,820,257</b>	Total current liabilities	1,598,455	1,064,555	2,663,010
<b>Noncurrent assets:</b>				<b>Noncurrent liabilities:</b>			
Cash and cash equivalents-restricted	-	1,275,055	1,275,055	Net OPEB obligation	117,088	-	117,088
Net pension obligation asset	61,132	-	61,132	Compensated absences	463,758	45,175	508,933
Land and other nondepreciable assets	25,758,734	3,800,800	29,559,534	Bonds notes and loans payable (net)	1,825,000	12,742,302	14,567,302
Capital assets, net of depreciation	28,649,159	20,904,119	49,553,278	Total noncurrent liabilities	2,405,846	12,787,477	15,193,323
<b>Total noncurrent assets</b>	<b>54,469,025</b>	<b>25,979,974</b>	<b>80,448,999</b>	Total liabilities	4,004,301	13,852,032	17,856,333
<b>Total assets</b>	<b>\$ 72,770,720</b>	<b>\$ 45,498,536</b>	<b>\$ 118,269,256</b>	<b>NET ASSETS</b>			
				Invested in capital assets, net of related debt	52,337,893	16,834,998	69,172,891
				Restricted for			
				Debt service	-	439,625	439,625
				Renewal and Replacement	-	5,735,449	5,735,449
				Connection fees	-	3,026,870	3,026,870
				Unrestricted	16,428,526	5,609,562	22,038,088
				Total net assets	\$ 68,766,419	\$ 31,646,504	\$ 100,412,923
					\$ 68,766,419	\$ 31,646,504	\$ 100,412,923

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



TOWN OF LONGBOAT KEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2011

	General Fund	Road and Bridge Fund	Beach Erosion Control District A Fund	General Obligation Beach Bond Fund	Beach Nourishment Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 5,677,317	\$ 2,677,313	\$ 90,687	\$ -	\$ 3,649,848	\$ 5,634,802	\$ 17,729,967
Due from counties	113,132	-	-	-	-	1,829	114,961
Due from State of Florida	78,672	15,005	-	-	-	36,442	130,119
Other receivables	106,754	-	-	-	-	-	106,754
Accrued income on investments	19,469	9,551	367	-	10,929	20,111	60,427
Inventory	70,329	-	-	-	-	-	70,329
Prepaid items	83,931	-	-	-	-	-	83,931
Other assets	5,207	-	-	-	-	-	5,207
<b>Total assets</b>	<b>\$ 6,154,811</b>	<b>\$ 2,701,869</b>	<b>\$ 91,054</b>	<b>\$ -</b>	<b>\$ 3,660,777</b>	<b>\$ 5,693,184</b>	<b>\$ 18,301,695</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 557,588	\$ -	\$ -	\$ -	\$ 162,027	\$ -	\$ 719,615
Due to State of Florida	519	-	-	-	-	-	519
Wages payable	571,718	-	-	-	-	-	571,718
Deferred revenue	14,823	-	-	-	-	-	14,823
<b>Total liabilities</b>	<b>1,144,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,027</b>	<b>-</b>	<b>1,306,675</b>
<b>Fund balances:</b>							
Nonspendable	154,260	-	-	-	-	-	154,260
Restricted	-	2,701,869	91,054	-	2,938,310	5,693,184	11,424,417
Committed	1,000,000	-	-	-	-	-	1,000,000
Assigned	486,253	-	-	-	560,440	-	1,046,693
Unassigned	3,369,650	-	-	-	-	-	3,369,650
<b>Total fund balances</b>	<b>5,010,163</b>	<b>2,701,869</b>	<b>91,054</b>	<b>-</b>	<b>3,498,750</b>	<b>5,693,184</b>	<b>16,995,020</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,154,811</b>	<b>\$ 2,701,869</b>	<b>\$ 91,054</b>	<b>\$ -</b>	<b>\$ 3,660,777</b>	<b>\$ 5,693,184</b>	<b>\$ -</b>

Amounts reported for governmental activities in the Statement of Net Assets are difference because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Pension assets, (a negative NPO) related to governmental fund contributions should not be recognized in the governmental fund financial statements, but should be reported as an asset in the governmental activities column of the government-wide statement of net assets

OPEB obligations related to governmental fund contributions should not be recognized in the governmental fund financial statements, but should be reported as a liability in the governmental activities column of the government-wide statement of net assets

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

Bonds and notes payable

Accrued compensated absences

Net assets of governmental activities

54,407,893

61,132

(117,088)

(2,070,000)

(510,538)

\$ 68,766,419

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

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	General Fund	Road and Bridge Fund	Beach Erosion Control District A Fund	General Obligation Beach Bond Fund	Beach Nourishment Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Property taxes	\$ 8,903,229	\$ -	\$ 3,026	\$ -	\$ -	\$ 340,921	\$ 9,247,176
Other taxes	166,731	398,394	-	-	-	1,081,178	1,646,303
Licenses and permits	23,795	-	-	-	-	-	23,795
Intergovernmental	1,197,509	88,608	-	-	-	-	1,286,117
Charges for services	825,047	44,385	-	-	-	-	869,432
Franchise fees	980,723	-	-	-	-	-	980,723
Fines and miscellaneous	388,488	-	-	-	15,916	-	404,404
Grants	130,882	-	-	-	571,183	-	702,065
Income on Investments	77,285	30,012	(14,989)	-	30,787	58,155	181,250
Total revenues	12,693,689	561,399	(11,963)	-	617,886	1,480,254	15,341,265
<b>Expenditures:</b>							
Current							
General government	7,155,841	-	175	-	-	175	7,156,191
Public safety	6,277,819	-	-	-	-	-	6,277,819
Transportation	507,134	-	-	-	-	-	507,134
Economic environment	69,300	-	-	-	-	-	69,300
Culture and recreation	765,943	-	-	-	-	-	765,943
Debt Service	-	-	-	2,810,000	-	2,615,000	5,425,000
Principal retirement	-	-	-	49,175	-	40,741	89,916
Interest	-	-	-	1,815	-	781	2,596
Fiscal agent fees	-	-	-	-	-	-	-
Capital outlay	22,821	-	-	-	-	-	22,821
General government	143,598	-	-	-	-	-	143,598
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	5,219,760	-	5,219,760
Total expenditures	14,942,456	-	175	2,860,990	5,219,760	2,656,697	25,680,078
Excess (deficiency) of revenues over expenditures	(2,248,767)	561,399	(12,138)	(2,860,990)	(4,601,874)	(1,176,443)	(10,338,813)
<b>Other financing sources (uses)</b>							
Bond issuance	-	-	-	-	-	2,355,000	2,355,000
Payment to escrow agent	-	-	-	-	-	(13,654)	(13,654)
Transfers in	1,891,370	-	-	2,860,990	700,000	-	5,452,360
Transfers out	-	(492,000)	(2,462,054)	-	(257)	(1,235,444)	(4,189,755)
Total other financing sources (uses)	1,891,370	(492,000)	(2,462,054)	2,860,990	699,743	1,105,902	3,603,951
Net change in fund balances	(357,397)	69,399	(2,474,192)	-	(3,902,131)	(70,541)	(6,734,862)
Fund balance, October 1, 2010	5,367,560	2,632,470	2,565,246	-	7,400,881	5,763,725	23,729,882
Fund balance, September 30, 2011	\$ 5,010,163	\$ 2,701,869	\$ 91,054	\$ -	\$ 3,498,750	\$ 5,693,184	\$ 16,995,020

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

TOWN OF LONGBOAT KEY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Amounts reported for governmental activities in the statement of activities are different

Net change in fund balances - total governmental funds page 15.	\$ (6,734,862)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.	5,413,368
Depreciation expense on governmental capital assets included in the governmental activities in the Statement of Activities.	(3,381,757)
In the Statement of Activities, only the gain/loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance.	(8,718)
The increase in the Net OPEB Obligation reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	(42,586)
The decrease in the Net Pension Obligation Asset reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	(17,917)
The increase in compensated absences reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	417
Acquisition of long-term debt is reported as revenue in governmental funds, but an addition to long-term liabilities in the Statement of Net Assets	(2,355,000)
Repayment of long-term debt is reported as expenditure in governmental funds, but a reduction of long-term liabilities in the Statement of Net Assets.	<u>5,425,000</u>
Change in net assets of governmental activities - page 13.	<u>\$ (1,702,055)</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
SEPTEMBER 30, 2011

	Water and Sewer	Building Department	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 12,885,454	\$ 646,504	\$ 13,531,958
Accounts receivable - customers (net of allowance)	654,517	-	654,517
Accrued income on investments	30,073	2,296	32,369
Inventories	106,319	-	106,319
Deferred charge	43,648	-	43,648
<b>CURRENT ASSETS-RESTRICTED</b>			
Cash and cash equivalents	4,872,381	-	4,872,381
Customer meter deposits, security deposits	277,370	-	277,370
Total current assets	18,869,762	648,800	19,518,562
<b>NONCURRENT ASSETS</b>			
Restricted cash and cash equivalents			
Connection fees	1,275,055	-	1,275,055
Total restricted assets	1,275,055	-	1,275,055
Capital assets			
Land	1,794,234	-	1,794,234
Buildings and improvements	2,452,121	-	2,452,121
Improvements other than buildings	29,294,238	-	29,294,238
Machinery and equipment	2,683,534	-	2,683,534
Construction work-in-progress	2,006,566	-	2,006,566
Less accumulated depreciation	(13,525,774)	-	(13,525,774)
Total capital assets	24,704,919	-	24,704,919
Bond issuance cost			
Unamortized bond issue costs	125,046	-	125,046
Less accumulated amortization	(125,046)	-	(125,046)
Net bond cost	-	-	-
Total noncurrent assets	25,979,974	-	25,979,974
Total assets	\$ 44,849,736	\$ 648,800	\$ 45,498,536
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 236,317	\$ 40,989	\$ 277,306
Wages payable	8,511	6,878	15,389
Current installments of notes	306,000	-	306,000
Current installments of bonds	153,658	-	153,658
Total unrestricted current liabilities	704,486	47,867	752,353
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>			
Due to Manatee County	-	11,344	11,344
Due to Sarasota County	-	7,634	7,634
Customer meter deposits, security deposits	277,370	-	277,370
Accrued interest payable	15,854	-	15,854
Total current liabilities payable from restricted assets	293,224	18,978	312,202
Total current liabilities	997,710	66,845	1,064,555
<b>LONG - TERM LIABILITIES</b>			
Notes Payable	8,464,300	-	8,464,300
Bonds Payable	4,278,002	-	4,278,002
Accrued compensated absences	31,614	13,561	45,175
Total long-term liabilities	12,773,916	13,561	12,787,477
Total liabilities	13,771,626	80,406	13,852,032
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	16,834,998	-	16,834,998
Restricted for			
Capital projects			
Debt service	439,625	-	439,625
Renewal and replacement fund	5,735,449	-	5,735,449
Accumulated earnings on connection fees	3,026,870	-	3,026,870
Unrestricted	5,041,168	568,394	5,609,562
Total net assets	\$ 31,078,110	\$ 568,394	\$ 31,646,504

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

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 7,220,318	\$ 930,593	\$ 8,150,911
Late charges	28,730	-	28,730
Rentals and miscellaneous	-	3,104	3,104
Total operating revenues	<u>7,249,048</u>	<u>933,697</u>	<u>8,182,745</u>
<b>OPERATING EXPENSES</b>			
Personnel services and benefits			
Salaries	359,856	339,864	699,720
Payroll taxes and employee benefits	<u>214,122</u>	<u>167,021</u>	<u>381,143</u>
Total personnel services and benefits	<u>573,978</u>	<u>506,885</u>	<u>1,080,863</u>
Professional services	106,914	7,362	114,276
General and administrative	46,505	10,248	56,753
Materials and supplies	42,524	7,726	50,250
Utility services	113,928	-	113,928
Insurance	98,509	-	98,509
Repairs and maintenance	222,228	1,239	223,467
Water purchased for resale	1,192,246	-	1,192,246
Wastewater treatment	1,480,078	-	1,480,078
Bad debt expense	157,357	-	157,357
Miscellaneous	27,367	105	27,472
Depreciation	<u>809,732</u>	<u>-</u>	<u>809,732</u>
Total operating expenses	<u>4,297,388</u>	<u>26,680</u>	<u>4,324,068</u>
Total operating and personnel expenses	<u>4,871,366</u>	<u>533,565</u>	<u>5,404,931</u>
<b>OPERATING INCOME</b>	<u>2,377,682</u>	<u>400,132</u>	<u>2,777,814</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Income on investments	111,017	3,522	114,539
Connection fees and meter installation	3,305	-	3,305
Miscellaneous	3,967	-	3,967
Gain on disposal of capital assets	5,794	-	5,794
Interest expense	<u>(661,972)</u>	<u>-</u>	<u>(661,972)</u>
Total non-operating revenues (expenses)	<u>(537,889)</u>	<u>3,522</u>	<u>(534,367)</u>
Income before capital contributions and transfers	1,839,793	403,654	2,243,447
Capital contributions	613,668	-	613,668
Transfers out	<u>(997,605)</u>	<u>(265,000)</u>	<u>(1,262,605)</u>
<b>CHANGE IN NET ASSETS</b>	1,455,856	138,654	1,594,510
<b>TOTAL NET ASSETS, OCTOBER 1, 2010</b>	<u>29,622,254</u>	<u>429,740</u>	<u>30,051,994</u>
<b>TOTAL NET ASSETS, SEPTEMBER 30, 2011</b>	<u>\$ 31,078,110</u>	<u>\$ 568,394</u>	<u>\$ 31,646,504</u>

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

TOWN OF LONGBOAT KEY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Water and Sewer	Building	Total
Cash flows from operating activities:			
Cash received from customers	\$ 8,130,796	\$ 934,576	\$ 9,065,372
Cash payments to vendors for goods and services	(4,148,511)	(2,724)	(4,151,235)
Cash payments to employees for services	<u>(541,637)</u>	<u>(495,225)</u>	<u>(1,036,862)</u>
Net cash provided by operating activities	<u>3,440,648</u>	<u>436,627</u>	<u>3,877,275</u>
Cash flows from noncapital financing activities:			
Transfers out	<u>(997,605)</u>	<u>(265,000)</u>	<u>(1,262,605)</u>
Net cash provided (used) by noncapital financing activities	<u>(997,605)</u>	<u>(265,000)</u>	<u>(1,262,605)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(3,570,877)	-	(3,570,877)
Proceeds from the sale of capital assets	5,794	-	5,794
Miscellaneous	69,810	-	69,810
Proceeds from borrowings	952,423	-	952,423
Interest payments on debt	(659,405)	-	(659,405)
Grant proceeds	613,668	-	613,668
Connection fees	<u>3,305</u>	<u>-</u>	<u>3,305</u>
Net cash (used) by capital and related financing activities	<u>(2,585,282)</u>	<u>-</u>	<u>(2,585,282)</u>
Cash flows from investing activities:			
Income on investments	<u>114,248</u>	<u>3,522</u>	<u>117,770</u>
Net increase in cash and cash equivalents	(27,991)	175,149	147,158
Cash and cash equivalents, October 1, 2010	<u>19,338,251</u>	<u>471,355</u>	<u>19,809,606</u>
Cash and cash equivalents, September 30, 2011	<u>\$ 19,310,260</u>	<u>\$ 646,504</u>	<u>\$ 19,956,764</u>
Classified as:			
Current assets	\$ 12,885,454	\$ 646,504	\$ 13,531,958
Restricted assets	<u>6,424,806</u>	<u>-</u>	<u>6,424,806</u>
Cash and cash equivalents, September 30, 2011	<u>\$ 19,310,260</u>	<u>\$ 646,504</u>	<u>\$ 19,956,764</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income	\$ 2,377,682	\$ 400,132	\$ 2,777,814
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	809,732	-	809,732
Changes in assets (increase) decrease in:			
Accounts receivable	47,589	879	48,468
Inventories	(60,773)	-	(60,773)
Prepaid expenses	-	(2,296)	(2,296)
Changes in liabilities increase (decrease) in:			
Accounts payable	193,796	23,956	217,752
Wages payable	2,746	1,505	4,251
Customer deposits	24,425	-	24,425
Due to other funds	19,889	9,246	29,135
Due to other governments	-	9,537	9,537
Accrued compensated absences	9,706	(6,332)	3,374
Accrued and other liabilities	<u>15,856</u>	<u>-</u>	<u>15,856</u>
Total adjustments	<u>1,062,966</u>	<u>36,495</u>	<u>1,099,461</u>
Net cash provided by operating activities	<u>\$ 3,440,648</u>	<u>\$ 436,627</u>	<u>\$ 3,877,275</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2011

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,280,488	\$ 359,617
Receivables		
Employee contributions	9,196	-
Town contributions	560,177	-
State Contributions (Supplemental)	239,800	-
Total receivables	<u>809,173</u>	<u>-</u>
Investments, at fair value		
U.S. treasury	4,501,030	-
Corporate bonds	3,248,213	-
Corporate stocks	12,592,481	-
Total investments	<u>20,341,724</u>	<u>-</u>
Other assets	-	103,347
Total assets	<u>\$ 22,431,385</u>	<u>\$ 462,964</u>
<b>LIABILITIES</b>		
Prepaid Town Contribution	\$ 12,008	\$ -
Benefit Payables	7,770	-
Code enforcement bonds	-	13,662
Amounts held as agent for others	-	449,302
Total liabilities	<u>19,778</u>	<u>\$ 462,964</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits - Active and Retired Members' Equity	22,230,242	
Held in trust for pension benefits - DROP	181,365	
Total Net Assets	<u>22,411,607</u>	
Total Liabilities and Net Assets	<u>\$ 22,431,385</u>	

(A schedule of funding progress for each pension plan is presented on page 33)

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

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions	
Town	\$ 2,538,547
Buy-back	8,116
Employees	514,786
State Insurance Fund	310,693
Total Contributions	<u>3,372,142</u>
Investment Income	
Income on investments	<u>75,550</u>
Total Income on Investments	75,550
Investment expense	<u>(286,166)</u>
Net investment income	<u>(210,616)</u>
Total Additions	<u>3,161,526</u>
<b>DEDUCTIONS</b>	
Pension benefits	<u>2,543,355</u>
	<u>2,543,355</u>
Net change in plan net assets	618,171
Net assets, held in trust for pension benefits:	
Beginning of year	<u>21,793,436</u>
End of year	<u>\$ 22,411,607</u>

The notes to the financial statements are an integral part of these statements

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety, public works, street maintenance, and other general governmental functions. The Town is a political subdivision of the State of Florida created by Special Act of 1957, Chapter 1540 and Chapter 69-1265. On March 20, 1975, the Town's Commission approved a new Charter by adopting Ordinance 75-2. The accompanying financial statements present the Town's primary government and component units over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town (as distinct from legal relationships).

The accompanying financial statements present the Town and its component units. Blended component units, although legally separate entities, are in substance part of the Town's operations and as a result considered to be financially accountable. The following component units are reported in the Town's Comprehensive Annual Report (CAFR). In August 1992 the Town passed ordinances creating two dependent special districts, Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B. The purpose of these districts is to renourish and maintain the Town's beachfront area. The services provided by these districts are solely for the benefit of the Town. These Districts began operations in January 1993 upon issuance of bonds. The governing boards of the Districts are substantially the same as that of the Town. These Districts are blended into the Town's primary government although retaining separate legal identity. Separate financial statements are not prepared for these component units.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the Town.

Government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements report on the government as a whole, both the primary government and its component units, and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. Fiduciary funds of the government are also eliminated from this presentation since these resources are not available for general government funding purposes. The Statement of Net Assets reports all financial and capital resources of the Town's governmental and business-type activities. It is presented in a net assets format (assets less liabilities equal net assets) and shown with three components: amounts invested in capital assets, net of related debt; restricted net assets and unrestricted net assets. The Statement of Activities reports functional categories of programs provided by the Town, and demonstrates how and to what degree those programs are supported by specific revenue.

Program revenues are classified into three categories; charges for services, operating grants and contributions and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that help support all functions of our government and contribute to the change in the net assets for the fiscal year.

The fund financial statements follow and report additional and detailed information about the Town's operations for major funds individually and non-major funds in the aggregate for governmental, proprietary and fiduciary funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations. The preparation of financial statements in conformity with generally accepted accounting principles, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements, as well as the fund financial statements for the proprietary funds and the fiduciary funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds, however, have no measurement focus. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as water, sewer and garbage services. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses or other expense directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days.

Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated sick pay and accumulated vacation pay, which are not recorded as expenditures; (2) prepaid insurance and similar items, which are reported only on the balance sheet and do not affect expenditures; and (3) principal and interest on long-term debt, which are recognized when due.

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, because they are generally not measurable until actually received. Investment earnings and most fines and forfeitures are recorded as earned since they are measurable and available.

The accounting policies and the presentation of the financial report of the Town of Longboat Key, Florida have been designed to conform to generally accepted accounting principles (GAAP) as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). The Town applies all applicable FASB pronouncements issued before November 30, 1989, unless they conflict with or contradict GASB pronouncements, in accounting and reporting for its proprietary operations but has elected not to apply FASB pronouncements issued after November 30, 1989.

The following are reported as major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

The Road and Bridge Fund was created to account for the collection of county road funds and state fuel taxes and expenditures made to maintain and improve the Town's roads and bridges.

The Beach Erosion Control District A Fund was created to account for the special taxing district's bond construction funds and district taxes.

The General Obligation Beach Bonds Debt Service Fund was created to account for the expenditures associated with the debt incurred upon issuance of the bonds.

The Beach Nourishment Capital Project Fund was created to account for the expenditures of reconstructing the beach along the Town's Gulf of Mexico coastline.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The following are reported as major proprietary funds:

Water and Sewer — the Water and Sewer fund accounts for the operation of the Town's potable water, wastewater services to residents and businesses.

Building Department — The Building Department fund accounts for the permitting and inspecting functions of construction activities.

The Town also reports the following fund types:

Pension Trust Funds — The Pension Trust Funds account for the activities of the general employees', police officers' and firefighters' pension plans.

Agency Funds — Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are merely clearing accounts for assets held by a government as an agent for individuals, private organizations, other governments or other funds. Agency funds held by the Town include the Police Training Fund, Code Enforcement Fund, and the Law Enforcement Forfeiture Fund, which hold funds prior to legal disbursement and the Solid Waste Fund, Police Donations Fund, Constitutional Bicentennial Fund, Fire Donations Fund, and the Public Works Donations Fund, which holds money in a custodial capacity. These funds are accounted for on an accrual basis of accounting.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Cash and Investments

The Town utilizes a consolidated bank account wherein cash and investments of most funds are commingled, excluding certain investments held in a fiduciary capacity or those investments belonging to a specific fund due to legal or other restrictions.

Cash and cash equivalents are cash on hand as well as demand deposits and pooled cash and non-pooled investments with original maturities of three months or less.

Formal accounting records detail the monthly equities of all participating funds. Interest earned on these investments is allocated to funds based on average equity balances.

The provisions of state statutes (Chapter 218.415) and local ordinances, including bond ordinances, provide that the Town may invest surplus funds (excluding pension trust funds) in the following ways:

- With banks and savings and loan associations through time deposits or savings accounts, provided such deposits are adequately collateralized;
- In negotiable direct obligations of the U.S. Government and certain of its agencies, or in obligations guaranteed by the U.S. Government or such agencies.

Pension trust funds may be invested in the above as well as certain corporate obligations and equities.

Investments

In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", all investments have been reported at fair value. The Town has implemented GASB 40, "Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3", which require more comprehensive disclosure of various common risks related to deposits and investments.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Cash Investments – Continued

Investments - continued

The following summarizes the Town's cash and investments, excluding Pension Trust Funds, at September 30, 2011 which are recorded at fair value and disclosed using the segmented time distribution method as follows:

Cash and Equivalents	Fair Value Method	Principal	Fair Value
Petty Cash	Cost	\$ 2,400	\$ 2,400
Public Depository accounts			
Checking	Cost	2,635,594	2,228,318
Mutual Funds	Cost	580,718	580,718
Money Market	Cost	9,812,356	9,812,356
 Total cash and cash equivalents		 \$ 13,031,068	 \$ 12,623,792
 <u>Investments</u>			
U.S. Government and Agency Obligations			
0-6 Month Maturities	Quoted Market	\$ 3,899,769	\$ 3,837,102
6 Month to 1 Year Maturities	Quoted Market	2,553,912	2,549,913
1 to 3 Year Maturities	Quoted Market	18,457,758	18,675,924
 Total investments		 \$ 24,911,439	 \$ 25,062,939

*Custodial Risk:* All of the Town's deposits (checking, savings, money market and certificates of deposit) are held in the Town's name in banks or savings and loan associations certified by the State of Florida as qualified public depositories under Chapter 280, Florida Statutes, the Florida Security of Public Deposits Act and are either insured by federal depository insurance or through the State of Florida's public depository collateral pool.

*Concentration of Credit Risk:* It is the policy of the town to diversify its investment portfolio. Assets are diversified to control the risk of loss resulting from over concentration for assets in a specific maturity, a specific issuer or a specific instrument or class of instruments, and dealers through whom these instruments are bought and sold. To limit concentration of credit risk the Town's investment policy requires diversification of the portfolio with maximum limits that can be invested per investment type. Diversification strategies are reviewed and revised periodically as necessary.

*Credit Risk:* It is the policy of the Town to invest in U.S. Government and Agency obligations, non-negotiable interest bearing time certificates of deposits with national banks doing business in the State of Florida, provided that such deposits are secured by the Florida Security for Public Deposits Act, Commercial Paper that is rated at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's, Corporate Notes that are rated at the time of purchase "Aa" by Moody's and "AA" by Standard & Poor's, or Money Market Funds provided that such funds are registered under the Federal Investment Company Act of 1940.

*Interest Rate Risk:* Investment rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment policy, although not formalized, recognizes that the longer a maturity of an investment, the greater its price volatility. The town limits its investment risk for investments by requiring all investments to have a maximum maturity of six years from the date of purchase.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Inventories

All inventories are determined by physical count and are stated at cost (first-in, first-out) for using the consumption method.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Additions to capital assets are recorded at cost at the time of purchase. Gifts or contributions are recorded at fair market value at the time received.

The Town maintains a \$5,000 threshold for additions to equipment. Buildings are capitalized when the value is \$10,000 or greater. Public domain and system infrastructure assets represent major expenditures for such items as roads, water and sewer treatment plants and lines, parks and drainage systems. Additions and improvements for roads, water, sewer, and drainage infrastructure are capitalized when the cost amounts to \$25,000 while park additions and improvements are capitalized at \$5,000.

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable fixed assets are as follows:

	<u>Life – Years</u>
Buildings	15 - 75
Equipment	5 - 10
Autos, trucks and buses	3 - 12
System infrastructure	20 - 40
Public domain infrastructure	20 - 50
Improvements	7 - 15
Beach nourishments	7 - 15

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

G. Unamortized Debt Expense

Unamortized debt expense is amortized by using the outstanding principal method over the life of the debt and is recorded as a reduction to bonds payable.

H. Amortization of Discount on Bonds

Amortization of discount on bonds is determined by using the outstanding principal method and is recorded as interest expense each year over the life of the debt.

I. Fund Balance Classification

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

- Nonspendable Fund Balance - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance - Restricted fund balances are restricted when constraints placed on the uses of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Town's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type of action.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

I. Fund Balance Classification - Continued

- Assigned Fund Balance - Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Town Commissioners or (b) a body or official to which the Town Commissioners have delegated the authority to assign amounts to be used for specific purposes. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.
- Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General Fund.

The Town Commission can establish, modify or rescind committed fund balance through the formal approval of an ordinance.

The fund balances are classified as follows:

<b>General Fund</b>	
Nonspendable:	
Inventory	\$ 70,329
Prepaid items	83,931
Committed:	
Offset future pension costs	1,000,000
Assigned:	
2011/12 Budget appropriations - Red Tide Cleanup	50,000
2011/12 Budget appropriations - Election	28,000
2011/12 Budget appropriations - Commission Contingency	250,000
Encumbrances	158,253
Unassigned	3,369,650
<b>Total General Fund fund balance</b>	<u><u>\$ 5,010,163</u></u>
<b>Road and Bridge</b>	
Restricted for road improvements	<u><u>\$ 2,701,869</u></u>
<b>Beach Erosion Control District A</b>	
Restricted for collection of proceeds to pay beach debt	<u><u>\$ 91,054</u></u>
<b>Beach Nourishment Capital Project Fund</b>	
Restricted:	
Beach nourishment and projects	\$ 2,938,310
Assigned:	
Future beach improvements	560,440
<b>Total Beach Nourishment Capital Project Fund fund balance</b>	<u><u>\$ 3,498,750</u></u>
<b>Nonmajor Governmental Funds</b>	
Restricted:	
Infrastructure Surtax	\$ 831,781
Tourist Development Tax	1,671,045
Beach District B	1,941
General Obligation Sewer Bonds	9,282
General Obligation Facility Bonds	56,436
Streets Capital Projects	490,196
Land Acquisition Fees	1,939,043
Facilities Capital Projects	3,692
Canal Dredging	404,254
Parks and Recreation	285,514
	<u><u>\$ 5,693,184</u></u>
<b>Total governmental funds fund balance</b>	<u><u>\$ 16,995,020</u></u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Property Taxes

Property tax revenue is recognized in the year for which taxes are levied provided the availability test is met.

The value of all taxable property is assessed as of January 1. The Town Commission levies property taxes by approving the millage rate for the following fiscal year in September. Property taxes become due and payable on November 1 of the same year. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Taxes become delinquent on April 1 of the next year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1. Tax certificate proceeds are remitted to the Town, thereby assuring that virtually all taxes levied are collected within the same fiscal year, after allowing for discounts and any disputed assessment in litigation. The tax certificate, once sold, represents a lien on the property, which may be redeemed by the property owner by paying the face amount of the certificate plus interest and other costs. Property taxes receivable and a corresponding reserve for uncollectable property taxes are not included in the financial statements, as there are no material delinquent taxes as of September 30, 2011. No accrual for the property tax levy becoming due in November of 2011 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

K. Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days.

Employees are paid for 50% of accumulated sick leave upon death, normal retirement or early retirement. Accumulated vacation amounted to \$391,989 and accumulated sick leave amounted to \$163,724, of which \$555,713 is vested as described above, at September 30, 2011. Accumulated vacation and vested sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only when employees were terminated by year-end. The General Fund is the governmental fund where compensated absences are recorded. Non-vested sick leave is recorded when paid.

L. Budgets and Budgetary Data

The annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets.

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

1. During the month of April Citizens Goals and Objectives workshops are held. During the month of May the Town Manager and the department and division directors review the budget documents.
2. On or before June 1<sup>st</sup> of each year the Town Manager presents the Preliminary Budget.
3. In the month of June public budget workshops are held, and in July the tentative maximum millage is set. County and State agencies are advised.
4. On or before August 1<sup>st</sup> the Recommended Budget is presented to the Town Commission.
5. At the first Regular Commission meeting in September reading of the budget and millage ordinances takes place. Upon approval of the second reading the budget is legally adopted.
6. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the appropriations) is the line item level. Transfers of appropriations between funds and use of unallocated fund balances amend the budget and require approval by the Town Commission. Transfers of appropriations up to \$10,000 between line items within a department or among programs within a department may be approved by the Town Manager. Examples of line items are Wages, Office Supplies, Communications and Capital Outlay. The Town does not currently use program budgeting.
7. All appropriations except for capital expenditures shall lapse to the extent that it has not been expended or encumbered.

TOWN OF LONGBOAT KEY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEFINED BENEFIT PENSION PLANS

Plan Description

The Town has in effect three single employer pension plans, for general employees, police officers and firefighters, which cover all permanent full-time employees. The plans are maintained as separate Pension Trust Funds and are reported herein as part of the Town's reporting entity. The ordinances establishing the pension plans and its provisions were passed in 1972 for general employees and in 1975 for police and fire employees. An ordinance was passed in 1991 to modify benefits relative to the general employees' and police officers' pension plans.

Employee membership data as of September 30, 2011 follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Number of participants:				
Active:				
Non-vested	8	10	13	31
Partially vested	9	4	9	22
Fully vested	27	2	11	40
Total vested	44	16	33	93
Retirees and terminated employees with vested benefits	39	20	30	89
Total	83	36	63	182

Benefit Provisions

Effective Date

General employees, Police officers, and Firefighters – April 1, 1992

Normal Retirement Date

General employees – Earlier of age 62 or age 55 and 30 years of service

Police officers – Earlier of age 60, age 55 and 10 years of service or 25 years of service

Firefighters – Earlier of age 60, age 55 and 10 years of service or 25 years of service

Early Retirement Date

General employees – Age 50 and 15 years of service

Police officers – Age 45 and 15 years of service, or age 50 and 10 years of service

Firefighters – Age 45 and 15 years of service, or age 50 and 10 years of service

TOWN OF LONGBOAT KEY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2011

NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED

Benefit Provisions - Continued

Normal Retirement Benefit

General employees – 2.75% of Average Final Compensation times years of credited service  
 Police officers – 3.5% of Average Final Compensation times years of credited service  
 Firefighters – 3.5% of Average Final Compensation times years of credited service

Normal Form of Benefit

General employees, Police officers and Firefighters – Life annuity with 120 months certain. Benefits and refunds of the Plans are recognized when due and payable in accordance with terms of the Plans.

Disability Benefit – In the event an employee becomes totally and permanently disabled, disability benefits are available.

Termination of Employment Benefit – Upon an employee’s termination of employment for reason other than death, disability, or retirement, he shall be entitled to his “accrued benefit”, multiplied by his vested percentage from the following table. His accrued benefit means a deferred retirement benefit commencing as of his Normal or Early Retirement Date equal to the benefit computed as for normal or early retirement respectively based upon his Years of Service completed to date of termination and his Average Monthly Compensation as of such date.

<u>Years of Service</u>	<u>Vested Percentage</u>		
	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Less than 5	0%	0%	0%
5	50%	50%	50%
6	60%	60%	60%
7	70%	70%	70%
8	80%	80%	80%
9	90%	90%	90%
10 or more	100%	100%	100%

Contributions and Reserves

Contributions – Employees

General employees – 6% of compensation  
 Police officers – 10% of compensation  
 Firefighters – 10% of compensation

Contributions – Town

The Town’s obligation to contribute is established by ordinance. The Town contributes remaining amounts necessary to fund the plans as actuarially determined using criteria to satisfy statutory funding requirements. The Town’s contribution to the police officers’ and firefighters’ plan is supplemented by certain statutory contributions from the Office of the State Insurance Commissioner. The Town also pays directly all administrative costs incurred by the plans. It then reduces its final statutory funding requirement by the payments previously incurred.

The Town has received on-behalf payments totaling \$310,694 for the Police and Firefighters’ Pension Trust Funds. Per State law these funds are only for the benefit of the police and fire pension trust funds. The Town cannot use the funds to offset the cost of additional pension benefits. The Town does recognize these on-behalf payments as revenues and expenditures / expenses in the governmental funds financial statements.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 2 – DEFINED BENEFIT PENSION PLANS –CONTINUED

Concentrations

There were no investments (other than U.S. government and U.S. government-guaranteed obligations) that represent more than 5% of net assets available for benefits.

There are no investments in, loans to, or leases with, any PERS official, government employer official, party related to a PERS official or government employer official, non-employer contributor, or organization included in the reporting entity.

The following schedules are derived from the respective actuarial reports and Town information and reflect accounting policies, membership and plan provisions, assumptions, and liabilities and funding provisions for the three retirement plans as of October 1, 2011:

	General	Police	Firefighters
Valuation date	10/1/2011	10/1/2011	10/1/2011
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage-closed	Level percentage-closed	Level percentage-closed
Remaining amortization period	26 years as of 10/01/11	26 years as of 10/01/11	26 years as of 10/01/11
Actuarial asset valuation method	4 Year Smooth	4 Year Smooth	4 Year Smooth
Actuarial assumptions:			
Investment rate of return	8%	8%	8%
Projected salary increases	6%*	6%*	6%**

\*Includes inflation at 3%; \*\*Includes inflation at 5%

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 2 – DEFINED BENEFIT PENSION PLANS –CONTINUED

THREE-YEAR TREND INFORMATION

As of October 1					
Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation	Annual Required Contribution (ARC)	Interest on the NPO <sup>(1)</sup>
<b>General</b>					
10/1/09	\$ 465,902	100.00%	\$ (70)	\$ 465,898	\$ 6
10/1/10	\$ 578,021	100.00%	\$ (66)	\$ 578,017	\$ 6
10/1/11	\$ 743,912	100.02%	\$ (194)	\$ 743,196	\$ 898
<b>Police</b>					
10/1/09	\$ 350,643	99.94%	\$ (2,567)	\$ 350,424	\$ 223
10/1/10	\$ 402,966	99.94%	\$ (2,319)	\$ 402,719	\$ 205
10/1/11	\$ 722,207	99.97%	\$ (2,071)	\$ 722,206	\$ 205
<b>Firefighters'</b>					
10/1/09	\$ 622,545	99.00%	\$ (70,474)	\$ 616,355	\$ 6,133
10/1/10	\$ 1,012,315	99.30%	\$ (63,710)	\$ 1,005,551	\$ 5,638
10/1/11	\$ 1,388,870	99.70%	\$ (58,867)	\$ 1,384,027	\$ 5,097

(1) The interest on the NPO is based on the actuarial assumptions of the investment rate of return

	9/30/2009	9/30/2010	9/30/2011
<b>General</b>			
Actuarially Determined Contribution (A)	\$ 465,898	\$ 578,017	\$ 743,196
Interest on NPO	(6)	(6)	(898)
Adjustment to (A)	10	10	1,614
Annual Pension Cost	465,902	578,021	743,912
Contributions Made	465,898	578,017	744,040
Increase in NPO	4	4	(128)
NPO Beginning of Year	(74)	(70)	(66)
NPO End of Year	\$ (70)	\$ (66)	\$ (194)
<b>Police</b>			
Actuarially Determined Contribution (A)	\$ 350,424	\$ 402,719	\$ 722,207
Interest on NPO	(223)	(205)	(205)
Adjustment to (A)	442	452	452
Annual Pension Cost	350,643	402,966	722,454
Contributions Made	350,424	402,718	722,206
Increase in NPO	219	248	248
NPO Beginning of Year	(2,786)	(2,567)	(2,319)
NPO End of Year	\$ (2,567)	\$ (2,319)	\$ (2,071)

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 2 – DEFINED BENEFIT PENSION PLANS –CONTINUED

<b>Firefighters'</b>	9/30/2009	9/30/2010	9/30/2011
Actuarially Determined Contribution (A)	\$ 616,355	\$ 1,005,551	\$ 1,384,027
Interest on NPO	(6,133)	(5,638)	(5,097)
Adjustment to (A)	12,323	12,402	9,940
Annual Pension Cost	622,545	1,012,315	1,388,870
Contributions Made	616,355	1,005,551	1,384,027
Increase in NPO	6,190	6,764	4,843
NPO Beginning of Year	(76,664)	(70,474)	(63,710)
NPO End of Year	<u>\$ (70,474)</u>	<u>\$ (63,710)</u>	<u>\$ (58,867)</u>

SCHEDULE OF FUNDING PROGRESS

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAA) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
<b>General</b>	10/1/2011	\$ 7,293,178	\$13,688,407	\$ 6,395,229	53.28%	\$2,413,590	264.97%
<b>Police</b>	10/1/2011	\$ 4,902,682	\$10,784,254	\$ 5,881,572	45.46%	\$ 967,293	608.04%
<b>Fire</b>	10/1/2011	\$11,899,137	\$27,164,254	\$15,265,117	43.80%	\$2,476,609	616.37%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	Year Ended 30-Sep	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
<b>General</b>	2011	\$ 743,196	\$ 743,196	\$ -	100.00%
<b>Police</b>	2011	\$ 722,020	\$ 651,126	\$ 70,894	100.00%
<b>Fire</b>	2011	\$ 1,384,027	\$ 1,144,227	\$ 239,800	100.00%

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 2 – DEFINED BENEFIT PENSION PLANS –CONTINUED

Annual Pension Costs and Net Pension Obligations

The Town has negative net pension obligations for the General, Police and Firefighters' pension plans at the end of the reporting period in the amount of \$194, \$2,071 and \$58,867, respectively. The Town has reported \$61,132 of the negative NPO and the interest on the NPO as Noncurrent Assets for the reporting period at the government-wide statement of net assets. The actuarial valuation adjusted the annual required contribution.

The defined benefit pension plans do not issue stand-alone financial reports. The Town is presenting the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets below for all three pension funds of the Town.

	General Employees Pension	Police Officers' Pension	Firefighters' Pension	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 200,270	\$ 528,998	\$ 551,220	\$ 1,280,488
Receivables				
Employee contributions	-	-	9,196	9,196
Town contributions	205,000	176,658	178,519	560,177
State Contributions (Supplemental)	-	-	239,800	239,800
Total receivables	<u>205,000</u>	<u>176,658</u>	<u>427,515</u>	<u>809,173</u>
Investments, at fair value				
U.S. treasury	1,075,293	838,240	2,587,497	4,501,030
Corporate bonds	1,432,688	647,880	1,167,645	3,248,213
Corporate stocks	3,719,139	2,553,964	6,319,378	12,592,481
Total investments	<u>6,227,120</u>	<u>4,040,084</u>	<u>10,074,520</u>	<u>20,341,724</u>
Total Assets	<u>\$ 6,632,390</u>	<u>\$ 4,745,740</u>	<u>\$ 11,053,255</u>	<u>\$ 22,431,385</u>
<b>LIABILITIES</b>				
Prepaid Town Contribution	\$ 12,008	\$ -	\$ -	\$ 12,008
Benefits Payable	1,519	6,251	-	7,770
Total liabilities	<u>13,527</u>	<u>6,251</u>	<u>-</u>	<u>19,778</u>
<b>NET ASSETS</b>				
Held in trust for active and retired members benefits	6,603,428	4,611,903	11,014,911	22,230,242
Held in trust for DROP plan benefits	15,435	127,586	38,344	181,365
Total Net Assets	<u>6,618,863</u>	<u>4,739,489</u>	<u>11,053,255</u>	<u>22,411,607</u>
Total Liabilities and Net Assets	<u>\$ 6,632,390</u>	<u>\$ 4,745,740</u>	<u>\$ 11,053,255</u>	<u>\$ 22,431,385</u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

	General Employees Pension	Police Officers' Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>				
Contributions				
Town	\$ 743,196	\$ 651,125	\$ 1,144,226	\$ 2,538,547
Buy-back	-	-	8,116	8,116
Employees	156,847	99,001	258,938	514,786
State Insurance Fund	-	70,893	239,800	310,693
Total contributions	<u>900,043</u>	<u>821,019</u>	<u>1,651,080</u>	<u>3,372,142</u>
Investment income				
Income on investments	(68,960)	145,807	(1,297)	75,550
	<u>(68,960)</u>	<u>145,807</u>	<u>(1,297)</u>	<u>75,550</u>
Investment expense	(60,988)	(54,458)	(170,720)	(286,166)
Net investment income	<u>(129,948)</u>	<u>91,349</u>	<u>(172,017)</u>	<u>(210,616)</u>
Total Additions	<u>770,095</u>	<u>912,368</u>	<u>1,479,063</u>	<u>3,161,526</u>
<b>DEDUCTIONS</b>				
Pension benefits	437,851	836,208	1,269,296	2,543,355
Total Deductions	<u>437,851</u>	<u>836,208</u>	<u>1,269,296</u>	<u>2,543,355</u>
Net change in plan net assets	332,244	76,160	209,767	618,171
Plan net assets, held in trust for pension benefits:				
Beginning of year	6,286,619	4,663,329	10,843,488	21,793,436
End of year	<u>\$ 6,618,863</u>	<u>\$ 4,739,489</u>	<u>\$ 11,053,255</u>	<u>\$ 22,411,607</u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 3 – CAPITAL ASSETS

	October 1	Additions	Deductions	September 30
<b>Governmental Activities:</b>				
Capital assets not depreciated:				
Land and other				
non-depreciable assets	\$ 23,400,246	\$ -	\$ -	\$ 23,400,246
Construction in progress	1,585,914	872,161	99,587	2,358,488
Total assets not depreciated	<u>24,986,160</u>	<u>872,161</u>	<u>99,587</u>	<u>25,758,734</u>
Capital assets depreciated:				
Buildings	9,649,834	-	-	9,649,834
Streets and roadways	6,559,881	-	-	6,559,881
Improvements other than buildings	42,383,878	4,474,809	-	46,858,687
Vehicles and other equipment	5,531,174	165,985	58,989	5,638,170
Total assets depreciated	<u>64,124,767</u>	<u>4,640,794</u>	<u>58,989</u>	<u>68,706,572</u>
Less accumulated depreciation:				
Buildings	2,982,098	323,185	-	3,305,283
Streets and roadways	3,841,744	228,149	-	4,069,893
Improvements other than buildings	26,563,719	2,324,604	-	28,888,323
Vehicles and other equipment	3,338,366	505,820	50,272	3,793,914
Total accumulated depreciation	<u>36,725,927</u>	<u>3,381,758</u>	<u>50,272</u>	<u>40,057,413</u>
Total depreciable capital assets, net	<u>27,398,840</u>	<u>1,259,036</u>	<u>8,717</u>	<u>28,649,159</u>
Total governmental activities capital assets, net	<u>\$ 52,385,000</u>	<u>\$ 2,131,196</u>	<u>\$ 108,304</u>	<u>\$ 54,407,893</u>
<b>Business-type Activities:</b>				
Capital assets not depreciated:				
Land and other				
non-depreciable assets	\$ 1,794,235	\$ -	\$ -	\$ 1,794,235
Construction in progress	4,966,406	1,388,336	4,348,177	2,006,565
Total assets not depreciated	<u>6,760,641</u>	<u>1,388,336</u>	<u>4,348,177</u>	<u>3,800,800</u>
Capital assets depreciated:				
Buildings	2,452,121	-	-	2,452,121
Improvements other than buildings	22,825,858	6,468,380	-	29,294,238
Vehicles and other equipment	2,649,632	62,336	28,433	2,683,535
Total assets depreciated	<u>27,927,611</u>	<u>6,530,716</u>	<u>28,433</u>	<u>34,429,894</u>
Less accumulated depreciation:				
Buildings	2,141,734	23,190	-	2,164,924
Improvements other than buildings	8,324,172	709,850	-	9,034,022
Vehicles and other equipment	2,278,570	76,692	28,433	2,326,829
Total accumulated depreciation	<u>12,744,476</u>	<u>809,732</u>	<u>28,433</u>	<u>13,525,775</u>
Total depreciable capital assets, net	<u>15,183,135</u>	<u>5,720,984</u>	<u>-</u>	<u>20,904,119</u>
Total business-type activities capital assets, net	<u>\$ 21,943,776</u>	<u>\$ 7,109,320</u>	<u>\$ 4,348,177</u>	<u>\$ 24,704,919</u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 3 – CAPITAL ASSETS – CONTINUED

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

Governmental activities	
General government	\$ 237,496
Public safety	504,787
Cultural and recreation	2,380,902
Transportation	<u>258,572</u>
	<u>\$ 3,381,757</u>
Business-type Activities:	
Water and sewer	<u>\$ 809,732</u>

NOTE 4 – LONG TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2011:

	October 1	Additions	Deductions	September 30	Due within one year
Business -type activities:					
General obligation note	\$ 9,061,100	\$ -	\$ 272,082	\$ 8,789,018	\$ 306,000
Revenue bonds	3,614,177	952,423	153,658	4,412,942	153,658
Compensated absences	41,801	3,374	-	45,175	-
Total	<u>12,717,078</u>	<u>955,797</u>	<u>425,740</u>	<u>13,247,135</u>	<u>459,658</u>
Governmental activities:					
General obligation bonds	5,140,000	2,355,000	5,425,000	2,070,000	245,000
Compensated absences	510,955	-	417	510,538	46,780
Total	<u>5,650,955</u>	<u>2,355,000</u>	<u>5,425,417</u>	<u>2,580,538</u>	<u>291,780</u>
Total long-term debt	<u>\$18,368,033</u>	<u>\$ 3,310,797</u>	<u>\$ 5,851,157</u>	<u>\$ 15,827,673</u>	<u>\$ 751,438</u>

Compensated absences are reported in governmental funds only if they have matured.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 4 – LONG TERM DEBT – CONTINUED

Long-Term Debt payable as of September 30, 2011 is composed of the following issues:

General Obligation Bonds

2010 Bank Loan - Refunding of the Series 1999 Bonds due in annual installments through October 1, 2019 in amounts ranging from \$260,000 to \$280,000, plus interest at a rate of 2.17% on various series maturities: collateralized by ad valorem tax levies. \$ 2,070,000

General Obligation Note, Series 2009, due in annual installments through October 1, 2029 in amounts ranging from \$188,900 to \$724,400, plus interest at the rate of 5.2% collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system. 8,789,018

Total general obligations bonds \$ 10,859,018

Revenue Bonds

Water and Sewer State Revolving Fund Loans, due in annual installments \$153,168, plus interest at the rate of 2.82%, on various maturities; collateralized by revenues of water and sewer fund. Principal due within one year \$153,168. This debt is serviced by the Water and Sewer Enterprise Fund. \$ 4,412,942

Total revenue bonds \$ 4,412,942

The annual debt service payments required on outstanding debt at September 30, 2011 are as follows:

Fiscal Year	State Revolving Fund Loans			G.O. Facilities Bonds		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2011-12	\$ 183,001	\$ 124,315	\$ 307,316	\$ 245,000	\$ 45,462	\$ 290,462
2012-13	188,198	119,118	307,316	245,000	40,145	285,145
2013-14	193,543	113,773	307,316	255,000	34,829	289,829
2014-15	199,039	108,277	307,316	260,000	29,295	289,295
2015-16	204,692	102,624	307,316	265,000	23,653	288,653
2017-21	1,114,026	422,554	1,536,580	800,000	36,022	836,022
2022-26	1,281,455	255,125	1,536,580	-	-	-
2027-31	1,048,988	64,722	1,113,710	-	-	-
	<u>\$ 4,412,942</u>	<u>\$ 1,310,508</u>	<u>\$ 5,723,450</u>	<u>\$ 2,070,000</u>	<u>\$ 209,405</u>	<u>\$ 2,279,405</u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 4 – LONG TERM DEBT – CONTINUED

Fiscal Year	G.O. Note, Series 2009			Total		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2011-12	\$ 306,000	\$ 448,100	\$ 754,100	\$ 734,001	\$ 617,876	\$ 1,351,877
2012-13	321,900	431,774	753,674	755,098	591,037	1,346,135
2013-14	338,600	414,601	753,201	787,143	563,203	1,350,346
2014-15	356,200	396,536	752,736	815,239	534,108	1,349,347
2015-16	374,800	377,530	752,330	844,492	503,808	1,348,300
2017-21	2,187,100	1,566,133	3,753,233	4,101,126	2,024,709	6,125,835
2022-26	2,818,200	918,757	3,736,957	4,099,655	1,173,882	5,273,537
2027-31	<u>2,086,218</u>	<u>164,900</u>	<u>2,251,118</u>	<u>3,135,206</u>	<u>229,621</u>	<u>3,364,827</u>
	<u>\$ 8,789,018</u>	<u>\$ 4,718,331</u>	<u>\$ 13,507,349</u>	<u>\$ 15,271,960</u>	<u>\$ 6,238,244</u>	<u>\$ 21,510,204</u>

NOTE 5 – RESTRICTIONS ON NET ASSETS

The net assets of the Water and Sewer Fund are restricted in the amount of \$439,625 in accordance with the terms of the bond ordinances, which required establishment of reserve accounts equal to the maximum debt service of any future year. In the Water and Sewer Fund net assets has been further restricted, in the amount of \$5,735,449 for renewal and replacement. Also, \$3,026,870 representing the balance of investment earnings on water and sewer connection fees collected is reserved for further capital additions or payments on bonds related to the water and sewer system. Management of the Town has chosen to reflect these as restrictions of net assets, as appropriate for the fund types involved.

NOTE 6 – INTERFUND TRANSFERS

	Transfer-In Funds			
	General Fund	General Obligation Beach Bonds	Beach Capital Projects	Total Transfers
Transfer-Out Funds:				
(1) Water and Sewer Fund	\$ 997,605	\$ -	\$ -	\$ 997,605
(2) Building	265,000	-	-	265,000
(3) Road & Bridge Fund	492,000	-	-	492,000
(4) Beach Erosion Control District A	-	2,462,054	-	2,462,054
(5)(6)(7) Non Major Governmental Funds	136,765	398,679	700,000	1,235,444
(8) Beach Nourishment Capital Project Fund	-	257	-	257
Total Transfers	<u>\$ 1,891,370</u>	<u>\$ 2,860,990</u>	<u>\$ 700,000</u>	<u>\$ 5,452,360</u>

(1) Administration fees transferred to General Fund from Water and Sewer Enterprise Fund

(2) Administration fees transferred to General Fund from Building Enterprise Fund

(3) FDOT monies received in Road & Bridge Fund; Street Department Operations

(4) Beach Debt Service payment

(5) Beach Improvement Fund closed

(6) Tourist Development and Infrastructure Surtax

(7) Fire/Police Equipment

(8) Beach Debt Service payment

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 7 – COMPLIANCE

The Town Commission passed a Resolution to amend the budget to cover the negative balances. However, there are some accounts in the General Fund that finished with immaterial negative balances.

NOTE 8 – COMMITMENTS

Grant Programs

The Town participates in several state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives periodically. Such grant programs include FEMA, Department of Environmental Protection Beach Restorations and various other state and local grants.

Contract Commitments

The Town has open construction contracts totaling approximately \$1,340,385 for the following funds:

General Government:

Beach Capital Projects Fund \$ 256,907

Business-type Activities:

Water and Sewer Fund \$ 1,083,478

NOTE 9 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and pollution related activities. The Town's participation in the risk pool requires annual premium payments in return for transferring risks among pool participants. Settled claims from these risks have not exceeded the risk pool insurance limits nor have additional premiums been assessed relative to the past three years.

The Town is a member of a purchasing cooperative of government agencies for the purpose of providing employee health benefits through Public Risk Management of Florida Group Health Trust. The Town offers to its employees and covered dependents a choice of three medical plans, two dental plans, vision, life and long and short term disability insurance. Medical plans do not have a lifetime maximum per insured.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

The Town of Longboat Key administers a single-employer OPEB plan. The purpose of this plan is to account for the implicit rate subsidy the Town provides to its retirees. Florida Statutes require that municipalities provide their retirees access to the same health insurance programs as their current employees at the same rates. Since the inclusion of the retirees results in higher overall health insurance costs to the municipality which cannot be passed on to the retirees, it in effect results in what is called the implicit rate subsidy. This is the only post employment benefit the Town of Longboat Key provides to its retirees other than its pension plans.

Membership in the plan consisted of the following at September 30, 2011, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	70
Terminated plan members entitled to but not yet receiving benefits	19
Active plan members	<u>93</u>
Total	182

Separate financial statements for the Town's OPEB plan are not available.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress presented in the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the Actuarial Valuation, the Entry Age Normal (level % of pay) actuarial cost method was used. Select Actuarial Assumptions are listed in the table below:

<b>Funding Interest Rate</b>	4.5%
<b>Health Care Inflation</b>	Pre-Medicare 9% (grading down to 5% in 2015) Post-Medicare 9% (grading down to 5% in 2015)
<b>Payroll Growth/Inflation Assumption</b>	3.0%
<b>Amortization of UAAL</b>	Level of Percentage of Payroll (Closed Amortization over 30 years)

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Employee Contribution Information

Retirees participating in the group insurance plans offered by the Town of Longboat Key are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums.

Note that the projected employee contributions for the Dental benefits are assumed to cover the entire cost of the program.

Valuation Date Applicable for Fiscal Year Ending	10/1/2008 9/30/2010	10/1/2010 9/30/2011
Annual Required Contributions	\$ 72,073	\$ 116,721
Interest on Net OPEB Obligation	3,253	3,353
Adjustment to Annual Required Contribution	(2,948)	(4,377)
Annual OPEB Cost/(Expense)	72,378	115,697
Estimated Net Contributions Made	(70,159)	(73,111)
Anticipated Increase/(Decrease) in Net OPEB Obligation	2,219	42,586
Net OPEB Obligation - Beginning of Year	72,283	74,502
Estimated Net OPEB Obligation - End of Year	\$ 74,502	\$ 117,088
<b>Funded Status as of :</b>	<b>10/1/2008</b>	<b>10/1/2010</b>
Actuarial Accrued Liability (AAL)	\$ 614,727	\$ 1,221,935
Actuarial Value of Assets (AVA)	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 614,727	\$ 1,221,935
Funded Ratio	0.0%	0.0%
Covered Payroll	\$ 7,418,613	\$ 6,403,848
Ratio of UAAL to Covered Payroll	8.3%	19.1%

**Three Year Trend Information**

Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2011	\$ 115,697	63.2%	\$ 117,088
9/30/2010	\$ 72,378	96.9%	\$ 74,502
9/30/2009	\$ 72,283	0.0%	\$ 72,283

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	( c )	((b-a)/c)
10/1/2010	\$ -	\$ 1,221,935	\$ 1,221,935	0.00%	\$ 6,403,848	19.1%
10/1/2008	\$ -	\$ 614,727	\$ 614,727	0.00%	\$ 7,418,613	8.3%
10/1/2007	N/A	N/A	N/A	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION



TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>Revenues:</b>				
<b>Property taxes</b>				
Ad Valorem Taxes / Sarasota County	\$ 6,366,330	\$ 6,366,330	\$ 6,374,396	\$ 8,066
Ad Valorem Taxes / Manatee County	<u>2,507,772</u>	<u>2,507,772</u>	<u>2,528,833</u>	<u>21,061</u>
	<u>8,874,102</u>	<u>8,874,102</u>	<u>8,903,229</u>	<u>29,127</u>
<b>Other Taxes</b>				
Local Business Tax	<u>190,000</u>	<u>190,000</u>	<u>166,731</u>	<u>(23,269)</u>
	<u>190,000</u>	<u>190,000</u>	<u>166,731</u>	<u>(23,269)</u>
<b>Licenses and Permits</b>				
Mobile Home Licenses	500	500	406	(94)
Alcoholic Beverage Licenses	13,000	13,000	10,895	(2,105)
Boat Regis / Sarasota Cnty	3,000	3,000	3,914	914
Permits / Sign	6,000	6,000	5,980	(20)
Permits / Misc	<u>1,500</u>	<u>1,500</u>	<u>2,600</u>	<u>1,100</u>
	<u>24,000</u>	<u>24,000</u>	<u>23,795</u>	<u>(205)</u>
<b>Intergovernmental</b>				
St Rev Sharing / Sales Tax	127,000	127,000	125,772	(1,228)
St Rev Sharing / Comm Tax	600,000	600,000	591,914	(8,086)
Local Govt 1/2 Cent Sales Tax	<u>465,000</u>	<u>465,000</u>	<u>479,823</u>	<u>14,823</u>
	<u>1,192,000</u>	<u>1,192,000</u>	<u>1,197,509</u>	<u>5,509</u>
<b>Charges for services</b>				
Zoning Fees / Petitions	35,000	35,000	21,365	(13,635)
Copies / Maps / Ordinances / Etc	2,000	2,000	1,391	(609)
Fire Inspection Fees	80,000	80,000	125,128	45,128
Re-Inspection Fees	500	500	-	(500)
Emergency Medical Service Fees	200,000	200,000	197,617	(2,383)
Rec Ctr / Registrations/Fees	16,000	16,000	17,251	1,251
Rec Ctr / Memberships	3,000	3,000	3,168	168
Tennis Ctr / Yearly-Family/Res	56,500	56,500	54,043	(2,457)
Tennis Ctr / Yearly-Single/Res	113,500	113,500	104,829	(8,671)
Tennis Ctr / Script Cards	25,000	25,000	26,632	1,632
Tennis Ctr / Walk-On Play	15,000	15,000	18,108	3,108
Tennis Ctr / Lessons	82,000	82,000	126,695	44,695
Tennis Ctr / Tournament/Spec Events	73,000	73,000	16,488	(56,512)
Misc Rev / Rec Ctr Rental	8,000	8,000	6,975	(1,025)
P-Card Rebate	-	-	9,571	9,571
Misc Rev / Tennis Ctr Vend Machine	1,200	1,200	1,820	620
Misc Rev / Tennis Ctr Merch Sales	60,000	60,000	91,847	31,847
Misc Rev / Tennis Ctr Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>2,119</u>	<u>1,119</u>
	<u>771,700</u>	<u>771,700</u>	<u>825,047</u>	<u>53,347</u>
<b>Franchise fees</b>				
Franchise Fees / Electricity	1,045,000	1,045,000	925,047	(119,953)
Franchise Fees / Gas	55,000	55,000	37,069	(17,931)
Franchise Fees / Solid Waste	<u>21,000</u>	<u>21,000</u>	<u>18,607</u>	<u>(2,393)</u>
	<u>1,121,000</u>	<u>1,121,000</u>	<u>980,723</u>	<u>(140,277)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>Fines and miscellaneous</b>				
Court Fines / Sarasota County	10,000	10,000	1,530	(8,470)
Court Fines / Manatee County	5,000	5,000	1,330	(3,670)
Violations / Fire Alarm Ordinance	3,000	3,000	100	(2,900)
Violations / Handicap Fines	300	300	-	(300)
Violations / Local Ordinances Misc	20,000	20,000	6,560	(13,440)
Other Fines / Police Parking Fines	2,500	2,500	1,320	(1,180)
Sale Of Fixed Assets	7,500	7,500	13,980	6,480
Contribution Private Organization	-	318	319	1
Firefighters Supplemental Comp	14,500	14,500	14,925	425
Refund of Prior Year Expenditures	-	-	504	504
Misc Rev / Workers Comp Reimburse	-	-	28,456	28,456
Misc Rev / Police Dept	200	200	310,970	310,770
Misc Rev / Other	2,000	2,000	1,974	(26)
Misc Rev / Tree Replacement (98.06)	3,000	3,000	5,800	2,800
Misc Rev / Rec Ctr/Vending Machine	700	700	720	20
	<u>68,700</u>	<u>69,018</u>	<u>388,488</u>	<u>319,470</u>
<b>Grants</b>				
Fed Grants / Dept of Justice	-	-	2,854	2,854
Other Grants / WCIND	185,765	185,765	128,028	(57,737)
	<u>185,765</u>	<u>185,765</u>	<u>130,882</u>	<u>(54,883)</u>
<b>Income on investments</b>				
Interest On Investments	124,426	124,426	76,817	(47,609)
Interest / Sarasota Tax Collector	6,000	6,000	468	(5,532)
Interest / Manatee Tax Collector	1,200	1,200	-	(1,200)
	<u>131,626</u>	<u>131,626</u>	<u>77,285</u>	<u>(54,341)</u>
<b>Total Revenues</b>	<u>12,558,893</u>	<u>12,559,211</u>	<u>12,693,689</u>	<u>134,478</u>
<b>Expenditures:</b>				
<b>Current</b>				
<b>General government</b>				
<b>Legislative</b>				
Travel / Conference / Training	15,000	25,890	25,890	-
Communications	7,000	4,398	4,398	-
Postage and Freight	500	417	416	1
Rental / Building	500	322	363	(41)
Printing and Forms	500	298	297	1
Duplication Costs	-	134	133	1
Miscellaneous	3,000	3,396	3,396	-
Office Supplies	1,800	2,354	2,349	5
Small Tools and Minor Equipment	1,200	650	650	-
Bks/Publications/Subscrip/Memb Dues	2,550	1,476	1,476	-
	<u>32,050</u>	<u>39,335</u>	<u>39,368</u>	<u>(33)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Executive				
Wages / Executive	177,507	203,034	203,034	-
Wages / Supplemental Compensation	49,702	77,460	77,461	(1)
Wages / Regular	74,589	75,007	75,007	-
Severance	-	194,014	194,015	(1)
Wages / Temporary	2,500	2,479	2,449	30
Fica Taxes	15,813	19,456	19,281	175
Town Contrib Salary Savings / 401K	2,238	2,238	2,238	-
Town Contrib Def Comp / ICMA 401-A	11,934	34,068	34,068	-
Insurance / Medical	18,006	18,006	18,003	3
Insurance / Disability	1,377	1,430	1,430	-
Insurance / Life	930	870	870	-
Workers Compensation	459	362	362	-
Prof Services / Other	-	750	750	-
Travel / Conference / Training	5,696	4,290	4,289	1
Car Allowance	2,000	2,000	2,000	-
Communications	5,050	4,457	4,363	94
Postage and Freight	250	124	123	1
Rental / Building	250	158	172	(14)
R/M Automotive Equipment	2,200	1,074	1,074	-
Licenses and Taxes	-	19	19	-
Miscellaneous	150	-	-	-
Office Supplies	400	53	52	1
Fuel and Oil	2,500	3,500	3,636	(136)
Small Tools and Minor Equipment	-	200	200	-
Bks/Publications/Subscrip/Memb Dues	600	888	753	135
Wages / Executive	83,803	84,191	84,191	-
Wages / Regular	89,211	86,991	86,984	7
Wages / Temporary	5,000	5,705	5,705	-
Wages / Overtime	750	750	390	360
Fica Taxes	13,675	13,675	13,498	177
Town Contrib Salary Savings / 401-K	3,952	4,245	4,245	-
Town Contrib Def Comp / ICMA 401-A	13,409	13,409	13,408	1
Insurance / Medical	16,265	16,265	16,265	-
Insurance/ Disability	1,090	1,112	1,132	(20)
Insurance / Life	647	647	606	41
Workers Compensation	321	321	256	65
Prof Services / Other	13,450	18,208	18,208	-
Travel / Conference / Training	1,643	1,643	68	1,575
Car Allowance	2,000	2,000	2,000	-
Communications	2,500	2,830	2,783	47
Postage and Freight	3,000	3,160	3,160	-
R/M Other Equipment	300	300	-	300
Printing and Forms	9,750	9,042	16,226	(7,184)
Duplication Costs	50	50	45	5
Miscellaneous	300	-	-	-

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Advertising	65,000	65,000	53,040	11,960
Office Supplies	1,250	1,250	981	269
Misc Operating Supplies	100	100	-	100
Small Tools and Minor Equipment	-	500	500	-
Bks/Pubs/Subscrip/Memb Dues	600	972	971	1
	<u>702,217</u>	<u>978,303</u>	<u>970,311</u>	<u>7,992</u>
Financial and administrative				
Wages / Executive	98,467	98,846	98,846	-
Wages / Regular	211,661	239,176	239,175	1
Wages / Temporary	-	76	75	1
Wages / Overtime	200	200	-	200
Fica Taxes	23,740	25,310	25,309	1
Town Contrib Salary Savings / 401-K	6,077	6,077	5,916	161
Town Contrib Def Comp / ICMA 401-A	15,755	15,755	15,755	-
Insurance / Medical	43,635	43,635	43,629	6
Insurance / Disability	1,900	2,103	2,140	(37)
Insurance / Life	1,164	1,168	1,168	-
Workers Compensation	559	559	450	109
Prof Services / Other	440	12,540	12,502	38
Travel / Conference / Training	4,556	2,223	1,434	789
Car Allowance	2,000	2,015	2,015	-
Communications	2,000	1,618	1,617	1
Insurance Opt Out Allowance	-	385	385	-
Postage and Freight	2,400	1,859	1,813	46
Rental / Building	150	233	252	(19)
R/M Other Equipment	75	75	68	7
Printing and Forms	450	154	154	-
Miscellaneous	350	105	43	62
Office Supplies	750	750	682	68
Small Tools and Minor Equipment	-	1,082	1,082	-
Bks/Publications/Subscrip/Memb Dues	1,250	1,250	990	260
Wages / Regular	68,952	70,262	70,261	1
Fica Taxes	5,275	5,378	5,378	-
Town Contrib Salary Savings / 401-K	1,034	1,050	1,050	-
Town Contrib Def Comp / ICMA 401-A	11,032	11,199	11,199	-
Insurance / Medical	13,103	11,491	5,503	5,988
Insurance / Disability	434	450	458	(8)
Insurance / Life	257	257	244	13
Workers Compensation	124	124	95	29
Prof Service / Other	9,700	11,577	12,020	(443)
Travel / Conference / Training	2,704	827	235	592
Car Allowance	600	302	327	(25)
Communications	1,750	2,448	2,401	47
Postage and Freight	500	500	105	395
Printing and Forms	25	25	-	25
Miscellaneous	500	500	143	357
Advertising	2,000	1,600	1,542	58
Office Supplies	500	500	222	278

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Small Tools and Minor Equipment	-	200	200	-
Bks/Publications/Subscrip/Memb Dues	750	550	450	100
Wages / Executive	106,080	106,619	106,619	-
Wages / Regular	226,054	229,597	229,597	-
Wages / Temporary	2,200	3,717	3,717	-
Wages / Overtime	300	1,929	1,929	-
Fica Taxes	25,600	25,898	25,897	1
Town Contrib Salary Savings / 401-K	9,973	10,115	10,114	1
Town Contrib Def Comp / ICMA 401-A	16,973	16,973	16,973	-
Insurance / Medical	33,332	33,568	33,568	-
Insurance / Disability	1,991	2,068	2,068	-
Insurance / Life	1,242	1,163	1,162	1
Workers Compensation	1,772	1,397	1,396	1
Prof Services / Other	15,000	15,728	15,728	-
Travel / Conference / Training	7,931	7,133	7,133	-
Car Allowance	2,000	2,000	2,000	-
Communications	4,000	3,511	3,510	1
Postage and Freight	1,000	1,066	1,066	-
Rental / Building	400	318	346	(28)
Rental / Equipment	5,500	3,510	3,509	1
R/M Automotive Equipment	400	4,074	4,090	(16)
R/M Other Equipment	300	-	-	-
Printing and Forms	1,500	43	42	1
Duplication Costs	1,950	1,349	1,348	1
Miscellaneous	150	109	204	(95)
Office Supplies	800	659	658	1
Uniforms	750	807	807	-
Fuel and Oil	3,150	3,016	3,016	-
Small Tools and Minor Equipment	-	480	480	-
Bks/Publications/Subscrip/Memb Dues	1,810	1,290	1,290	-
Wages / Regular	70,741	31,126	30,797	329
Fica Taxes	5,412	5,412	2,275	3,137
Town Contrib Salary Savings / 401-K	2,122	2,122	490	1,632
Insurance / Medical	10,063	10,063	5,081	4,982
Insurance / Disability	446	446	206	240
Insurance / Life	264	264	124	140
Workers Compensation	124	124	100	24
Travel / Conference / Training	1,859	1,859	-	1,859
Communications	1,200	1,233	1,232	1
Postage and Freight	400	367	197	170
Printing and Forms	100	100	-	100
Miscellaneous	100	100	-	100
Advertising	1,000	1,000	663	337
Office Supplies	200	280	279	1
Bks/Publications/Subscrip/Memb Dues	650	570	411	159
	<u>1,103,658</u>	<u>1,109,637</u>	<u>1,087,455</u>	<u>22,182</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Legal counsel				
Contractual Services / Legal	356,400	356,400	351,327	5,073
Prof Services / Other	30,000	45,790	46,258	(468)
Misc Legal Expenses	15,000	15,000	11,809	3,191
Other Attorneys	100,000	67,332	80,556	(13,224)
Travel / Conference / Training	750	750	-	750
Bks/Pubs/Subscrip/Memb Dues	3,300	3,300	3,000	300
	<u>505,450</u>	<u>488,572</u>	<u>492,950</u>	<u>(4,378)</u>
Comprehensive planning				
Wages / Executive	104,520	105,054	105,053	1
Wages / Regular	266,322	266,556	266,556	-
Wages / Auto Policy	1,000	1,004	1,004	-
Wages / Temporary	-	2,168	2,168	-
Wages / Overtime	-	882	881	1
Fica Taxes	28,369	28,369	28,069	300
Town Contrib Salary Savings / 401-K	8,098	8,098	7,254	844
Town Contrib Def Comp / ICMA 401-A	16,723	16,723	16,723	-
Insurance / Medical	35,162	35,162	35,162	-
Insurance / Disability	1,728	1,795	1,794	1
Insurance / Life	1,079	1,079	1,009	70
Workers Compensation	1,981	1,981	1,722	259
Prof Services / Other	29,350	130,050	85,512	44,538
Travel / Conference / Training	8,622	3,022	3,009	13
Car Allowance	3,000	3,000	3,000	-
Communications	3,500	4,078	3,938	140
Postage and Freight	2,800	2,629	1,779	850
Rental / Building	1,000	1,000	648	352
Rental / Equipment	5,500	5,500	4,526	974
R/M Automotive Equipment	2,000	2,000	1,106	894
R/M Other Equipment	500	500	-	500
Printing and Forms	1,000	1,000	421	579
Duplication Costs	1,000	1,000	897	103
Miscellaneous	850	1,405	1,404	1
Code Enforcement Board Actions	1,500	1,500	1,291	209
Office Supplies	1,500	1,500	954	546
Uniforms	250	387	447	(60)
Fuel and Oil	650	878	878	-
Misc Operating Supplies	500	810	810	-
Small Tools and Minor Equipment	550	624	624	-
Bks/Publications/Subscrip/Memb Dues	3,000	3,000	2,512	488
	<u>532,054</u>	<u>632,754</u>	<u>581,151</u>	<u>51,603</u>
Other general government				
Wages / Executive	107,682	108,096	108,096	-
Wages / Regular	193,773	194,519	194,518	1
Wages / Overtime	935	121	56	65
Fica Taxes	23,078	23,078	22,900	178
Town Contrib Salary Savings / 401-K	7,195	9,046	9,045	1
Town Contrib Def Comp / ICMA 401-A	17,229	17,229	17,229	-

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Insurance / Medical	36,012	34,022	34,017	5
Insurance / Disability	1,788	1,823	1,857	(34)
Insurance / Life	1,131	1,131	1,058	73
Workers Compensation	544	544	430	114
Prof Services / Other	110,000	139,235	132,133	7,102
Travel / Conference / Training	2,887	1,987	1,600	387
Car Allowance	2,250	2,250	2,060	190
Communications	31,000	36,947	36,720	227
Postage and Freight	25	25	18	7
Rental/Building	2,000	1,100	1,012	88
R/M Other Equipment	46,695	52,825	46,275	6,550
Printing and Forms	7,300	7,300	5,920	1,380
Duplication Costs	50	710	709	1
Miscellaneous	400	1,379	617	762
Office Supplies	250	279	279	-
Misc Operating Supplies	1,500	1,835	1,834	1
Small Tools and Minor Equipment	42,000	29,600	29,063	537
Computer Software	25,000	9,858	9,948	(90)
Bks/Publications/Subscrip/Memb Dues	700	50	50	-
Wages / Regular	31,273	31,426	31,426	-
Fica Taxes	2,392	2,392	2,362	30
Insurance / Medical	5,032	5,032	5,031	1
Insurance / Disability	197	205	205	-
Insurance / Life	117	117	110	7
Workers Compensation	635	635	476	159
Travel / Conference / Training	1,405	1,226	950	276
Communications	350	350	35	315
Electricity	31,000	30,100	30,065	35
Water	9,150	9,150	8,508	642
R/M Buildings	26,000	26,000	16,703	9,297
R/M Grounds	2,500	2,771	2,771	-
R/M Other Equipment	14,650	15,433	6,344	9,089
R/M Buildings - Contractual	36,000	36,000	28,167	7,833
Miscellaneous	700	700	492	208
Fuel and Oil	500	1,147	1,147	-
Pension	2,649,913	2,649,913	2,659,794	(9,881)
Unemployment	-	14,575	14,575	-
Prof Service / Fin and Adm	42,000	75,500	92,377	(16,877)
Accounting and Auditing	21,250	24,500	24,500	-
Rental / Equipment	9,000	8,683	8,798	(115)
R/M Other Equipment	300	-	-	-
Miscellaneous	3,400	2,681	2,681	-
Office Supplies	2,000	923	923	-
Bks/Publications/Subscrip/Membersh	12,500	12,500	12,500	-
Prof Services /Other	-	129,746	83,866	45,880
Communications	600	3,208	218	2,990
Television Media	15,000	15,000	17,990	(2,990)
Insurance / Property	124,500	124,850	124,850	-
Insurance / Other	150,000	119,567	136,104	(16,537)

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Duplication Costs	2,350	3,727	7,987	(4,260)
Miscellaneous	-	492	492	-
Miscellaneous Repairs	-	375	375	-
Misc Operating Supplies / Vend Mach	1,500	1,196	1,196	-
Prof Services / Red Tide Clean Up	50,000	50,000	-	50,000
Solid Waste Recycling	1,500	3,144	3,144	-
Contingencies	250,000	44,827	-	44,827
	<u>4,159,138</u>	<u>4,123,080</u>	<u>3,984,606</u>	<u>138,474</u>
Total general government	<u>7,034,567</u>	<u>7,371,681</u>	<u>7,155,841</u>	<u>215,840</u>
Public safety				
Law enforcement				
Wages / Executive	107,682	108,096	108,096	-
Incentive Pay / Executive	1,560	1,566	1,566	-
Wages / Regular	1,365,022	1,323,746	1,323,746	-
Incentive Pay / Regular	35,619	34,816	34,816	-
Wages / Holiday	52,135	49,942	49,941	1
Shift Differential	31,580	31,383	31,382	1
Wages / Overtime	32,000	38,858	38,858	-
Fica Taxes	124,289	121,892	121,892	-
Town Contrib Salary Savings / 401-K	7,963	7,489	7,489	-
Town Contrib Def Comp / ICMA 401-A	17,229	17,479	17,479	-
Insurance / Medical	236,835	216,360	216,360	-
Insurance / Disability	9,118	8,808	8,808	-
Insurance / Life	5,498	4,882	4,881	1
Workers Compensation	21,100	15,862	15,861	1
Prof Services / Other	15,150	12,539	12,800	(261)
Travel / Conference / Training	20,366	15,373	15,465	(92)
Communications	23,700	24,029	24,794	(765)
Insurance Opt Out Allowance	-	3,193	3,192	1
Postage and Freight	1,000	1,100	1,108	(8)
Electricity	16,050	13,730	13,730	-
Water	700	808	807	1
Rental / Building	1,800	1,760	1,760	-
Rental / Equipment	6,500	7,700	7,699	1
R/M Buildings	20,000	11,016	11,120	(104)
R/M Grounds	-	223	223	-
R/M Automotive Equipment	40,000	27,949	28,803	(854)
R/M Other Equipment	17,000	23,331	23,207	124
Printing and Forms	500	1,401	1,401	-
Duplication Costs	500	1,483	1,483	-
Licenses and Taxes	200	281	281	-
Miscellaneous	1,850	1,621	1,678	(57)
Advertising	500	110	110	-
Office Supplies	3,500	3,727	3,943	(216)
Cleaning and Sanitation Supplies	250	264	263	1
Uniforms	17,000	26,387	27,039	(652)
Fuel and Oil	50,000	70,608	69,545	1,063

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Misc Operating Supplies	4,000	4,934	4,934	-
Small Tools and Minor Equipment	18,529	25,589	9,933	15,656
Laundry and Clothing Allowance	10,600	13,444	13,444	-
Property and Evidence Supplies	1,700	1,823	1,823	-
Bks/Publications/Subscrip/Memb Dues	3,600	3,981	3,981	-
	<u>2,322,625</u>	<u>2,279,583</u>	<u>2,265,741</u>	<u>13,842</u>
Fire control/rescue service				
Wages / Executive	92,394	93,719	93,718	1
Incentive Pay / Executive	3,501	3,515	3,514	1
Wages / Regular	2,412,625	2,456,566	2,456,566	-
Incentive Pay / Regular	48,445	50,476	50,476	-
Wages / Holiday	97,829	100,794	100,793	1
Wages / Temporary	3,000	1,865	1,865	-
Wages / Overtime	139,945	141,709	141,709	-
State Incentive	15,241	15,969	15,968	1
Fica Taxes	215,193	219,123	219,123	-
Town Contrib Salary Savings / 401-K	5,959	30,139	30,139	-
Town Contrib Def Comp / ICMA 401-A	14,783	32,642	32,643	(1)
Insurance / Medical	356,799	347,420	347,420	-
Insurance / Disability	15,699	16,115	16,115	-
Insurance / Life	9,389	8,618	8,617	1
Workers Compensation	45,627	36,009	36,009	-
Prof Services / Other	49,400	47,114	47,114	-
Travel / Conference / Training	25,027	21,364	21,384	(20)
Car Allowance	300	484	483	1
Communications	16,865	15,129	15,082	47
Postage and Freight	750	385	385	-
Electricity	26,770	24,028	24,028	-
Water	1,900	3,716	3,715	1
Rental / Building	500	-	-	-
Rental / Equipment	6,900	6,152	6,152	-
R/M Buildings	24,000	23,242	26,556	(3,314)
R/M Grounds	-	925	925	-
R/M Automotive Equipment	65,050	72,889	74,646	(1,757)
R/M Other Equipment	23,000	37,559	37,682	(123)
Printing and Forms	2,000	3,154	3,154	-
Duplication Costs	500	367	366	1
Licenses and Taxes	4,050	3,323	3,322	1
Miscellaneous	2,900	2,760	2,760	-
Advertising	1,200	-	-	-
Office Supplies	4,000	3,862	3,862	-
Chemicals	2,500	554	554	-
Cleaning and Sanitation Supplies	3,300	3,358	3,358	-
Uniforms	23,100	20,688	23,701	(3,013)
Fuel and Oil	24,000	34,211	34,210	1
Rescue Supplies	40,000	35,887	36,030	(143)
Misc Operating Supplies	3,200	2,647	2,646	1
Small Tools and Minor Equipment	20,750	19,628	19,725	(97)

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Laundry and Clothing Allowance	9,625	9,577	9,576	1
Uniforms - Bunker Gear	19,200	18,619	18,620	(1)
Pharmaceuticals	-	7,645	7,645	-
Bks/Pubs/Subscrip/Memb Dues	6,420	4,758	4,758	-
	<u>3,883,636</u>	<u>3,978,704</u>	<u>3,987,114</u>	<u>(8,410)</u>
<b>Emergency and disaster relief services</b>				
Prof Services / Other	-	-	-	-
Travel / Conference / Training	8,616	7,373	6,336	1,037
Communications	8,000	8,668	8,667	1
Postage and Freight	1,200	1,314	1,313	1
Rental / Buildings	3,000	3,015	3,015	-
R/M Other Equipment	200	200	-	200
Printing and Forms	2,500	2,500	1,860	640
Licenses and Taxes	-	13	13	-
Miscellaneous	500	500	-	500
Fuel and Oil	-	72	-	72
Misc Operating Supplies	500	500	99	401
Small Tools and Minor Equipment	1,250	1,250	-	1,250
Bks/Publications/Subscrip/Memb Dues	3,300	3,661	3,661	-
	<u>29,066</u>	<u>29,066</u>	<u>24,964</u>	<u>4,102</u>
<b>Total Public Safety</b>	<u>6,235,327</u>	<u>6,287,353</u>	<u>6,277,819</u>	<u>9,534</u>
<b>Transportation</b>				
Wages / Regular	245,523	253,030	253,029	1
Wages / Overtime	4,000	3,563	3,563	-
Fica Taxes	19,089	19,451	19,450	1
Town Contrib Salary Savings / 401-K	4,623	4,770	4,770	-
Insurance / Medical	41,772	41,772	41,768	4
Insurance / Disability	1,547	1,639	1,638	1
Insurance / Life	926	884	884	-
Workers Compensation	4,773	3,764	3,764	-
Prof Services / Other	-	757	1,712	(955)
Travel / Conference / Training	1,555	1,088	1,088	-
Communications	3,600	2,863	2,862	1
Postage and Freight	50	-	-	-
Electricity	58,540	48,640	43,477	5,163
Water	400	170	170	-
Rental / Equipment	500	676	675	1
R/M Grounds	6,000	2,966	2,965	1
R/M Automotive Equipment	4,000	14,804	14,804	-
R/M Other Equipment	4,000	15,885	15,810	75
R/M Right Of Way	45,500	42,768	44,402	(1,634)
R/M Storm	2,000	1,700	1,697	3
R/M Street Lights	5,000	6,316	6,316	-
Licenses and Taxes	50	125	125	-

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Miscellaneous	50	94	94	-
Office Supplies	300	67	67	-
Chemicals	200	508	508	-
Cleaning and Sanitation Supplies	150	163	162	1
Uniforms	3,000	3,035	3,034	1
Fuel and Oil	16,700	19,106	19,106	-
Misc Operating Supplies	450	368	367	1
Small Tools and Minor Equipment	3,000	3,180	3,180	-
Laundry and Clothing Allowance	1,650	1,650	1,649	1
R/M Streets	5,000	5,869	5,869	-
R/M Drainage and Culverts	10,200	5,383	5,382	1
R/M Signs	2,000	2,748	2,747	1
Bks/Publications/Subscrip/Memb Dues	40	-	-	-
	<u>496,188</u>	<u>509,802</u>	<u>507,134</u>	<u>2,668</u>
<b>Economic Environment</b>				
LBK Trolley Subsidy	-	42,000	42,000	-
S.T.A.R.T.	25,000	25,000	25,000	-
S.C.O.P.E.	2,300	2,300	2,300	-
	<u>27,300</u>	<u>69,300</u>	<u>69,300</u>	<u>-</u>
<b>Culture and recreation</b>				
Wages / Regular	111,966	98,715	98,715	-
Wages / Overtime	3,000	603	603	-
Fica Taxes	8,795	7,529	7,529	-
Town Contrib Salary Savings / 401-K	3,449	3,449	3,000	449
Insurance / Medical	20,947	19,111	19,111	-
Insurance / Disability	705	705	644	61
Insurance / Life	420	420	350	70
Workers Compensation	2,314	2,314	1,823	491
Travel / Conference / Training	700	700	293	407
Communications	2,125	2,125	1,462	663
Electricity	4,000	5,385	5,385	-
Water	3,500	3,500	2,690	810
Rental / Equipment	400	400	(109)	509
R/M Grounds	20,000	20,000	18,713	1,287
R/M Automotive Equipment	1,450	1,450	631	819
R/M Other Equipment	3,000	3,000	1,361	1,639
R/M Beach Accesses	15,000	10,802	10,035	767
R/M Grounds/Contractual	37,000	29,800	29,773	27
R/M Storm	2,500	2,500	949	1,551
R/M Channel Markers	1,215	1,215	-	1,215
R/M Canal Clearance/Trim	-	925	925	-
Licenses and Taxes	-	7	6	1
Miscellaneous	100	100	16	84
Chemicals	1,300	1,506	1,506	-
Cleaning and Sanitation Supplies	-	245	245	-
Uniforms	600	600	477	123
Fuel and Oil	2,550	3,980	3,979	1

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Misc Operating Supplies	250	250	-	250
Small Tools and Minor Equipment	4,500	4,500	2,480	2,020
Laundry and Clothing Allowance	825	825	729	96
R/M Signs	500	500	-	500
Bks/Publications/Subscrip/Memb Dues	150	150	150	-
Wages / Regular	31,273	31,273	31,426	(153)
Fica Taxes	2,393	2,393	2,319	74
Insurance / Medical	5,031	5,031	5,031	-
Insurance / Disability	197	197	205	(8)
Insurance / Life	117	117	110	7
Workers Compensation	635	635	476	159
Travel / Conference / Training	1,121	1,121	674	447
Communications	1,150	1,650	1,580	70
Postage and Freight	50	50	3	47
Electricity	5,830	5,830	4,478	1,352
Water	550	921	920	1
Rental Equipment	100	100	-	100
R/M Buildings	10,700	8,150	7,317	833
R/M Grounds	4,000	5,633	5,633	-
R/M Other Equipment	400	400	-	400
R/M Grounds/Contractual	10,000	10,000	8,384	1,616
Duplication Cost	100	100	-	100
Miscellaneous	50	50	-	50
Office Supplies	300	300	54	246
Cleaning and Sanitation Supplies	250	296	296	-
Misc Operating Supplies	1,500	1,500	944	556
Small Tools and Minor Equipment	4,000	4,000	2,614	1,386
Bks/Publications/Subscrip/Memb Dues	200	200	190	10
Wages / Regular	154,523	177,290	171,470	5,820
Wages / Holiday	3,680	3,680	3,680	-
Wages / Supplemental - Lessons	28,000	107,326	107,326	-
Wages / Supplemental - Spec Events	25,900	287	287	-
Wages / Temporary	-	-	5,820	(5,820)
Fica Taxes	16,226	21,827	21,827	-
Town Contrib Salary Savings / 401-K	4,223	4,504	4,504	-
Insurance / Medical	15,566	15,566	15,565	1
Insurance / Disability	524	545	544	1
Insurance / Life	316	362	362	-
Workers Compensation	2,190	1,782	1,781	1
Communications	850	965	964	1
Postage and Freight	300	232	207	25
Electricity	2,000	3,502	3,502	-
Water	5,000	10,871	10,871	-
Gas	550	342	342	-
R/M Buildings	4,375	4,321	4,330	(9)
R/M Grounds	16,500	10,994	10,980	14
R/M Other Equipment	2,500	-	-	-
Printing and Forms	1,000	777	776	1
Miscellaneous	100	179	178	1

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Advertising	1,600	1,125	1,126	(1)
Visa/Mastercard Fees	2,200	8,909	8,909	-
Costs / Vending Machines	400	943	943	-
Costs / Merchandise	45,905	48,353	68,291	(19,938)
Costs / Special Events	30,000	4,645	4,645	-
Costs / Start-Up / Promotion	1,200	1,780	1,780	-
Cost of Lessons	30,000	2,100	2,100	-
Office Supplies	300	617	590	27
Cleaning and Sanitation Supplies	300	-	-	-
Misc Operating Supplies	200	200	199	1
Small Tools and Minor Equipment	1,500	503	503	-
Bks/Publications/Subscrip/Memb Dues	115	385	385	-
Sarasota Bay Estuary Program	15,000	15,000	15,000	-
Economic Development Council	5,100	10,031	10,031	-
LBK Art Award	-	-	-	-
	<u>751,351</u>	<u>767,201</u>	<u>765,943</u>	<u>1,258</u>
<b>Capital outlay</b>				
Office Equipment and Furniture	-	600	-	600
Other Equipment	10,000	10,000	-	10,000
Computer Software	-	22,900	4,150	18,750
Other Equipment	-	22,620	18,671	3,949
Automotive Equipment	75,000	81,564	81,564	-
Other Equipment	63,530	92,301	32,030	60,271
Improvements Other Than Buildings	30,000	30,004	30,004	-
	<u>178,530</u>	<u>259,989</u>	<u>166,419</u>	<u>93,570</u>
<b>Total expenditures</b>	<u>14,723,263</u>	<u>15,265,326</u>	<u>14,942,456</u>	<u>322,870</u>
<b>Excess (deficiencies) of revenues over expenditures</b>	<u>(2,164,370)</u>	<u>(2,706,115)</u>	<u>(2,248,767)</u>	<u>457,348</u>
<b>Other financing sources</b>				
Utility Fund	997,605	997,605	997,605	-
Building Fund	265,000	265,000	265,000	-
Tourist Development Tax Fund	15,000	15,000	-	(15,000)
Infrastructure Surtax Fund	136,765	136,765	136,765	-
Road and Bridge Fund	450,000	492,000	492,000	-
Beach Capital Project Fund	300,000	300,000	-	300,000
<b>Total other financing sources</b>	<u>2,164,370</u>	<u>2,206,370</u>	<u>1,891,370</u>	<u>285,000</u>
<b>Net change in fund balances</b>	-	(499,745)	(357,397)	142,348
Fund balance, October 1, 2010	<u>5,502,088</u>	<u>4,808,236</u>	<u>5,367,560</u>	<u>(559,324)</u>
Fund balance, September 30, 2011	<u>\$ 5,502,088</u>	<u>\$ 4,308,491</u>	<u>\$ 5,010,163</u>	<u>\$ (416,976)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
ROAD AND BRIDGE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes				
Local Option Gas Tax / Sarasota	\$ 76,000	\$ 76,000	\$ 76,299	\$ 299
Local Option Gas Tax / Manatee	87,000	87,000	97,095	10,095
Local Option Gas Tax / Sarasota 5 Cents	90,000	90,000	85,719	(4,281)
Local Option Gas Tax / Manatee 5 Cents	70,000	70,000	69,635	(365)
2 Cent Gas Tax / Sarasota	40,000	40,000	38,148	(1,852)
2 Cent Gas Tax / Manatee	28,000	28,000	31,498	3,498
	<u>391,000</u>	<u>391,000</u>	<u>398,394</u>	<u>7,394</u>
Intergovernmental revenue				
8th cent Motor Fuel Tax	49,700	49,700	50,762	1,062
Rebate on Municipal Vehicles	5,000	5,000	4,209	(791)
9th Cent Gas Tax / Sarasota	21,000	21,000	20,838	(162)
9th Cent Gas Tax / Manatee	12,150	12,150	12,799	649
	<u>87,850</u>	<u>87,850</u>	<u>88,608</u>	<u>758</u>
Charges for service				
Maintenance GMD Right of Way	10,900	10,900	13,623	2,723
Maintenance Traffic Signals	26,000	26,000	30,762	4,762
	<u>36,900</u>	<u>36,900</u>	<u>44,385</u>	<u>7,485</u>
Miscellaneous Revenue				
Interest on Investments	50,000	50,000	31,268	(18,732)
Gain (Loss) on Sale of Investments	(15,000)	(15,000)	(1,480)	13,520
Interest / SBA	-	-	224	224
	<u>35,000</u>	<u>35,000</u>	<u>30,012</u>	<u>(4,988)</u>
Total revenues	<u>550,750</u>	<u>550,750</u>	<u>561,399</u>	<u>10,649</u>
<b>EXPENDITURES</b>				
Contingencies	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>550,750</u>	<u>550,750</u>	<u>561,399</u>	<u>10,649</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds				
General Fund	(450,000)	(492,000)	(492,000)	-
Total other financing sources (uses)	<u>(450,000)</u>	<u>(492,000)</u>	<u>(492,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	100,750	58,750	69,399	10,649
FUND BALANCES, OCTOBER 1, 2010	<u>2,551,627</u>	<u>2,551,627</u>	<u>2,632,470</u>	<u>80,843</u>
FUND BALANCES, SEPTEMBER 30, 2011	<u>\$ 2,652,377</u>	<u>\$ 2,610,377</u>	<u>\$ 2,701,869</u>	<u>\$ 91,492</u>

TOWN OF LONGBOAT KEY, FLORIDA  
 BEACH DISTRICT A SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Taxes / Sarasota 2004 Bonds	\$ -	\$ -	\$ 3,000	\$ 3,000
Taxes / Manatee 2004 Bonds	-	-	26	26
	-	-	3,026	3,026
Miscellaneous Revenue				
Income on investments	-	-	1,687	1,687
Gain (Loss) on Sale of Investments	-	-	(16,676)	(16,676)
Interest / SBA	-	-	-	-
Interest / Sarasota Tax Collector	-	-	-	-
	-	-	(14,989)	(14,989)
Total Revenues	-	-	(11,963)	(11,963)
EXPENDITURES				
Current				
Miscellaneous	175	175	175	-
	175	175	175	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(175)	(175)	(12,138)	(11,963)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
G.O. Beach Bond	(2,480,859)	(2,480,859)	(2,462,054)	18,805
	(2,480,859)	(2,480,859)	(2,462,054)	18,805
NET CHANGE IN FUND BALANCES	(2,481,034)	(2,481,034)	(2,474,192)	6,842
FUND BALANCES, OCTOBER 1, 2010	2,481,034	2,481,034	2,565,246	84,212
FUND BALANCES, SEPTEMBER 30, 2011	\$ -	\$ -	\$ 91,054	\$ 91,054

TOWN OF LONGBOAT KEY, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GENERAL EMPLOYEE PENSION FUND DATA  
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAA) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2011	\$7,293,178	\$13,688,407	\$6,395,229	53.28%	\$2,413,590	264.97%
10/1/2010	7,067,928	13,266,355	6,198,427	53.28%	2,612,601	237.25%
10/1/2009	7,387,522	13,759,135	6,371,613	53.69%	2,848,067	223.72%
10/1/2008	7,182,145	12,454,845	5,272,700	58.94%	2,902,474	181.61%
10/1/2007	8,634,553	12,794,985	4,160,432	67.48%	3,033,800	137.14%
10/1/2006	7,934,281	11,677,728	3,743,447	67.94%	3,170,797	118.06%
10/1/2005	6,911,035	10,593,880	3,682,845	65.24%	3,091,997	119.11%
10/1/2004	6,319,438	9,725,116	3,405,678	64.98%	2,944,775	115.65%
10/1/2003	6,110,168	9,166,847	3,056,679	66.66%	2,772,604	110.25%
10/1/2002	5,853,533	9,401,975	3,548,442	62.26%	2,798,052	126.82%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2011	\$ 743,196	\$ 744,040	\$ -	100.11%
2010	578,017	578,017	-	100.00%
2009	465,898	465,898	-	100.00%
2008	399,985	400,059	-	100.02%
2007	429,684	429,684	-	100.00%
2006	414,964	414,964	-	100.00%
2005	380,983	380,983	-	100.00%
2004	412,014	412,014	-	100.00%
2003	377,075	377,075	-	100.00%
2002	355,731	355,731	-	100.00%

TOWN OF LONGBOAT KEY, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 POLICE PENSION FUND DATA  
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAA) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2011	\$ 4,902,682	\$ 10,784,254	\$ 5,881,572	45.46%	\$ 967,293	608.04%
10/1/2010	4,837,127	10,840,105	6,002,978	44.62%	871,703	688.65%
10/1/2009	4,941,954	10,975,790	6,033,836	45.03%	1,043,912	578.00%
10/1/2008	4,835,067	10,171,054	5,335,987	47.54%	1,189,694	448.52%
10/1/2007	4,990,471	9,494,028	4,503,557	52.56%	1,218,461	369.61%
10/1/2006	4,587,701	7,206,042	2,618,341	63.66%	1,095,238	239.07%
10/1/2005	4,292,743	6,843,316	2,550,573	62.73%	1,025,085	248.82%
10/1/2004	4,248,110	6,326,962	2,078,852	67.14%	997,837	208.34%
10/1/2003	4,247,594	6,048,612	1,801,018	70.22%	888,468	202.71%
10/1/2002	3,780,362	6,416,292	2,635,930	58.92%	1,018,047	258.92%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2011	\$ 722,020	\$ 651,126	\$ 70,894	100.00%
2010	473,165	402,718	70,446	100.00%
2009	488,225	350,424	137,801 *	100.00%
2008	353,986	353,986	-	100.00%
2007	289,705	222,256	67,449	100.00%
2006	186,296	126,834	62,317	101.53%
2005	160,901	102,620	59,462	100.73%
2004	214,815	163,651	55,090	101.83%
2003	289,587	276,040	51,164	112.99%
2002	273,195	234,373	47,240	103.08%

\* Chapter 185 revenue withheld for the fiscal year ending September 30, 2008, released in 2009.

TOWN OF LONGBOAT KEY, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FIREFIGHTERS PENSION FUND DATA  
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAA) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2011	\$ 11,899,137	\$ 27,164,254	\$15,265,117	43.80%	\$2,476,609	616.37%
10/1/2010	11,770,977	26,130,298	14,359,321	45.05%	2,590,585	554.29%
10/1/2009	11,039,177	25,024,616	13,985,439	44.11%	2,670,074	523.78%
10/1/2008	10,542,260	22,967,953	12,425,693	45.90%	2,521,157	492.86%
10/1/2007	10,254,057	22,829,673	12,575,616	44.92%	2,622,998	479.44%
10/1/2006	9,015,742	18,478,105	9,462,363	48.79%	2,180,863	433.88%
10/1/2005	8,051,648	17,422,859	9,371,211	46.21%	2,269,491	412.92%
10/1/2004	7,376,890	14,527,020	7,150,130	50.78%	2,152,196	332.22%
10/1/2003	7,249,670	12,979,389	5,729,719	55.86%	1,960,758	292.22%
10/1/2002	6,758,308	12,501,861	5,743,553	54.06%	1,743,632	329.40%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2011	\$ 1,384,027	\$ 1,144,227	\$ 239,800	100.00%
2010	1,246,772	1,005,551	241,221	100.00%
2009	1,129,911	616,355	513,556 **	100.00%
2008	797,183	797,183	- **	100.00%
2007	586,776	290,827	295,949	100.00%
2006	553,414	358,128	195,286	100.00%
2005	446,953	346,748	177,793 *	117.36%
2004	438,267	299,536	140,408	100.38%
2003	727,876	624,523	138,731	104.86%
2002	550,228	457,349	100,205 *	101.33%

\* "Frozen" per Chapter 175, Florida Statutes, as amended.

\*\* Chapter 175 revenue withheld for the fiscal year ending September 30, 2008, released in 2009.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town is required to establish a budgetary system and an approved Annual Budget for the general fund. The Town's budgeting process is based on estimates of cash receipts and cash expenditures that are approved by the Town's commission. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is the line item level. Transfers of appropriations between funds and use of unallocated fund balances amend the budget and require approval by the Town commission. Transfers of appropriations up to \$10,000 between line items within a department or among programs within a department may be approved by the Town Manager. Examples of line items are Wages, Office Supplies, Communications and Capital Outlay. The Town does not currently use program budgeting.



COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES



## MAJOR GOVERNMENTAL FUNDS

### General Obligation Beach Bonds

To account for the expenditures associated with the debt incurred upon issuance of the bonds.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

#### Infrastructure Surtax

To account for the Town's portion of the Sarasota County local option one-cent sales tax and expenditures made to acquire and maintain governmental infrastructure.

#### Tourist Development Tax

To account for the beach nourishment portion of tourist development tax revenues.

#### Beach District B

To account for the special taxing district's bond construction funds and district taxes.

#### Beach Improvement

To account for funds held for future beach improvements.

### Debt Service Funds

#### General Obligation Sewer Bonds

To account for the expenditures associated with the debt incurred upon issuance of the bonds.

#### General Obligation Facility Bonds

To account for the expenditures associated with the debt incurred upon issuance of the bonds.

### Capital Project Funds

#### Streets Capital Projects

To account for the revenues and expenditures related to street improvement projects as they arise.

#### Land Acquisition Fees

To account for funds received from contractors to secure undeveloped land in the Town to preserve open spaces.

#### Facilities Capital Project

To account for the expenditures of constructing a new police station, a new public works complex, and to remodel Town Hall.

#### Canal Dredging

To account for expenditures incurred in dredging of canals within the Town.

#### Parks and Recreation

To account for expenditures of constructing new parks and recreational facilities.



TOWN OF LONGBOAT KEY, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2011

	Special Revenue Funds			Debt Service Funds				Capital Project Funds					Total Nonmajor Governmental Funds	
	Infrastructure Surtax	Tourist Development Tax	Beach District B	Total	General Obligation Sewer Bonds	General Obligation Facilities Bonds	Total	Streets Capital Projects	Land Acquisition Fees	Facilities Capital Project	Canal Dredging	Parks and Recreation		Total
Cash and cash equivalents	\$ 792,492	\$ 1,665,076	\$ 1,655	\$ 2,459,223	\$ 9,282	\$ 54,709	\$ 63,991	\$ 488,451	\$ 1,932,156	\$ 3,692	\$ 402,785	\$ 284,504	\$ 3,111,588	\$ 5,634,802
Due from Counties	-	-	286	286	-	1,543	1,543	-	-	-	-	-	-	1,829
Due from State of Florida	36,442	-	-	36,442	-	-	-	-	-	-	-	-	-	36,442
Accrued income on investments	2,847	5,969	-	8,816	-	184	184	1,745	6,887	-	1,469	1,010	11,111	20,111
Total assets	\$ 831,781	\$ 1,671,045	\$ 1,941	\$ 2,504,767	\$ 9,282	\$ 56,436	\$ 65,718	\$ 490,196	\$ 1,939,043	\$ 3,692	\$ 404,254	\$ 285,514	\$ 3,122,699	\$ 5,693,184
Restricted	831,781	1,671,045	1,941	2,504,767	9,282	56,436	65,718	490,196	1,939,043	3,692	404,254	285,514	3,122,699	5,693,184
Total fund balances	831,781	1,671,045	1,941	2,504,767	9,282	56,436	65,718	490,196	1,939,043	3,692	404,254	285,514	3,122,699	5,693,184
Total liabilities and fund balances	\$ 831,781	\$ 1,671,045	\$ 1,941	\$ 2,504,767	\$ 9,282	\$ 56,436	\$ 65,718	\$ 490,196	\$ 1,939,043	\$ 3,692	\$ 404,254	\$ 285,514	\$ 3,122,699	\$ 5,693,184

TOWN OF LONGBOAT KEY, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds				Debt Service Funds					Capital Project Funds					Total Nonmajor Governmental Funds
	Infrastructure Surtax	Tourist Development Tax	Beach District B	Total	General Obligation Sewer Bonds	General Obligation Facilities Bonds	Total	Streets Capital Projects	Land Acquisition Fees	Facilities Capital Project	Canal Dredging	Parks and Recreation	Total		
<b>REVENUES</b>															
Property taxes	\$ -	\$ -	\$ 297	\$ 297	\$ -	\$ 337,898	\$ 337,898	\$ -	\$ -	\$ -	\$ -	\$ 2,726	\$ 2,726	\$ 340,921	
Other taxes	522,189	542,761	-	1,064,950	-	-	-	-	16,228	-	-	-	16,228	1,081,178	
Income on investments	5,259	22,885	(2,556)	25,588	26	1,598	1,624	5,013	21,431	9	4,490	-	30,943	58,155	
Total revenues	527,448	565,646	(2,259)	1,090,835	26	339,496	339,522	5,013	37,659	9	4,490	2,726	49,897	1,480,254	
<b>EXPENDITURES</b>															
Current															
General government	-	-	175	175	-	-	-	-	-	-	-	-	-	175	
Debt Service	-	-	-	-	-	2,615,000	2,615,000	-	-	-	-	-	-	2,615,000	
Principal retirement	-	-	-	-	-	40,741	40,741	-	-	-	-	-	-	40,741	
Interest	-	-	-	-	-	781	781	-	-	-	-	-	-	781	
Fiscal agent fees	-	-	-	-	-	2,656,522	2,656,522	-	-	-	-	-	-	2,656,522	
Total expenditures	-	-	175	175	-	2,656,522	2,656,522	-	-	-	-	-	-	2,656,522	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	527,448	565,646	(2,434)	1,090,660	26	(2,317,026)	(2,317,000)	5,013	37,659	9	4,490	2,726	49,897	(1,176,443)	
<b>OTHER FINANCING SOURCES (USES)</b>															
Bond proceeds	-	-	-	-	-	2,355,000	2,355,000	-	-	-	-	-	-	2,355,000	
Payment to escrow agent	(436,765)	(400,000)	(398,679)	(1,235,444)	-	(13,654)	(13,654)	-	-	-	-	-	-	(13,654)	
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,235,444)	
Total other financing sources (uses)	(436,765)	(400,000)	(398,679)	(1,235,444)	-	2,341,346	2,341,346	-	-	-	-	-	-	1,105,902	
<b>NET CHANGE IN FUND BALANCES</b>	90,683	165,646	(401,113)	(144,784)	26	24,320	24,346	5,013	37,659	9	4,490	2,726	49,897	(70,541)	
<b>FUND BALANCES, OCTOBER 1, 2010</b>	741,098	1,505,399	403,054	2,649,551	9,256	32,116	41,372	485,183	1,901,384	3,683	399,764	282,788	3,072,802	5,763,725	
<b>FUND BALANCES, SEPTEMBER 30, 2011</b>	\$ 831,781	\$ 1,671,045	\$ 1,941	\$ 2,504,767	\$ 9,282	\$ 56,436	\$ 65,718	\$ 490,196	\$ 1,939,043	\$ 3,692	\$ 404,254	\$ 285,514	\$ 3,122,699	\$ 5,693,184	

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL OBLIGATION BEACH BONDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt Service				
Principal retirement	2,810,000	2,810,000	2,810,000	-
Interest	49,175	49,175	49,175	-
Fiscal agent fees	2,000	2,000	1,815	185
Total expenditures	<u>2,861,175</u>	<u>2,861,175</u>	<u>2,860,990</u>	<u>185</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,861,175)</u>	<u>(2,861,175)</u>	<u>(2,860,990)</u>	<u>185</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds				
Beach District A Fund	2,480,859	2,480,859	2,462,311	(18,548)
Beach District B Fund	402,384	402,384	398,679	(3,705)
Total other financing sources (uses)	<u>2,883,243</u>	<u>2,883,243</u>	<u>2,860,990</u>	<u>(22,253)</u>
NET CHANGES IN FUND BALANCES	22,068	22,068	-	(22,068)
FUND BALANCES, OCTOBER 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2011	<u>\$ 22,068</u>	<u>\$ 22,068</u>	<u>\$ -</u>	<u>\$ (22,068)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
 INFRASTRUCTURE SURTAX SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes				
Infrastructure Surtax / Sarasota	\$ 504,000	\$ 504,000	\$ 522,189	\$ 18,189
Miscellaneous Revenue				
Income on Investments	45,000	45,000	5,259	(39,741)
	<u>45,000</u>	<u>45,000</u>	<u>5,259</u>	<u>(39,741)</u>
Total Revenues	<u>549,000</u>	<u>549,000</u>	<u>527,448</u>	<u>(21,552)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>549,000</u>	<u>549,000</u>	<u>527,448</u>	<u>(21,552)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
General Fund	(136,765)	(136,765)	(136,765)	-
Beach Capital Projects Fund	(300,000)	(300,000)	(300,000)	-
Total other financing sources (uses)	<u>(436,765)</u>	<u>(436,765)</u>	<u>(436,765)</u>	-
NET CHANGE IN FUND BALANCES	112,235	112,235	90,683	(21,552)
FUND BALANCES, OCTOBER 1, 2010	<u>1,642,144</u>	<u>745,644</u>	<u>741,098</u>	<u>(4,546)</u>
FUND BALANCES, SEPTEMBER 30, 2011	<u>\$ 1,754,379</u>	<u>\$ 857,879</u>	<u>\$ 831,781</u>	<u>\$ (26,098)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
 TOURIST DEVELOPMENT TAX SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Tourist Development Tax / Sarasota	\$ 360,000	\$ 360,000	\$ 331,007	\$ (28,993)
Tourist Development Tax / Manatee	228,000	228,000	211,754	(16,246)
	588,000	588,000	542,761	(45,239)
Miscellaneous Revenue				
Income on investments	36,000	36,000	24,226	(11,774)
Gain (Loss) on Sale of Investments	-	-	(1,341)	(1,341)
	36,000	36,000	22,885	(13,115)
Total Revenues	624,000	624,000	565,646	(58,354)
EXPENDITURES				
Current				
General government	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	624,000	624,000	565,646	(58,354)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
G.O. Beach Bond	(415,000)	(415,000)	(400,000)	15,000
NET CHANGE IN FUND BALANCES	209,000	209,000	165,646	(43,354)
FUND BALANCES, OCTOBER 1, 2010	1,490,219	1,490,219	1,505,399	15,180
FUND BALANCES, SEPTEMBER 30, 2011	\$ 1,699,219	\$ 1,699,219	\$ 1,671,045	\$ (28,174)

TOWN OF LONGBOAT KEY, FLORIDA  
 BEACH DISTRICT B SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes				
Taxes / Sarasota 2004 Bonds	\$ -	\$ -	\$ 1	\$ 1
Taxes / Manatee 2004 Bonds	-	-	296	296
	<u>-</u>	<u>-</u>	<u>297</u>	<u>297</u>
Miscellaneous Revenue				
Income on investments	-	-	62	62
Gain (Loss) on Sale of Investments	-	-	(2,618)	(2,618)
	<u>-</u>	<u>-</u>	<u>(2,556)</u>	<u>(2,556)</u>
Total Revenues	-	-	(2,259)	(2,259)
EXPENDITURES				
Current				
Miscellaneous	<u>175</u>	<u>175</u>	<u>175</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(175)	(175)	(2,434)	(2,259)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
G.O. Beach Bond	<u>(402,384)</u>	<u>(402,384)</u>	<u>(398,679)</u>	<u>3,705</u>
NET CHANGE IN FUND BALANCES	(402,559)	(402,559)	(401,113)	1,446
FUND BALANCES, OCTOBER 1, 2010	<u>403,054</u>	<u>403,054</u>	<u>403,054</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2011	<u>\$ 495</u>	<u>\$ 495</u>	<u>\$ 1,941</u>	<u>\$ 1,446</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL OBLIGATION SEWER BONDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Income on investments	-	-	26	26
Total revenues	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES)	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
NET CHANGE IN FUND BALANCES	-	-	26	26
FUND BALANCES, OCTOBER 1, 2010	<u>9,229</u>	<u>9,229</u>	<u>9,256</u>	<u>27</u>
FUND BALANCES, SEPTEMBER 30, 2011	<u>\$ 9,229</u>	<u>\$ 9,229</u>	<u>\$ 9,282</u>	<u>\$ 53</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL OBLIGATION FACILITIES BONDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 334,183	\$ 334,183	\$ 337,898	\$ 3,715
Income on investments	3,500	3,500	1,598	(1,902)
Total revenues	337,683	337,683	339,496	1,813
EXPENDITURES				
Debt Service				
Principal retirement	210,000	210,000	260,000	(50,000)
Interest	123,283	123,283	40,741	82,542
Fiscal agent fees	500	500	781	(281)
Total expenditures	333,783	333,783	301,522	32,261
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,900	3,900	37,974	(30,448)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	47,134	47,134
Payment to escrow agent	-	-	(60,788)	(60,788)
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	(13,654)	(13,654)
NET CHANGE IN FUND BALANCES	3,900	3,900	24,320	20,420
FUND BALANCES, OCTOBER 1, 2010	26,805	26,805	32,116	5,311
FUND BALANCES, SEPTEMBER 30, 2011	\$ 30,705	\$ 30,705	\$ 56,436	\$ 25,731

FIDUCIARY FUNDS



TOWN OF LONGBOAT KEY, FLORIDA  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS - ALL AGENCY FUNDS  
 SEPTEMBER 30, 2011

		Police Training	Code Enforcement	Solid Waste	Law Enforcement Forfeiture	Police Donations	Constituiton Bicentennial	Fire Donations	Public Works Donations	Total
Cash and cash equivalents	\$	61,668	13,662	-	257,715	17,831	1,381	417	6,943	359,617
Other assets		<u>223</u>	<u>-</u>	<u>103,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,347</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>61,891</u></b>	<b><u>13,662</u></b>	<b><u>103,124</u></b>	<b><u>257,715</u></b>	<b><u>17,831</u></b>	<b><u>1,381</u></b>	<b><u>417</u></b>	<b><u>6,943</u></b>	<b><u>\$ 462,964</u></b>
<b>LIABILITIES</b>										
Code enforcement bonds	\$	-	13,662	-	-	-	-	-	-	13,662
Amounts held as agent for others		<u>61,891</u>	<u>-</u>	<u>103,124</u>	<u>257,715</u>	<u>17,831</u>	<u>1,381</u>	<u>417</u>	<u>6,943</u>	<u>449,302</u>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b><u>61,891</u></b>	<b><u>13,662</u></b>	<b><u>103,124</u></b>	<b><u>257,715</u></b>	<b><u>17,831</u></b>	<b><u>1,381</u></b>	<b><u>417</u></b>	<b><u>6,943</u></b>	<b><u>\$ 462,964</u></b>

TOWN OF LONGBOAT KEY  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-  
 ALL AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Balance 10/1/10	Additions	Reductions	Balance 09/30/11
<u>POLICE TRAINING FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 60,933	\$ 735	\$ -	\$ 61,668
Other assets	223	-	-	223
	<u>\$ 61,156</u>	<u>\$ 735</u>	<u>\$ -</u>	<u>\$ 61,891</u>
LIABILITIES				
Amounts held as agent for others	<u>\$ 61,156</u>	<u>\$ 735</u>	<u>\$ -</u>	<u>\$ 61,891</u>
<u>CODE ENFORCEMENT FUND</u>				
ASSETS				
Cash and cash equivalents	<u>\$ 13,625</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 13,662</u>
LIABILITIES				
Code enforcement bonds	<u>\$ 13,625</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 13,662</u>
<u>SOLID WASTE FUND</u>				
ASSETS				
Other assets	<u>\$ 94,251</u>	<u>\$ 1,106,571</u>	<u>\$ 1,097,698</u>	<u>\$ 103,124</u>
LIABILITIES				
Amounts held as agent for others	<u>\$ 94,251</u>	<u>\$ 1,104,561</u>	<u>\$ 1,095,688</u>	<u>\$ 103,124</u>
<u>LAW ENFORCEMENT FORFEITURES</u>				
ASSETS				
Cash and cash equivalents	<u>\$ 284,678</u>	<u>\$ 227</u>	<u>\$ 27,190</u>	<u>\$ 257,715</u>
LIABILITIES				
Amounts held as agent for others	<u>\$ 284,678</u>	<u>\$ 227</u>	<u>\$ 27,190</u>	<u>\$ 257,715</u>
<u>POLICE DONATIONS FUND</u>				
ASSETS				
Cash and cash equivalents	<u>\$ 16,893</u>	<u>\$ 5,108</u>	<u>\$ 4,170</u>	<u>\$ 17,831</u>
LIABILITIES				
Amounts held as agent for others	<u>\$ 16,893</u>	<u>\$ 5,108</u>	<u>\$ 4,170</u>	<u>\$ 17,831</u>

TOWN OF LONGBOAT KEY  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-  
 ALL AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Balance 10/1/10	Additions	Reductions	Balance 09/30/11
<u>CONSTITUTIONAL BICENTENNIAL FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 1,377	\$ 4	\$ -	\$ 1,381
LIABILITIES				
Amounts held as agent for others	\$ 1,377	\$ 4	\$ -	\$ 1,381
<u>FIRE DONATIONS FUND</u>				
ASSETS				
Cash and cash equivalents	\$ (2,083)	\$ 2,500	\$ -	\$ 417
LIABILITIES				
Amounts held as agent for others	\$ (2,083)	\$ 2,500	\$ -	\$ 417
<u>PUBLIC WORKS DONATIONS</u>				
ASSETS				
Cash and cash equivalents	\$ 1,461	\$ 5,925	\$ 443	\$ 6,943
LIABILITIES				
Amounts held as agent for others	\$ 1,461	\$ 5,925	\$ 443	\$ 6,943
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 376,884	\$ 14,536	\$ 31,803	\$ 359,617
Other assets	94,474	1,106,571	1,097,698	103,347
	\$ 471,358	\$ 1,121,107	\$ 1,129,501	\$ 462,964
LIABILITIES				
Code enforcement bonds	\$ 13,625	\$ 37	\$ -	\$ 13,662
Amounts held as agent for others	457,733	1,119,060	1,127,491	449,302
	\$ 471,358	\$ 1,119,097	\$ 1,127,491	\$ 462,964



STATISTICAL SECTION



# STATISTICAL SECTION

This part of the Town of Longboat Key'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 Town's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Town's financial performance and well-being has changed over time.	74
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Town's most significant sources of revenue.	80
<b>Debt Capacity</b> These schedules contain information to help the reader assess the affordability of the Town's current level of debt and the Town's ability to issue debt in the future.	84
<b>Demographics and Economic Information</b> These schedules offer demographics and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	88
<b>Operating Information</b> These schedules contain information regarding the number of employees, the operating indicators, and the capital assets used in the various functions and programs	90



TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 1 - NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 36,577,328	\$ 20,774,388	\$ 25,215,831	\$ 41,882,184	\$ 42,290,238	\$ 42,894,752	\$ 43,984,904	\$ 47,245,000	\$ 52,337,893
Unrestricted	13,114,189	32,433,353	30,981,666	21,372,081	25,708,253	25,995,939	25,556,164	23,223,474	16,439,938
Total governmental activities net assets	\$ 49,691,517	\$ 53,207,741	\$ 56,197,497	\$ 63,254,265	\$ 67,998,491	\$ 68,890,691	\$ 69,521,068	\$ 70,468,474	\$ 68,777,831
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 5,426,423	\$ 5,444,030	\$ 5,461,454	\$ 5,467,196	\$ 10,781,157	\$ 12,873,521	\$ 13,853,050	\$ 13,979,979	\$ 16,834,998
Restricted									
Debt Service	952,159	973,296	976,562	977,158	549,531	439,625	439,625	439,625	439,625
Renewal and Replacement	-	-	-	-	484,332	597,497	9,847,497	10,078,892	5,735,449
Connection fees	2,773,788	2,787,185	2,815,148	2,864,492	2,924,435	2,962,633	2,962,633	3,012,774	3,026,870
Water and sewer revenue reserve	-	-	-	-	-	108,500	108,500	-	-
Unrestricted	3,763,207	3,556,875	6,052,515	9,751,124	7,949,484	8,522,334	996,114	2,540,724	5,609,562
Total business-type activities net assets	\$ 12,915,577	\$ 12,761,386	\$ 15,305,679	\$ 19,059,970	\$ 22,688,939	\$ 25,504,110	\$ 28,207,419	\$ 30,051,994	\$ 31,646,504
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 42,003,751	\$ 26,218,418	\$ 30,677,285	\$ 47,349,380	\$ 53,071,395	\$ 55,768,273	\$ 57,817,954	\$ 61,224,979	\$ 69,172,891
Restricted									
Debt Service	952,159	973,296	976,562	977,158	549,531	439,625	439,625	439,625	439,625
Renewal and Replacement	-	-	-	-	484,332	597,497	9,847,497	10,078,892	5,735,449
Connection fees	2,773,788	2,787,185	2,815,148	2,864,492	2,924,435	2,962,633	2,962,633	3,012,774	3,026,870
Water and sewer revenue reserve	-	-	-	-	-	108,500	108,500	-	-
Unrestricted	3,763,207	35,990,228	37,034,181	31,196,347	33,657,737	34,518,273	26,552,278	25,764,198	22,049,500
Total primary government net assets	\$ 49,492,905	\$ 65,969,127	\$ 71,503,176	\$ 82,387,377	\$ 90,687,430	\$ 94,394,801	\$ 97,728,487	\$ 100,520,468	\$ 100,424,335

Note: The Town implemented GASB Statement 34 in FY 2003 - the information provided above starts in that year

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 2 - CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities:									
General government	\$ 5,075,999	\$ 5,108,696	\$ 5,629,984	\$ 6,025,745	\$ 5,908,741	\$ 5,994,425	\$ 6,492,935	\$ 6,053,957	\$ 7,145,322
Physical environment	-	323,729	-	-	-	-	-	-	-
Public safety	5,325,373	5,960,203	6,090,821	6,329,436	8,279,922	7,077,431	6,868,927	6,594,044	7,022,706
Transportation	740,988	730,092	918,564	471,559	601,173	800,339	735,368	779,937	507,134
Economic Environment	-	-	-	-	-	-	27,477	27,381	69,300
Culture & recreation	2,514,081	2,632,518	2,792,705	1,788,228	3,573,199	3,724,306	2,923,280	2,970,085	3,146,845
Interest on long-term debt	341,841	265,697	666,031	673,380	583,349	477,593	377,878	281,042	92,512
Total governmental activities expenses	13,998,282	15,020,935	16,098,105	15,288,348	18,946,384	18,074,094	17,425,865	16,706,446	17,983,819
Business-type activities:									
Water and sewer	4,476,784	5,758,182	4,671,948	4,608,751	4,947,613	4,650,462	4,704,066	5,042,936	5,533,338
Building Department	-	-	-	-	-	897,275	694,992	482,307	533,565
Total business-type activities	4,476,784	5,758,182	4,671,948	4,608,751	4,947,613	5,547,737	5,399,058	5,525,243	6,066,903
Total primary government expenses	\$ 18,475,066	\$ 20,779,117	\$ 20,770,053	\$ 19,897,099	\$ 23,893,997	\$ 23,621,831	\$ 22,824,923	\$ 22,231,689	\$ 24,050,722
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
General government	\$ 2,070,307	\$ 2,218,127	\$ 2,777,242	\$ 2,458,102	\$ 2,198,335	\$ 104,807	\$ 67,916	\$ 133,174	\$ 62,779
Public safety	450,037	362,564	252,380	255,789	36,349	298,350	314,869	320,239	322,745
Transportation	-	-	-	-	39,681	45,393	80,525	40,491	44,385
Culture & recreation	273,272	317,895	350,686	361,290	2,733	340,423	415,772	420,025	469,975
Operating grants and contributions	721,747	700,963	959,225	1,447,422	43,062	-	153,441	146,878	130,882
Capital grants and contributions	436,124	395,198	91,846	2,223,624	3,484,766	177,248	462,453	424,792	571,183
Total governmental activities program revenues	3,951,487	3,994,747	4,431,379	6,746,227	5,804,926	966,221	1,494,976	1,485,599	1,601,949
Business type activities									
Charges for services:									
Water and sewer	4,683,992	5,531,288	7,011,875	7,884,422	8,106,980	8,114,443	8,161,663	7,498,653	7,262,114
Building Department	-	-	-	-	-	980,050	821,342	975,460	933,697
Operating grants and contributions	-	-	4,551	4,357	5,307	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	613,668
Total business-type activities program revenues	4,683,992	5,531,288	7,016,426	7,888,779	8,112,287	9,094,493	8,983,005	8,474,113	8,809,479
Total primary government program revenues	\$ 8,635,479	\$ 9,526,035	\$ 11,447,805	\$ 14,635,006	\$ 13,917,213	\$ 10,060,714	\$ 10,477,981	\$ 9,959,712	\$ 10,411,428
<b>Net (Expense)/Revenue</b>									
Government activities	\$ (10,046,795)	\$ (11,026,188)	\$ (11,666,726)	\$ (8,542,121)	\$ (13,141,458)	\$ (17,107,873)	\$ (15,930,889)	\$ (15,220,847)	\$ (16,381,870)
Business-type activities	207,208	(226,894)	2,344,478	3,280,028	3,164,674	3,546,756	3,583,947	2,948,870	2,742,576
Total primary government net expense	\$ (9,839,587)	\$ (11,253,082)	\$ (9,322,248)	\$ (5,262,093)	\$ (9,976,784)	\$ (13,561,117)	\$ (12,346,942)	\$ (12,271,977)	\$ (13,639,294)

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 2 - CHANGES IN NET ASSETS  
 LAST NINE FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes									
Property taxes	\$ 11,252,602	\$ 10,957,144	\$ 10,153,257	\$ 10,903,316	\$ 11,704,884	\$ 11,856,511	\$ 11,204,310	\$ 10,258,192	\$ 9,247,176
Gasoline taxes	507,160	526,870	552,259	540,676	522,613	507,807	489,367	490,026	487,002
Sales taxes	679,026	730,939	815,625	830,079	1,413,737	1,256,289	1,100,986	1,082,606	1,127,784
State revenue sharing	553,484	547,930	574,902	572,877	598,886	603,664	680,595	602,486	591,914
Business Tax	-	-	-	-	112,016	175,361	198,083	158,263	166,731
Tourist tax	609,294	572,536	633,270	571,529	583,205	599,800	635,662	614,800	542,761
Franchise tax	873,195	904,343	948,406	1,090,604	1,112,370	1,088,276	1,118,650	1,020,208	980,723
Licenses and Permits	-	-	-	-	-	39,785	-	-	-
Income on Investments	230,315	257,100	937,899	1,122,929	1,726,767	838,643	133,952	550,321	181,250
Miscellaneous	49,142	45,550	40,864	40,021	38,064	43,189	75,191	106,746	103,281
Net Transfers	-	-	-	-	-	990,748	924,470	1,284,605	1,262,605
Total governmental activities	<u>14,754,218</u>	<u>14,542,412</u>	<u>14,656,482</u>	<u>15,672,031</u>	<u>17,812,542</u>	<u>18,000,073</u>	<u>16,561,266</u>	<u>16,168,253</u>	<u>14,691,227</u>
Business-type activities:									
Income on Investments	96,383	72,703	199,815	474,263	461,167	259,163	153,267	180,310	114,539
Gain on disposal of capital assets	-	-	-	-	3,128	-	(115,305)	-	-
Miscellaneous	-	-	-	-	-	-	5,870	-	-
Net Transfers	-	-	-	-	-	(990,748)	(924,470)	(1,284,605)	(1,262,605)
Total business-type activities	<u>96,383</u>	<u>72,703</u>	<u>199,815</u>	<u>474,263</u>	<u>464,295</u>	<u>(731,585)</u>	<u>(880,638)</u>	<u>(1,104,295)</u>	<u>(1,148,066)</u>
Total primary government	<u>\$ 14,850,601</u>	<u>\$ 14,615,115</u>	<u>\$ 14,856,297</u>	<u>\$ 16,146,294</u>	<u>\$ 18,276,837</u>	<u>\$ 17,268,488</u>	<u>\$ 15,680,628</u>	<u>\$ 15,063,958</u>	<u>\$ 13,543,161</u>
<b>Change in Net Assets</b>									
Governmental activities	\$ 4,707,423	\$ 3,516,224	\$ 2,989,756	\$ 7,129,910	\$ 4,671,084	\$ 892,200	\$ 630,377	\$ 947,406	\$ (1,690,643)
Business-type activities	303,591	(154,191)	2,544,293	3,754,291	3,628,969	2,815,171	2,703,309	1,844,575	1,594,510
Total primary government	<u>\$ 5,011,014</u>	<u>\$ 3,362,033</u>	<u>\$ 5,534,049</u>	<u>\$ 10,884,201</u>	<u>\$ 8,300,053</u>	<u>\$ 3,707,371</u>	<u>\$ 3,333,686</u>	<u>\$ 2,791,981</u>	<u>\$ (96,133)</u>

Note: The Town implemented GASB Statement 34 in FY 2003 - the information provided above starts in that year

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 3 - FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR				
	2002	2003	2004	2005	2006
General Fund					
Nonspendable	*	*	*	*	*
Restricted	*	*	*	*	*
Committed	*	*	*	*	*
Assigned	*	*	*	*	*
Unassigned	*	*	*	*	*
Total general fund	*	*	*	*	*

All Other Governmental Funds					
Nonspendable	*	*	*	*	*
Restricted	*	*	*	*	*
Committed	*	*	*	*	*
Assigned	*	*	*	*	*
Unassigned	*	*	*	*	*
Total all other governmental funds	*	*	*	*	*

	FISCAL YEAR				
	2007	2008	2009	2010	2011
General Fund					
Nonspendable	*	*	*	*	\$ 154,260
Restricted	*	*	*	*	-
Committed	*	*	*	*	1,000,000
Assigned	*	*	*	*	158,253
Unassigned	*	*	*	*	3,697,650
Total general fund	*	*	*	*	\$ 5,010,163

All Other Governmental Funds					
Nonspendable	*	*	*	*	\$ -
Restricted	*	*	*	*	11,424,417
Committed	*	*	*	*	-
Assigned	*	*	*	*	560,440
Unassigned	*	*	*	*	-
Total all other governmental funds	*	*	*	*	\$ 11,984,857

Note

\* Information not available prior to the implementation of GASB 54

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR				
	2002	2003	2004	2005	2006
<b>Revenues</b>					
Property taxes	\$ 9,648,049	\$ 11,252,602	\$ 10,957,144	\$ 10,153,257	\$ 10,903,316
Other taxes				1,337,523	1,272,972
Licenses and permits	1,061,274	1,253,797	1,381,146	1,987,559	1,509,921
Intergovernmental	2,490,267	2,431,837	1,907,473	2,216,737	2,771,012
Charges for services	1,246,761	1,328,180	692,421	627,584	573,300
Franchise	897,402	873,195	904,343	948,406	1,090,604
Fines/miscellaneous/interest	1,168,271	884,893	1,440,931	1,832,452	4,183,162
Other taxes	684,193	609,294	1,190,936	-	-
Land acquisition	112,966	71,907	62,765	42,909	220,163
<b>Total revenues</b>	<u>17,309,183</u>	<u>18,705,705</u>	<u>18,537,159</u>	<u>19,146,427</u>	<u>22,524,450</u>
<b>Expenditures</b>					
General government	4,607,743	4,912,215	4,937,228	4,986,832	5,734,955
Physical environment	-	-	323,729	5,821,758	14,245,986
Public safety	4,707,961	4,891,498	5,526,124	5,674,612	5,888,579
Transportation	502,514	495,011	480,528	676,201	881,001
Economic Environment				-	-
Culture and recreation	587,995	620,067	718,522	766,940	724,365
Debt service					
Principal retirement	3,008,565	2,508,399	545,000	575,000	2,885,000
Interest	-	339,739	264,056	651,460	671,899
Fiscal charges	-	2,102	1,641	14,571	1,481
Capital outlay	<u>3,633,572</u>	<u>4,777,666</u>	<u>1,865,603</u>	<u>856,053</u>	<u>992,761</u>
<b>Total expenditures</b>	<u>17,048,350</u>	<u>18,546,697</u>	<u>14,662,431</u>	<u>20,023,427</u>	<u>32,026,027</u>
Excess of revenues over (under) expenditures	260,833	159,008	3,874,728	(877,000)	(9,501,577)
<b>Other Financing Sources (uses)</b>					
Bond proceeds		-	15,493,312	-	-
Transfers in	4,108,905	3,416,973	5,266,290	3,638,176	3,640,545
Transfers out	<u>(4,108,905)</u>	<u>(3,416,973)</u>	<u>(5,266,290)</u>	<u>(3,638,176)</u>	<u>(3,640,545)</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>15,493,312</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 260,833</u>	<u>\$ 159,008</u>	<u>\$ 19,368,040</u>	<u>\$ (877,000)</u>	<u>\$ (9,501,577)</u>
Debt service as a percentage of noncapital expenditures	22%	21%	6%	6%	11%

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR				
	2007	2008	2009	2010	2011
<b>Revenues</b>					
Property taxes	\$ 11,704,884	\$ 11,856,511	\$ 11,714,672	\$ 10,257,437	\$ 9,247,176
Other taxes	1,236,895	1,185,498	1,323,112	1,698,975	1,646,303
Licenses and permits	1,078,428	181,301	26,683	25,324	23,795
Intergovernmental	2,130,367	1,865,298	1,271,219	1,274,719	1,286,117
Charges for services	587,447	705,915	814,835	863,614	869,432
Franchise	1,112,370	1,088,276	1,118,650	1,020,128	980,723
Fines/miscellaneous/interest	6,038,473	1,092,743	613,151	657,380	274,960
Grants	-	-	615,894	571,670	702,065
Land acquisition	-	-	-	-	-
<b>Total revenues</b>	<u>23,888,864</u>	<u>17,975,542</u>	<u>17,498,216</u>	<u>16,369,247</u>	<u>15,030,571</u>
<b>Expenditures</b>					
General government	6,219,824	5,687,372	6,229,730	5,705,494	6,845,497
Physical environment	6,213	-	-	-	-
Public safety	6,942,090	6,866,816	6,481,483	6,134,442	6,277,819
Transportation	637,096	555,889	477,998	507,587	507,134
Economic Environment	-	-	27,477	27,381	69,300
Culture and recreation	1,508,115	762,602	722,927	702,745	765,943
Debt service					
Principal retirement	2,960,000	3,055,000	3,059,454	2,920,000	3,070,000
Interest	570,148	467,621	142,993	276,233	89,916
Fiscal charges	13,201	9,972	431	4,809	2,596
Capital outlay	484,644	1,354,858	1,678,265	3,669,101	5,386,179
<b>Total expenditures</b>	<u>19,341,331</u>	<u>18,760,130</u>	<u>18,820,758</u>	<u>19,947,792</u>	<u>23,014,384</u>
Excess of revenues over (under) expenditures	4,547,533	(784,588)	(1,322,542)	(3,578,545)	(7,983,813)
<b>Other Financing Sources (uses)</b>					
Bond proceeds	-	-	-	-	47,134
Payment to escrow agent	-	-	-	-	(60,788)
Transfers in	4,303,693	4,627,985	5,971,869	6,422,389	5,452,360
Transfers out	(4,303,693)	(3,637,237)	(5,047,399)	(5,137,784)	(4,189,755)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>990,748</u>	<u>924,470</u>	<u>1,284,605</u>	<u>1,248,951</u>
<b>Net change in fund balances</b>	<u>\$ 4,547,533</u>	<u>\$ 206,160</u>	<u>\$ (398,072)</u>	<u>\$ (2,293,940)</u>	<u>\$ (6,734,862)</u>
Debt service as a percentage of noncapital expenditures	19%	20%	19%	20%	18%

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 5-ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)<sup>80</sup>

Fiscal Year	Real and Personal Property Sarasota County	Real and Personal Property Manatee County	Total Assessed Value	Estimated Actual Value	Town of Longboat Key Mills (1) (2)	Estimated Tax Revenue	Ratio Of Total Assessed To Total Estimated Actual Value
2002	2,545,125,858	850,735,963	3,395,861,821	3,395,861,821	2.562/3.2089	10,896,981	100%
2003	3,003,704,254	1,018,346,718	4,022,050,972	4,022,050,972	2.424/3.2054	12,892,282	100%
2004	3,400,620,217	1,218,255,408	4,618,875,625	4,618,875,625	2.171/2.6903	12,426,161	100%
2005	3,666,581,208	1,347,923,180	5,014,504,388	5,014,504,388	1.836/2.2873	11,469,676	100%
2006	4,157,146,112	1,538,478,499	5,695,624,611	5,695,624,611	1.729/2.1630	12,319,636	100%
2007	4,742,440,174	1,812,608,364	6,555,048,538	6,555,048,538	1.627/2.0055	13,146,150	100%
2008	4,732,518,406	1,874,290,960	6,606,809,366	6,606,809,365	1.635/2.0109	13,285,632	100%
2009	4,236,364,578	1,718,513,521	5,954,878,099	5,954,878,099	1.696/2.1103	12,566,579	100%
2010	3,481,431,456	1,371,391,139	4,852,822,595	4,852,822,595	1.709/2.1700	10,530,625	100%
2011	3,345,287,529	1,299,318,422	4,644,605,951	4,644,605,951	1.959/1.9588	9,097,854	100%

SOURCE: Certification from County Property Appraisers Offices - Sarasota and Manatee Counties.

Note: The year indicated is for the fiscal year ended September 30. The amounts indicated are for valuations established as of the prior January 1. As an example, the 2002 valuation of \$2,545,125,858 represents valuations as of January 1, 2001. Taxes were collected during 2001/2002

The property appraisers have always maintained that assessments were at 100% of actual value; and there was no independent attempt to establish an estimated actual value.

- (1) Millages include levies for operating and debt service costs.
- (2) Inland District/Beach Side District

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 6 - PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 LAST TEN FISCAL YEARS  
 (rate per \$1,000 of assessed value)

Fiscal Year	Town Direct Rates				Overlapping Rates			
	Operating Millage	Obligation Debt Service	Total Direct Rate		Beach Erosion Control District A	Control District B	Manatee County	Sarasota County
2002	2.1500	0.1954	2.3454		0.8635	0.2166	16.7862	14.0533
2003	2.0000	0.1639	2.1639		1.0415	0.2604	17.0440	14.8359
2004	1.8500	0.1474	1.9974		0.6929	0.1732	16.9594	14.4158
2005	1.5000	0.1360	1.6360		0.6013	0.1504	16.6488	13.9029
2006	1.4650	0.1199	1.5849		0.5781	0.1445	16.3962	13.3769
2007	1.4175	0.0836	1.5011		0.5044	0.1261	15.8571	12.5259
2008	1.4062	0.1036	1.5098		0.5011	0.1253	14.7309	11.9768
2009	1.5000	0.0583	1.5583		0.5520	0.1380	14.4501	11.8988
2010	1.4903	0.0651	1.5554		0.6146	0.1536	14.6371	12.4261
2011	1.8872	0.0716	1.9588		0.0000	0.0000	14.7045	12.8905

SOURCE: Town's Financial records and Property Appraiser's Office in Sarasota and Manatee Counties.

NOTE: The Town of Longboat Key is located within two counties. Taxpayers pay taxes to the County in which they reside. Taxes are collected by both Counties and distributed to the Town. The year indicates the year taxes are collected. Assessments are based on the valuations as of January 1 of the previous year. As an example, 2002 direct tax rate of 2.3454 applies to valuations as of January 1, 2001.

(1) The Town has two dependent special districts that were created for beach erosion control. District A is primarily beachfront properties, while District B encompasses all other properties on Longboat Key.

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 7 - PRINCIPAL PROPERTY TAX PAYERS  
SEPTEMBER 30, 2011

Taxpayer	2011			2002		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Key Club Associates	\$ 16,898,700	1	0.36%			
Oprock Longboat Fee LLC	15,682,639	2	0.34%			
Veranda Beach Club	11,360,000	3	0.24%			
Ave .of the Flowers Acquisition Co	10,273,600	4	0.22%			
Mike & Michele McKee	9,881,100	5	0.21%			
BBC of Longboat LLC	9,576,400	6	0.21%			
Pleasant Real Estate	8,656,300	7	0.19%			
Key Club Associates	7,464,600	8	0.16%			
Four Winds Beach Resort	6,730,000	9	0.14%			
Sun and Sea	6,407,821	10	0.14%			
Key Club Associates				\$ 14,800,000	1	0.44%
Veranda Beach Club				14,352,000	2	0.42%
Holiday Inn				14,577,700	3	0.43%
Harbourside Golf Course				12,851,300	4	0.38%
Hilton				11,379,185	5	0.34%
Water Club II				7,395,000	6	0.22%
Four Winds I				6,498,600	7	0.19%
Town Plaza				6,815,000	8	0.20%
Longboat Marina				4,244,653	9	0.12%
White Sands Resort				4,045,000	10	0.12%
Total	\$ 102,931,160		2.21%	\$ 96,958,438		2.86%

DATA SOURCE: Sarasota and Manatee Counties' Tax Rolls.

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 8 - PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN TAX YEARS

Fiscal Year	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Collections	Percentage of Levy
2002	\$ 9,992,191	N/A	N/A	N/A	\$ 9,648,050	96.6%
2003	11,633,786	N/A	N/A	N/A	11,252,602	96.7%
2004	11,467,980	N/A	N/A	N/A	10,957,144	95.5%
2005	10,571,646	N/A	N/A	N/A	10,153,257	96.0%
2006	11,329,947	N/A	N/A	N/A	10,903,316	96.2%
2007	12,148,019	N/A	N/A	N/A	11,704,885	96.4%
2008	12,278,622	N/A	N/A	N/A	11,856,511	96.6%
2009	11,584,041	N/A	N/A	N/A	11,204,310	96.7%
2010	10,644,758	10,255,157	96.3%	2,276	10,257,433	96.4%
2011	9,188,024	8,899,032	96.9%	4,197	8,903,229	96.9%

SOURCE: Town's Audited Financial Statements and Sarasota and Manatee County Property Appraiser's Office.

- Property taxes become due and payable on November 1 of each year and a 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Therefore, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1, of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year. A small difference is also indicated by changes to original tax levy due to Board of Equalization adjustments which reduces assessed valuations and the percentage collected based on the original tax levy. Property taxes receivable and the corresponding reserve for uncollectable property taxes are not included in the financial statements as there are no material delinquent taxes as of September 30, 2010.
- Tax levy includes millage for operating and debt service requirements.

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 9 - RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government <sup>(1)</sup>	Percentage of Personal Income <sup>(1)</sup>	Per Capita	Percentage of Actual Estimated Value of Property <sup>(2)</sup>
	General Obligation Bonds	Loans Payable	General Obligation Bonds	Revenue Bonds				
2002	7,220,000	543,399	-	2,623,948	10,387,347	N/A	N/A	0.31%
2003	4,955,000	300,000	-	2,475,000	7,730,000	N/A	N/A	0.19%
2004	20,210,000	150,000	-	2,175,000	22,535,000	N/A	N/A	0.49%
2005	19,785,000	-	-	1,860,000	21,645,000	N/A	N/A	0.43%
2006	19,340,000	-	-	1,525,000	20,865,000	2.99%	2,737	0.37%
2007	13,940,000	-	-	1,175,000	15,115,000	2.03%	1,965	0.23%
2008	10,885,000	-	-	800,000	11,685,000	1.64%	1,592	0.18%
2009	8,060,000	-	9,250,000	410,000	17,720,000	2.87%	2,325	0.30%
2010	5,140,000	-	9,061,100	3,614,177	17,815,277	2.88%	2,332	0.37%
2011	2,070,000	-	8,789,018	4,412,945	15,271,963	2.58%	2,103	0.33%

NOTE: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

<sup>(2)</sup> See Schedule 5 footnote 2 for explanation of Actual Estimated Value of Property

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 10 - RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS<sub>8</sub>

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2002	7,220,000	164,225	7,055,775	0.21%	928
2003	4,955,000	146,648	4,808,352	0.12%	623
2004	20,210,000	141,783	20,068,217	0.43%	2,601
2005	19,785,000	140,517	19,644,483	0.39%	2,584
2006	19,340,000	145,456	19,194,544	0.34%	2,518
2007	13,940,000	13,552	13,926,448	0.21%	1,811
2008	10,885,000	24,391	10,860,609	0.16%	1,480
2009	8,060,000	32,534	8,027,466	0.13%	1,053
2010	5,140,000	41,372	5,098,628	0.11%	667
2011	2,070,000	65,718	2,004,282	0.04%	276

NOTE:

<sup>(1)</sup> See Schedule 5 for property value data

<sup>(2)</sup> See Schedule 13 for population data

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 11 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 SEPTEMBER 30, 2011<sup>86</sup>

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Longboat Key <sup>(1)</sup></u>	<u>Amount Applicable to Longboat Key</u>
Town of Longboat Key	\$ 2,070,000	100%	\$ 2,070,000
<b>Overlapping Bonded Debt:</b>			
Sarasota County	-	8.80%	-
Manatee County	12,045,000	5.77%	\$ 694,997
Total Overlapping Bonded Debt	12,045,000		694,997
Total net direct and net overlapping bonded debt	<u>\$ 14,115,000</u>		<u>\$ 2,764,997</u>

<sup>(1)</sup> Calculated as a ratio of taxable valuation of property in the Town of Longboat Key to total taxable valuation of property in Sarasota and Manatee Counties.

Sources: Sarasota and Manatee Counties Finance Division

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 12 - PLEDGED - REVENUE COVERAGE  
LAST TEN YEARS

General Obligation Bonds (Beach and Facilities)

Fiscal Year	Pledged Revenues <sup>(1)</sup>	Debt Service		Coverage
		Principal	Interest	
2002	1,911,164	1,930,000	340,242	0.8
2003	1,344,651	2,035,000	242,720	0.6
2004	2,465,026	150,000	183,588	7.4
2005	2,359,223	160,000	587,502	3.2
2006	2,543,115	2,605,000	611,873	0.8
2007	2,556,235	2,660,000	542,607	0.8
2008	3,769,016	3,055,000	458,708	1.1
2009	3,205,619	2,825,000	370,585	1.0
2010	3,203,221	2,920,000	276,233	1.0
2011	3,898,888	3,070,000	89,916	1.2

General Obligation Bonds (Water and Sewer)

Fiscal Year	Ad Valorem Taxes	Debt Service		Coverage
		Principal	Interest	
2002	311,330	210,000	109,900	1.0
2003	321,290	230,000	95,780	1.0
2004	325,356	245,000	80,468	1.0
2005	328,672	265,000	63,958	1.0
2006	335,961	280,000	46,315	1.0
2007	195,381	300,000	27,540	0.6
2008	323,109	310,000	8,913	1.0
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-

Water and Sewer

Revenue Bonds<sup>(2)</sup>, State Revolving Fund Loan<sup>(3)</sup>, General Obligation Note<sup>(4)</sup>

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	4,910,741	3,768,210	1,142,531	275,000	161,310	2.6
2003	4,780,375	3,913,685	866,690	285,000	147,560	2.0
2004	5,603,994	4,499,715	1,104,279	300,000	133,310	2.5
2005	7,211,690	3,960,544	3,251,146	315,000	118,010	7.5
2006	8,398,496	4,060,400	4,338,096	335,000	101,630	9.9
2007	8,576,580	4,290,072	4,286,508	350,000	83,875	9.9
2008	8,373,607	3,891,214	4,482,393	375,000	59,469	10.3
2009	8,320,717	4,207,600	4,113,117	390,000	90,796	8.6
2010	7,664,838	3,800,857	3,863,981	598,900	595,742	3.2
2011	7,965,571	4,093,248	3,872,323	380,397	535,238	4.2

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> Combined revenues of Infrastructure Surtax, Tourist Development Tax, Beach District A and B and Ad Valorem Taxes.

<sup>(2)</sup> Revenue Bonds were defeased in 2010

<sup>(3)</sup> State Revolving Fund Loan began in 2009 with first payment due in 2011 this debt is serviced by the Water and Sewer Enterprise Fund.

<sup>(4)</sup> General Obligation Note began in 2009 with first payment due in 2010; this debt is collateralized by ad valorem tax levies with the intention of payment coming from then net revenues of the utility system.

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 13 - DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

Year	Population <sup>(1)</sup>	Personal Income	Per Capita Personal Income <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
2002	7,603	N/A	N/A	5.0%
2003	7,717	N/A	N/A	4.8%
2004	7,717	N/A	N/A	4.4%
2005	7,603	N/A	N/A	3.2%
2006	7,624	\$ 698,716,728	\$ 91,647	3.0%
2007	7,691	\$ 745,027,170	\$ 96,870	4.5%
2008	7,339	\$ 711,853,644	\$ 96,996	6.6%
2009	7,622	\$ 617,099,986	\$ 80,963	11.7%
2010	7,641	\$ 618,638,283	\$ 80,963	11.6%
2011	7,263	\$ 591,812,892	\$ 81,483	10.9%

- Sources:
- (1) 2010 population: Office of Economic & Demographic Research, April 1, 2010 (est.)
  - (2) Wikipedia
  - (3) U.S. Department of Labor, Bureau of Labor Statistics  
 (Sarasota-Bradenton-Punta Gorda combined area)  
 (11.6% for 2010 preliminary: North Port-Bradenton-Sarasota)

SARASOTA AND MANATEE COUNTIES, FLORIDA  
 SCHEDULE 14 - PRINCIPAL EMPLOYERS  
 SEPTEMBER 30, 2011  
 CURRENT YEAR AND TEN YEARS AGO

Employer	<u>2011</u>			<u>2002</u>		
	Employees	Rank	Percentage of Total Employment <sup>(2)</sup>	Employees	Rank	Percentage of Total Employment <sup>(2)</sup>
Longboat Key Club	529	1	27.65%	N/A	N/A	N/A
Publix Super Market #218	137	2	7.16%	N/A	N/A	N/A
Town of Longboat Key	129	3	6.74%	N/A	N/A	N/A
Longboat Key Hilton	83	4	4.34%	N/A	N/A	N/A
Michael Saunders & Company	75	5	3.92%	N/A	N/A	N/A
Chart House Restaurant	65	6	3.40%	N/A	N/A	N/A
Mar Vista Dockside Resturant & Pub	63	7	3.29%	N/A	N/A	N/A
Valleycrest Landscape Maintenance	62	8	3.24%	N/A	N/A	N/A
Euphemia Haye	49	9	2.56%	N/A	N/A	N/A
Moore's Stone Crab Restaurant	41	10	2.14%	N/A	N/A	N/A
<b>Total</b>	<u>1,233</u>		<u>64.44%</u>	<u>N/A</u>		<u>N/A</u>

(1) Principal employers for nine years ago is not available.

(2) Total employment gathered from profiles.nationalrelocation.com

Source: Polling Longboat Key businesses; Chamber of Commerce

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 15 - FULL-TIME EQUIVALENT GOVERNMENT - EMPLOYEES BY FUNCTION/PROGRAM  
 LAST NINE FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	34	35	34	34	34	34	29	32	32
Public safety	65	65	65	65	65	64	64	63	65
Transportation	7	7	8	8	8	7	7	6	6
Culture & recreation	6	6	7	7	7	6	5	6	5
Water and sewer	7	7	7	7	7	8	8	7	7
Total	119	120	121	121	121	119	113	114	115

Source: Town of Longboat Key Budget Office.  
 Data is not available prior to 2003

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 16 - OPERATIONS INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Fire</b>										
Fire calls	553	501	637	559	491	478	483	382	390	423
Rescue calls	932	933	1,010	931	927	1,025	960	973	991	1,073
Inspections	821	661	1,224	892	854	1,744	1,582	376	388	804
<b>Police</b>										
Law Violations	1,088	930	1,022	952	1,131	857	846	567	353	354
Law Arrests	202	165	134	253	278	221	215	135	110	101
<b>Water system</b>										
Number of users or consumers	11,049	11,062	10,804	10,871	10,738	10,775	10,770	10,733	10,723	10,723
Daily average finished flow in gallons	2,327,726	2,235,877	2,230,584	1,927,260	1,892,953	1,914,074	1,828,416	1,721,877	1,688,534	1,697,937
<b>Sewer system</b>										
Daily average treatment in gallons	1,804,603	1,865,315	1,732,348	1,740,830	1,730,567	1,528,588	1,752,622	1,636,150	1,616,156	1,632,912

Sources: various Town of Longboat Key departments

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 17- CAPITAL ASSETS STATISTICS BY FUNCTION  
(LAST TEN FISCAL YEARS)

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	6	6	6	6	6	6	6	6	6	6
Marine Units	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	3	3	3	3	3	3	3	3	3	3
Ambulances	3	3	3	3	3	3	3	3	3	3
Marine Units	1	1	1	1	1	1	1	1	1	1
Beach Rescue Units	0	0	0	0	0	0	0	0	0	1
Highways and Streets										
Streets -paved (miles)	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Streets -unpaved (miles)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alleys	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sidewalks (miles)	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Streetlights	283	283	283	283	283	283	283	283	283	283
Traffic Signals	4	4	4	4	4	4	4	4	4	4
Culture and Recreation										
Parks acreage (in excess of)	140	140	140	140	140	140	140	140	140	140
Parks	5	5	5	5	5	5	5	5	5	5
Recreation Center	1	1	1	1	1	1	1	1	1	1
Tennis courts	8	8	12	12	12	12	12	12	12	12
Water										
Water Mains (miles) <sup>(1)</sup>	56	56	56	56	56	56	56	56	46	46
Storage Capacity (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Fire Hydrants	202	202	209	209	209	209	209	209	209	209
Wastewater										
Sanitary Sewers (miles)	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	44.0	44.0
Storm Sewers (miles)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Note: No capital asset indicators are available for the general government function

<sup>(1)</sup> 2010: need justification for deduction of 14 miles (includes addition of 4 miles)

Sources: various Town of Longboat Key departments



OTHER AUDITORS' REPORTS



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

Honorable Members of the  
Board of Town Commissioners  
Town of Longboat Key, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Longboat Key, Florida (the "Town") for the year ended September 30, 2011, and have issued our report thereon dated May 4, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures 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 Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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*.

This report is intended solely for the information and use of the Honorable Members of the Board of Town Commissioners, management, federal and state awarding agencies 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  
May 4, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Members of the  
Board of Town Commissioners  
Town of Longboat Key, Florida

Compliance

We have audited the compliance of the Town of Long Boat Key (the "Town") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement and the State of Florida Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs and state projects for the year ended September 30, 2011. The Town's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General of the State of Florida. Those standards and OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General of the State of Florida, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2011.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Honorable Members of the Board of Town Commissioners, management, federal and state awarding agencies 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

May 4, 2012

SINGLE AUDIT/GRANTS COMPLIANCE SCHEDULES



Town of Longboat Key, Florida  
 Schedule of Expenditures and Federal Awards and State Financial Assistance  
 September 30, 2011

<u>Federal Agency/Federal Program</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
<b>US Department of Environmental Protection Agency</b>			
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	DW580600	\$ 250,939
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW580601	547,829
			<u>798,768</u>
<b>Federal Emergency Management Agency</b>			
Hurriane Jeane Cost Overrun	-	799	57,196
Total Federal Expenditures			<u>\$ 855,964</u>

<u>State Agency/State Project</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
<b>Florida Department of Environmental Protection Agency</b>			
Beach Management Funding Assistance Program	37.0003	00ME2	\$ 513,987
Total State of Florida Expenditures			<u>\$513,987</u>

Type A Threshold (Greater of \$100,000 or 30% of Total)

## **Note 1 Summary of Significant Accounting Policies**

### **Basis of Presentation**

The accompanying schedule of expenditures of federal and state financial assistance includes the state grant activity of the Town of Longboat Key (the "Town"). The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America and the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization* and Chapter 10.650, Rules of the Auditor General of the State of Florida.

### **Basis of Accounting**

Expenditures included in the Schedule are reporting using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds as defined in Note 1 to the basic financial statements.

### **Loans Outstanding**

The amount of loans outstanding as of September 30, 2011 for the ARRA – Capitalization Grants for Clean Water State Revolving Funds and Capitalization Grants for Drinking Water State Revolving Funds is \$2,995,812 and \$1,435,847, respectively.

**PART A – SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the Town.
2. No material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Town were disclosed during the audit.
4. No material weaknesses were disclosed during the audit of the major federal award programs and state financial assistance projects.
5. The auditors' report on compliance for the major federal award programs and state financial assistance projects for the Town expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs and state financial assistance projects for the Town to be reported in Part C of this Schedule.
7. The programs/projects tested as major programs/projects included:

CFDA \_\_\_\_\_ Name of Federal Program/Project or Cluster

**U.S. Department of Environmental Protection**

66.458 ARRA – Capitalization Grants for Clean Water State Revolving Funds  
66.468 Capitalization Grants for Drinking Water State Revolving Funds

CSFA \_\_\_\_\_ Name of Program/Project

**State of Florida Department of Environmental Protection**

37.0003 Beach Management Funding Assistance Program

**PART A – SUMMARY OF AUDIT RESULTS (CONTINUED)**

8. The threshold for distinguishing Type A and B programs was \$300,000 for major federal awards and \$154,196 for Florida state financial assistance projects.
9. The Town did not qualify as a low-risk auditee.

**PART B – FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**PART C – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AND MAJOR STATE PROJECT AWARD PROGRAMS AUDIT**

None.

**PART D – OTHER ISSUES**

None.

**PART E – PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

None for Major Federal Award Programs.

None for Florida State Financial Assistance Projects.





## MANAGEMENT LETTER

Honorable Members of the  
Board of Town Commissioners  
Town of Longboat Key, Florida

We have audited the basic financial statements of the Town of Longboat Key, Florida (“the Town”) as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated May 4, 2012. These basic financial statements are the responsibility of the Town. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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 *OMB circular A-133, Audits of the States, Local Governments, and non-Profit Organizations*.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida.

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. There were no such findings or recommendations included in the preceding annual financial report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires that a statement must be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) 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.

Section 10.554(1)(i)7.b, Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the year ended September 30, 2011. In connection with our report we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)(7)c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management’s responsibility to monitor the City’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. This Management Letter is intended solely for the information of the Town's management and the Auditor General of the State of Florida 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  
May 4, 2012