

The Town of Longboat Key, Florida



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2012

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
of the
TOWN OF LONGBOAT KEY, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2012



Prepared by: Sandra J Henley, Acting Finance Director
Finance Department
Town of Longboat Key, Florida



TOWN OF LONGBOAT KEY, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED SEPTEMBER 30, 2012

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INTRODUCTORY SECTION





TOWN OF LONGBOAT KEY

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

Incorporated November 14, 1955

June 19, 2013

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, 2012. 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, 2012, and the report of the independent auditing firm 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 2012 was a reduction of 2.02 billion (31%) to \$4.58 billion. The Town's functional population remains steady at an estimated 23,000.

Goals and objectives. Management's goals and objectives flow from the adopted Town Vision Plan including efforts to continue providing a level of infrastructure to complement the residents' lifestyle. This has been accomplished at the same time that taxable values 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.

Long-term Financial Planning

The Town is also in the permitting 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 locations where beach erosion has occurred. 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 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 1.4% for budget year 2012-13 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 2012-13 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, 2011. This was the 31st 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.

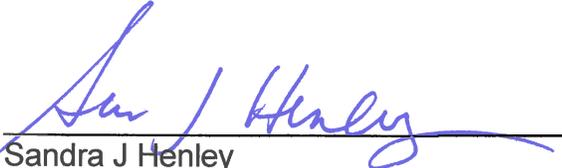
The staff of Kerkering Barberio & Co. is appreciated for their comments and advice.

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



Sandra J Henley
Acting 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:
Phill Younger
Terry Gans**

DEPARTMENT HEADS

**Town Manager
David R. Bullock**

**Town Clerk
Patricia J. Granger**

**Finance Director
Thomas D. Kelley**

**Police Chief
Pete Cumming**

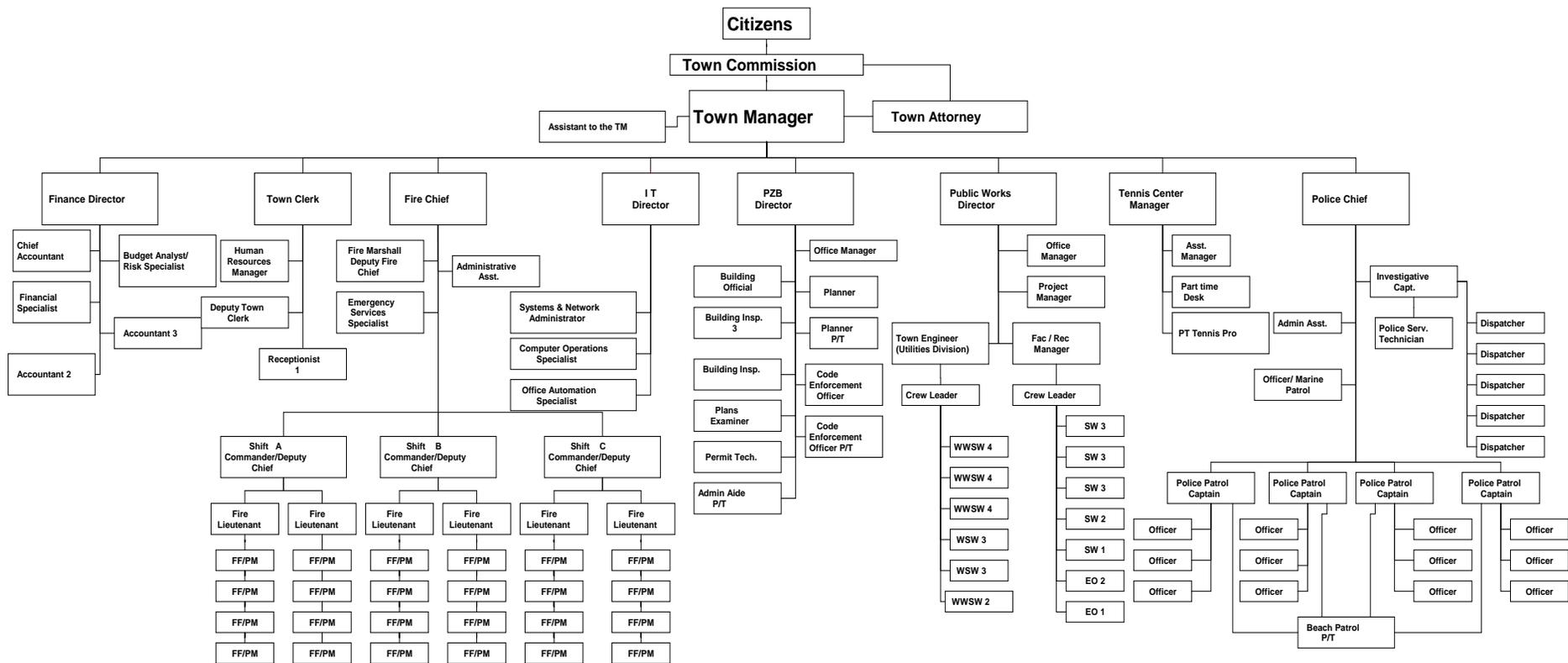
**Fire Chief
Paul Dezzi**

**Planning, Zoning & Building
Director
Robin Meyer**

**Information Technology
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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Egan

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, 2012, 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 the 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, 2012, 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 June 19, 2013, on our consideration of the Town'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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic 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 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. 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 basic financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
June 19, 2013

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, 2012. 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 \$99,807,021 for fiscal year 2012, as compared to \$100,412,923 for fiscal year 2011. 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, 2012 amounted to \$27,534,095. Unrestricted net assets increased \$5,496,007 from the previous fiscal year.
- The Town's total net assets this fiscal year decreased \$605,902 over the previous year with a decrease of (\$1,154,486) in governmental activities and an increase of \$548,584 resulting from business-type activities.
- At September 30, 2012 the Town of Longboat Key's governmental fund statements reported combined ending fund balances of \$18,021,782, an increase of \$1,026,762 from the previous fiscal year. Of this amount, \$2,953,482 remains in the various fund types of the Town as unassigned.
- The General Fund reported an unassigned fund balance of \$2,953,482 compared to last year's unassigned amount of \$3,369,650; a decrease from last fiscal year of \$416,168.

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, 2012. 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 three major funds, the General Fund, Road and Bridge Fund, 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 60. 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, 2012 and 2011 are shown below.

Town of Longboat Key Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current/other assets	\$ 18,670	\$ 18,363	\$ 21,267	\$ 19,519	\$ 39,937	\$ 37,882
Capital assets	52,028	54,408	24,980	25,980	77,008	80,388
Total assets	<u>70,698</u>	<u>72,771</u>	<u>46,247</u>	<u>45,499</u>	<u>116,945</u>	<u>118,270</u>
Current liabilities	854	1,599	1,665	1,065	2,519	2,664
Long-term liabilities	2,233	2,406	12,387	12,787	14,620	15,193
Total liabilities	<u>3,087</u>	<u>4,005</u>	<u>14,052</u>	<u>13,852</u>	<u>17,139</u>	<u>17,857</u>
Invested in capital assets net of related debt	50,178	52,338	14,945	16,835	65,123	69,173
Restricted	-	-	7,149	9,202	7,149	9,202
Unrestricted	<u>17,433</u>	<u>16,428</u>	<u>10,101</u>	<u>5,610</u>	<u>27,534</u>	<u>22,038</u>
Total net assets	<u>\$ 67,611</u>	<u>\$ 68,766</u>	<u>\$ 32,195</u>	<u>\$ 31,647</u>	<u>\$ 99,806</u>	<u>\$ 100,413</u>

The overall financial position of the Town declined slightly in fiscal year 2012. 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, 2012 is \$605,902. Although the Town of Longboat Key's taxable value has decreased (\$1,959,138,574) or (30%) between fiscal year 2008 and 2012 and a decrease in net assets for the second year, the Town's fiscal outlook remains positive due to the Town's substantial tax base which saw only a 1.4% reduction in taxable value for fiscal year 2013.

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, 2012. The reduction of net assets is \$1,154,486 from 2011 which is mainly due to lower tax revenues, interest earnings, tourist tax revenues and franchise fees. Invested in capital assets, net of related debt increased \$2,159,420 over 2011 mostly due to the current year depreciation. 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 74% as of September 30, 2012. 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, report an overall positive increase in net assets. The Town's business-type net assets at September 30, 2012 increased a total of \$548,584 over 2011. Current unrestricted assets increased a total of \$4,491,073 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)

	Governmental Activities	Business-type Activities
Fiscal year ending September 30, 2012:		
Current unrestricted assets	\$ 18,600	\$ 16,871
Current unrestricted liabilities	\$ 854	\$ 1,365
Ratio of current assets to current liabilities	21.78	12.36
Fiscal year ending September 30, 2011		
Current unrestricted assets	\$ 18,302	\$ 14,369
Current unrestricted liabilities	\$ 1,598	\$ 771
Ratio of current assets to current liabilities	11.45	18.64

The Town continues to maintain healthy ratios as noted above which indicates more than adequate cash flows for the Town.

Town of Longboat Key Statement of Activities (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program Revenues:						
Charges for services	\$ 883	\$ 900	\$ 8,290	\$ 8,196	\$ 9,173	\$ 9,096
Operating grants and contributions	342	131	-	-	342	131
Capital grants and contributions	1,837	571	-	614	1,837	1,185
General Revenues:						
Property taxes	8,777	9,247	-	-	8,777	9,247
Gasoline taxes	516	487	-	-	516	487
Sales taxes	1,128	1,128	-	-	1,128	1,128
Unrestricted State revenue sharing	613	592	-	-	613	592
Business Tax	504	166	-	-	504	166
Tourist tax	497	542	-	-	497	542
Franchise tax	897	981	-	-	897	981
Interest income	135	181	49	115	184	296
Miscellaneous	101	414	-	-	101	414
Total revenues	<u>16,230</u>	<u>15,340</u>	<u>8,339</u>	<u>8,925</u>	<u>24,569</u>	<u>24,265</u>
Expenses:						
General government	7,297	7,467	-	-	7,297	7,467
Public safety	6,676	7,023	-	-	6,676	7,023
Transportation	735	507	-	-	735	507
Economic Environment	9	69	-	-	9	69
Culture and recreation	3,861	3,146	-	-	3,861	3,146
Interest on long-term debt	72	93	-	-	72	93
Water and sewer	-	-	6,004	5,533	6,004	5,533
Building Department	-	-	522	534	522	534
Total expenses	<u>18,650</u>	<u>18,305</u>	<u>6,526</u>	<u>6,067</u>	<u>25,176</u>	<u>24,372</u>
Increase in net assets before other items	(2,420)	(2,965)	1,813	2,858	(607)	(107)
Transfers	<u>1,265</u>	<u>1,263</u>	<u>(1,265)</u>	<u>(1,263)</u>	<u>-</u>	<u>-</u>
Change in net assets	(1,155)	(1,702)	548	1,595	(607)	(107)
Net assets - beginning	<u>68,766</u>	<u>70,468</u>	<u>31,647</u>	<u>30,052</u>	<u>100,413</u>	<u>100,520</u>
Net assets - ending	<u>\$ 67,611</u>	<u>\$ 68,766</u>	<u>\$ 32,195</u>	<u>\$ 31,647</u>	<u>\$ 99,806</u>	<u>\$ 100,413</u>

Governmental Activities

The Town posted decreases in net assets for governmental activities of (\$1,154,486) for fiscal year 2012 as well as a decrease of (\$1,702,055) posted for fiscal year 2011. These changes in net assets represent percentage changes of (1.6%) and (2.4%), respectively, in total assets from the previous year.

Changes in revenues and expenses over fiscal year 2011 can be noted in several areas of governmental activities in fiscal year 2012. 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.

Property taxes are down because of a reduction of (4.23%) 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 \$18,021,782 for 2012 and \$16,995,020 for 2011. These fund balances indicate an increase from the previous year of \$1,026,762 and these same funds show a decrease of \$6,734,862 for 2011. Governmental funds reserved \$1,707,950 of fund balance to meet current commitments in the next fiscal year, prepaid items and future Town pension costs.

Business-type Activities

Changes in net assets for business-type activities totaled an increase of \$548,584 and an increase of \$1,594,510 for fiscal years 2012 and 2011, respectively, representing a 1.7% increase and a 5.3% 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, 2012, total fund balance in the General Fund was \$4,464,157 of which \$2,953,482 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 30.2% and 19.9% for fiscal year 2012 and 38.3% and 25.8% for fiscal year 2011. Property values declined by (4.54%) resulting in lower tax revenues to the Town of \$441,800. In addition to the reduced property tax revenue, franchise fees were lower due to the slowing economy. General Fund expenditures decreased 1%.

The major governmental funds chart also discloses information regarding the other major governmental funds of the Town. Data for the Road and Bridge Fund and Beach Nourishment Capital Project Fund are presented for fiscal years 2012 and 2011.

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)

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Beach Erosion Control District A Fund</u>	<u>General Obligation Beach Bonds Debt Service Fund</u>	<u>Beach Nourishment Capital Project Fund</u>
Fiscal Year 2012:					
Revenues and other sources	\$ 14,256	\$ 554	N/A	N/A	\$ 2,280
Expenditures and other uses	<u>14,802</u>	<u>508</u>	<u>N/A</u>	<u>N/A</u>	<u>870</u>
Increase (decrease) in fund balance	<u>\$ (546)</u>	<u>\$ 46</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 1,410</u>
Fiscal Year 2011:					
Revenues and other sources	\$ 14,585	\$ 561	\$ (12)	\$ 2,861	\$ 1,318
Expenditures and other uses	<u>14,942</u>	<u>492</u>	<u>2,462</u>	<u>2,861</u>	<u>5,220</u>
Increase (decrease) in fund balance	<u>\$ (357)</u>	<u>\$ 69</u>	<u>\$ (2,474)</u>	<u>\$ -</u>	<u>\$ (3,902)</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, 2012, total net assets amounted to \$32,195,088 as compared to \$31,646,504 at September 30, 2011. Net asset increases are a result of increased building permit activity, reduced Building Division personnel expenses, and lower water and sewer interest expense. Water and sewer revenues are lower due to the Town Commission authorizing a rate decrease. The Town's major enterprise funds are comprised of water and sewer operations and the building department.

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
Operating Revenues	\$ 8,201	\$ 8,183	\$ 18
Operating Expenses	<u>5,880</u>	<u>5,405</u>	<u>475</u>
Operating Income	2,321	2,778	(457)
Non-operating income (expense)	(507)	79	(586)
Net transfers	<u>(1,265)</u>	<u>(1,263)</u>	<u>(2)</u>
Change in Net Assets	549	1,594	(1,045)
Total Net Assets - beginning	<u>31,646</u>	<u>30,052</u>	<u>1,594</u>
Total Net Assets - ending	<u>\$ 32,195</u>	<u>\$ 31,646</u>	<u>\$ 549</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, 2012 totaled \$77,008,861 while September 30, 2011 totaled \$79,112,812.

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 2012

Comparison of Increase in Capital Assets (in thousands)

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percent</u>
Governmental funds	\$ 52,028	\$ 54,408	\$ (2,380)	(4.37%)
Proprietary funds	\$ 24,980	\$ 24,705	\$ 275	1.11%

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, 2012 the Town of Longboat Key had total bonded debt outstanding of \$14,695,115 of which \$1,850,000 is for the G.O. Facilities Bonds, \$8,464,300 is for the G.O. Note Series 2009 and \$4,380,815 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>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
General Obligation Bonds	\$ 10,314	\$ 10,859	\$ (545)
Revenue Bonds	<u>4,381</u>	<u>4,413</u>	<u>(32)</u>
Total	<u>\$ 14,695</u>	<u>\$ 15,272</u>	<u>\$ (577)</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 through 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 original budget and the final amended budget resulted in a negative variance in revenues of \$18,688 and a positive variance in expenditures of \$204,796. This resulted in a total difference between the final budgeted and actual excess of revenues over expenditures of \$186,108.

On the revenue side, income from investments was lower than budgeted due to lower interest rates and franchise fees were lower due to the slower economy and fewer tourists. However, grants were higher than budgeted and offset these revenue decreases.

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 \$93,857 reserved for encumbrances in fiscal year 2012-13.

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 four and a half 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%)
2012	4,647,670,792	(4.54%)

- 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 2013 fiscal year.

During the current fiscal year, the fund balance in the General Fund decreased by \$546,006. All funds carried over in the General Fund for fiscal year 2012 are available for expenditures except \$93,857 that is reserved for encumbrances, \$19,951 reserved for prepaid items and \$1,000,000 reserved for offsetting future pension costs. The Town has not changed its operating millage rate (1.8872) from fiscal year 2011 to fiscal year 2012.

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 for further information.



BASIC FINANCIAL STATEMENTS



TOWN OF LONGBOAT KEY, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

ASSETS	Governmental Activities	Business-type Activities	Total	LIABILITIES	Governmental Activities	Business-type Activities	Total
Current assets:				Current Liabilities:			
Cash and cash equivalents	\$ 18,126,117	\$ 16,056,913	\$ 34,183,030	Accounts payable	\$ 260,040	\$ 821,147	\$ 1,081,187
Accounts receivables	181,881	579,551	761,432	Wages and benefits payable	317,710	16,247	333,957
Due from other governmental units	137,012	-	137,012	Due to other governmental entities	613	20,127	20,740
Accrued income on investments	36,630	18,042	54,672	Compensated absences	30,676	1,965	32,641
Inventory	96,867	161,966	258,833	Bonds, notes and loans payable	245,000	505,189	750,189
Prepaid items	19,951	54,738	74,689	Security deposits - restricted	-	299,920	299,920
Other assets	1,687	-	1,687				
Cash and cash equivalents - restricted	-	3,109,795	3,109,795				
	18,600,145	19,981,005	38,581,150	Total current liabilities	854,039	1,664,595	2,518,634
Total current assets							
Noncurrent assets:				Noncurrent liabilities:			
Cash and cash equivalents-restricted	-	1,284,923	1,284,923	Net OPEB obligation	163,431	-	163,431
Net pension obligation	69,694	-	69,694	Compensated absences	463,909	46,707	510,616
Land and other nondepreciable assets	26,343,320	2,478,840	28,822,160	Bonds notes and loans payable (net)	1,605,000	12,339,926	13,944,926
Capital assets, net of depreciation	25,685,153	22,501,548	48,186,701	Total noncurrent liabilities	2,232,340	12,386,633	14,618,973
	52,098,167	26,265,311	78,363,478	Total liabilities	3,086,379	14,051,228	17,137,607
Total noncurrent assets							
Total assets	\$ 70,698,312	\$ 46,246,316	\$ 116,944,628	NET ASSETS			
				Invested in capital assets, net of related debt	50,178,473	14,945,148	65,123,621
				Restricted for			
				Debt service	-	439,625	439,625
				Renewal and Replacement	-	3,672,943	3,672,943
				Connection fees	-	3,036,737	3,036,737
				Unrestricted	17,433,460	10,100,635	27,534,095
				Total net assets	\$ 67,611,933	\$ 32,195,088	\$ 99,807,021

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

TOWN OF LONGBOAT KEY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 7,296,613	\$ 132,563	\$ -	\$ 1,837,074	\$ (5,326,976)	\$ -	\$ (5,326,976)
Public safety	6,675,600	243,276	342,084	-	(6,090,240)	-	(6,090,240)
Transportation	735,024	14,050	-	-	(720,974)	-	(720,974)
Economic environment	8,990	-	-	-	(8,990)	-	(8,990)
Culture and recreation	3,861,447	493,120	-	-	(3,368,327)	-	(3,368,327)
Interest on long-term debt	70,462	-	-	-	(70,462)	-	(70,462)
Total governmental activities	<u>18,648,136</u>	<u>883,009</u>	<u>342,084</u>	<u>1,837,074</u>	<u>(15,585,969)</u>	<u>-</u>	<u>(15,585,969)</u>
Business-type activities:							
Water and Sewer	5,926,342	7,128,657	-	-	-	1,202,315	1,202,315
Building Department	522,213	1,083,741	-	-	-	561,528	561,528
Total business-type activities	<u>6,448,555</u>	<u>8,212,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,763,843</u>	<u>1,763,843</u>
Total	<u>\$ 25,096,691</u>	<u>\$ 9,095,407</u>	<u>\$ 342,084</u>	<u>\$ 1,837,074</u>	<u>(15,585,969)</u>	<u>1,763,843</u>	<u>(13,822,126)</u>
General Revenues:							
Property taxes					8,776,567	-	8,776,567
Gasoline taxes					515,847	-	515,847
Sales taxes					1,128,388	-	1,128,388
Unrestricted State revenue sharing					612,738	-	612,738
Other taxes					503,673	-	503,673
Tourist tax					496,733	-	496,733
Franchise tax					896,715	-	896,715
Interest income					134,982	49,546	184,528
Miscellaneous					101,035	-	101,035
Total General Revenues					<u>13,166,678</u>	<u>49,546</u>	<u>13,216,224</u>
Transfers					<u>1,264,805</u>	<u>(1,264,805)</u>	<u>-</u>
Total General Revenues and Transfers					<u>14,431,483</u>	<u>(1,215,259)</u>	<u>13,216,224</u>
Change in net assets					(1,154,486)	548,584	(605,902)
Total net assets - beginning					<u>68,766,419</u>	<u>31,646,504</u>	<u>100,412,923</u>
Total net assets - ending					<u>\$ 67,611,933</u>	<u>\$ 32,195,088</u>	<u>\$ 99,807,021</u>

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

TOWN OF LONGBOAT KEY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General Fund	Road and Bridge Fund	Beach Nourishment Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 4,522,371	\$ 2,719,165	\$ 5,032,341	\$ 5,852,240	\$ 18,126,117
Due from counties	443	-	-	-	443
Due from State of Florida	80,727	21,754	-	34,088	136,569
Other receivables	181,881	-	-	-	181,881
Accrued income on investments	6,670	7,107	8,802	14,051	36,630
Inventory	96,867	-	-	-	96,867
Prepaid items	19,951	-	-	-	19,951
Other assets	1,687	-	-	-	1,687
Total assets	<u>\$ 4,910,597</u>	<u>\$ 2,748,026</u>	<u>\$ 5,041,143</u>	<u>\$ 5,900,379</u>	<u>\$ 18,600,145</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 128,117	\$ -	\$ 131,923	\$ -	\$ 260,040
Due to State of Florida	613	-	-	-	613
Wages payable	317,710	-	-	-	317,710
Total liabilities	<u>446,440</u>	<u>-</u>	<u>131,923</u>	<u>-</u>	<u>578,363</u>
Fund balances:					
Nonspendable	116,818	-	-	-	116,818
Restricted	-	2,748,026	4,711,945	5,900,379	13,360,350
Committed	1,000,000	-	-	-	1,000,000
Assigned	393,857	-	197,275	-	591,132
Unassigned	<u>2,953,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,953,482</u>
Total fund balances	<u>4,464,157</u>	<u>2,748,026</u>	<u>4,909,220</u>	<u>5,900,379</u>	<u>18,021,782</u>
Total liabilities and fund balances	<u>\$ 4,910,597</u>	<u>\$ 2,748,026</u>	<u>\$ 5,041,143</u>	<u>\$ 5,900,379</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	52,028,473
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	69,694
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	(163,431)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds and notes payable	(1,850,000)
Accrued compensated absences	<u>(494,585)</u>
Total	<u>(2,344,585)</u>
Net assets of governmental activities	<u>\$ 67,611,933</u>

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, 2012

	General Fund	Road and Bridge Fund	Beach Nourishment Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 8,461,429	\$ -	\$ -	\$ 315,138	\$ 8,776,567
Other taxes	503,673	420,193	-	1,071,332	1,995,198
Licenses and permits	31,971	-	-	-	31,971
Intergovernmental	1,200,092	95,654	-	-	1,295,746
Charges for services	803,423	14,050	-	-	817,473
Franchise fees	896,715	-	-	-	896,715
Fines and miscellaneous	101,035	-	-	-	101,035
Grants	342,084	-	1,837,074	-	2,179,158
Income on Investments	23,099	24,060	42,867	44,956	134,982
Total revenues	<u>12,363,521</u>	<u>553,957</u>	<u>1,879,941</u>	<u>1,431,426</u>	<u>16,228,845</u>
Expenditures:					
Current					
General government	7,037,067	-	-	350	7,037,417
Public safety	6,175,591	-	-	-	6,175,591
Transportation	507,735	-	-	-	507,735
Economic environment	8,990	-	-	-	8,990
Culture and recreation	688,400	-	-	-	688,400
Debt Service					
Principal retirement	-	-	-	220,000	220,000
Interest	-	-	-	70,462	70,462
Capital outlay	384,349	-	869,471	504,473	1,758,293
Total expenditures	<u>14,802,132</u>	<u>-</u>	<u>869,471</u>	<u>795,285</u>	<u>16,466,888</u>
Excess (deficiency) of revenues over expenditures	<u>(2,438,611)</u>	<u>553,957</u>	<u>1,010,470</u>	<u>636,141</u>	<u>(238,043)</u>
Other financing sources (uses)					
Transfers in	1,892,605	-	400,000	-	2,292,605
Transfers out	-	(507,800)	-	(520,000)	(1,027,800)
Total other financing sources (uses)	<u>1,892,605</u>	<u>(507,800)</u>	<u>400,000</u>	<u>(520,000)</u>	<u>1,264,805</u>
Net change in fund balances	(546,006)	46,157	1,410,470	116,141	1,026,762
Fund balance, October 1, 2011	5,010,163	2,701,869	3,498,750	5,784,238	16,995,020
Fund balance, September 30, 2012	<u>\$ 4,464,157</u>	<u>\$ 2,748,026</u>	<u>\$ 4,909,220</u>	<u>\$ 5,900,379</u>	<u>\$ 18,021,782</u>

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, 2012

Net change in fund balances - total governmental funds page 15.	\$ 1,026,762
Amounts reported for governmental activities in the statement of activities page 13 are different because:	
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.	1,758,293
Depreciation expense on governmental capital assets included in the governmental activities in the Statement of Activities.	(4,085,708)
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.	(52,005)
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.	(46,343)
The increase in the Net Pension 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.	8,562
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.	15,953
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>220,000</u>
Change in net assets of governmental activities - page 13.	<u>\$ (1,154,486)</u>

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

TOWN OF LONGBOAT KEY, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETY FUNDS
SEPTEMBER 30, 2012

	Water and Sewer	Nonmajor Building Department	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 15,155,468	\$ 901,445	\$ 16,056,913
Accounts receivable - customers (net of allowance)	579,551	-	579,551
Accrued income on investments	16,238	1,804	18,042
Prepaid items	-	13,658	13,658
Inventories	161,966	-	161,966
Deferred charge	41,080	-	41,080
CURRENT ASSETS-RESTRICTED			
Cash and cash equivalents	2,809,875	-	2,809,875
Customer meter deposits, security deposits	299,920	-	299,920
Total current assets	<u>19,064,098</u>	<u>916,907</u>	<u>19,981,005</u>
NONCURRENT ASSETS			
Restricted cash and cash equivalents			
Connection fees	1,284,923	-	1,284,923
Total restricted assets	<u>1,284,923</u>	<u>-</u>	<u>1,284,923</u>
Capital assets			
Land	1,794,235	-	1,794,235
Buildings and improvements	2,452,121	-	2,452,121
Improvements other than buildings	31,947,118	-	31,947,118
Machinery and equipment	2,759,752	-	2,759,752
Construction work-in-progress	684,605	-	684,605
Less accumulated depreciation	(14,657,443)	-	(14,657,443)
Total capital assets	<u>24,980,388</u>	<u>-</u>	<u>24,980,388</u>
Bond issuance cost			
Unamortized bond issue costs	125,046	-	125,046
Less accumulated amortization	(125,046)	-	(125,046)
Net bond cost	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>26,265,311</u>	<u>-</u>	<u>26,265,311</u>
Total assets	<u>\$ 45,329,409</u>	<u>\$ 916,907</u>	<u>\$ 46,246,316</u>
LIABILITIES			
CURRENT LIABILITIES			
Current installments of notes	\$ 321,900	\$ -	\$ 321,900
Current installments of bonds	183,289	-	183,289
Accounts payable	819,901	1,246	821,147
Wages payable	8,002	8,245	16,247
Compensated absences, current portion	1,965	-	1,965
Total unrestricted current liabilities	<u>1,335,057</u>	<u>9,491</u>	<u>1,344,548</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Due to Manatee County	-	11,913	11,913
Due to Sarasota County	-	8,214	8,214
Customer meter deposits, security deposits	299,920	-	299,920
Total current liabilities payable from restricted assets	<u>299,920</u>	<u>20,127</u>	<u>320,047</u>
Total current liabilities	<u>1,634,977</u>	<u>29,618</u>	<u>1,664,595</u>
LONG - TERM LIABILITIES			
Notes Payable	8,142,400	-	8,142,400
Bonds Payable	4,197,526	-	4,197,526
Accrued compensated absences	33,178	13,529	46,707
Total long-term liabilities	<u>12,373,104</u>	<u>13,529</u>	<u>12,386,633</u>
Total liabilities	<u>14,008,081</u>	<u>43,147</u>	<u>14,051,228</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,945,148	-	14,945,148
Restricted for			
Capital projects	-	-	-
Debt service	439,625	-	439,625
Renewal and replacement fund	3,672,943	-	3,672,943
Accumulated earnings on connection fees	3,036,737	-	3,036,737
Unrestricted	<u>9,226,875</u>	<u>873,760</u>	<u>10,100,635</u>
Total net assets	<u>\$ 31,321,328</u>	<u>\$ 873,760</u>	<u>\$ 32,195,088</u>

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, 2012

	<u>Water and Sewer</u>	<u>Nonmajor Building Department</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 7,091,397	\$ 1,080,313	\$ 8,171,710
Late charges	26,013	-	26,013
Rentals and miscellaneous	-	3,428	3,428
Total operating revenues	<u>7,117,410</u>	<u>1,083,741</u>	<u>8,201,151</u>
OPERATING EXPENSES			
Personnel services and benefits			
Salaries	356,787	308,717	665,504
Payroll taxes and employee benefits	<u>222,771</u>	<u>157,976</u>	<u>380,747</u>
Total personnel services and benefits	<u>579,558</u>	<u>466,693</u>	<u>1,046,251</u>
Professional services	176,473	36,470	212,943
General and administrative	8,615	8,378	16,993
Materials and supplies	76,606	8,492	85,098
Utility services	116,369	-	116,369
Insurance	96,133	-	96,133
Repairs and maintenance	302,221	2,145	304,366
Water purchased for resale	1,208,726	-	1,208,726
Wastewater treatment	1,611,153	-	1,611,153
Miscellaneous	18,124	35	18,159
Depreciation	<u>1,164,416</u>	<u>-</u>	<u>1,164,416</u>
Total operating expenses	<u>4,778,836</u>	<u>55,520</u>	<u>4,834,356</u>
Total operating and personnel expenses	<u>5,358,394</u>	<u>522,213</u>	<u>5,880,607</u>
OPERATING INCOME	<u>1,759,016</u>	<u>561,528</u>	<u>2,320,544</u>
NON-OPERATING REVENUES (EXPENSES)			
Income on investments	40,208	9,338	49,546
Miscellaneous	7,303	-	7,303
Gain on disposal of capital assets	3,944	-	3,944
Interest expense	<u>(567,948)</u>	<u>-</u>	<u>(567,948)</u>
Total non-operating revenues (expenses)	<u>(516,493)</u>	<u>9,338</u>	<u>(507,155)</u>
Income before transfers	1,242,523	570,866	1,813,389
Transfers out	<u>(999,305)</u>	<u>(265,500)</u>	<u>(1,264,805)</u>
CHANGE IN NET ASSETS	243,218	305,366	548,584
TOTAL NET ASSETS, OCTOBER 1, 2011	<u>31,078,110</u>	<u>568,394</u>	<u>31,646,504</u>
TOTAL NET ASSETS, SEPTEMBER 30, 2012	<u>\$ 31,321,328</u>	<u>\$ 873,760</u>	<u>\$ 32,195,088</u>

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

TOWN OF LONGBOAT KEY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Water and Sewer	Nonmajor Building Department	Total
Cash flows from operating activities:			
Cash received from customers	\$ 7,292,969	\$ 1,083,741	\$ 8,376,710
Cash payments to vendors for goods and services	(3,177,812)	(80,368)	(3,258,180)
Cash payments to employees for services	(576,538)	(492,270)	(1,068,808)
Net cash provided by operating activities	<u>3,538,619</u>	<u>511,103</u>	<u>4,049,722</u>
Cash flows from noncapital financing activities:			
Transfers out	(999,305)	(265,500)	(1,264,805)
Net cash (used) by noncapital financing activities	<u>(999,305)</u>	<u>(265,500)</u>	<u>(1,264,805)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(1,439,885)	-	(1,439,885)
Proceeds from the sale of capital assets	3,944	-	3,944
Miscellaneous	7,303	-	7,303
Principal payments on debt	(356,845)	-	(356,845)
Interest payments on debt	(567,948)	-	(567,948)
Net cash (used) by capital and related financing activities	<u>(2,353,431)</u>	<u>-</u>	<u>(2,353,431)</u>
Cash flows from investing activities:			
Proceeds from sale of investments	5,955,524	100,000	6,055,524
Purchases of investments	(5,357,747)	(330,881)	(5,688,628)
Income on investments	70,643	5,685	76,328
Net cash provided (used) by investing activities	<u>668,420</u>	<u>(225,196)</u>	<u>443,224</u>
Net increase in cash and cash equivalents	854,303	20,407	874,710
Cash and cash equivalents, October 1, 2011	11,377,641	21,504	11,399,145
Cash and cash equivalents, September 30, 2012	<u>\$ 12,231,944</u>	<u>\$ 41,911</u>	<u>\$ 12,273,855</u>
Breakout of Cash and cash equivalents on Statement of Net Assets:			
Cash and cash equivalents	\$ 12,231,944	\$ 41,911	\$ 12,273,855
Investments	7,318,242	859,534	8,177,776
Total cash and cash equivalents, September 30, 2012	<u>\$ 19,550,186</u>	<u>\$ 901,445</u>	<u>\$ 20,451,631</u>
Classified as:			
Current assets	\$ 15,155,468	\$ 901,445	\$ 16,056,913
Restricted assets	4,394,718	-	4,394,718
Cash and cash equivalents, September 30, 2012	<u>\$ 19,550,186</u>	<u>\$ 901,445</u>	<u>\$ 20,451,631</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income	\$ 1,759,016	\$ 561,528	\$ 2,320,544
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,164,416	-	1,164,416
Changes in assets (increase) decrease in:			
Accounts receivable	74,966	-	74,966
Inventories	(55,647)	-	(55,647)
Deferred charge	2,568	-	2,568
Prepaid expenses	-	(13,166)	(13,166)
Changes in liabilities increase (decrease) in:			
Accounts payable	531,480	(24,848)	506,632
Wages payable	(509)	1,367	858
Customer deposits	22,550	-	22,550
Due to other funds	52,104	(14,895)	37,209
Due to other governments	-	1,149	1,149
Accrued compensated absences	3,529	(32)	3,497
Accrued and other liabilities	(15,854)	-	(15,854)
Total adjustments	<u>1,779,603</u>	<u>(50,425)</u>	<u>1,729,178</u>
Net cash provided by operating activities	<u>\$ 3,538,619</u>	<u>\$ 511,103</u>	<u>\$ 4,049,722</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, 2012

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 1,876,562	\$ 437,446
Receivables		
Employee contributions	19,374	-
State Contributions (Supplemental)	274,616	-
Total receivables	<u>293,990</u>	<u>-</u>
Investments, at fair value		
U.S. treasury	9,147,193	-
Corporate bonds	2,968,466	-
Corporate stocks	12,541,680	-
Total investments	<u>24,657,339</u>	<u>-</u>
Other assets	-	65,395
Total assets	<u>\$ 26,827,891</u>	<u>\$ 502,841</u>
LIABILITIES		
Prepaid Town Contribution	256,121	\$ -
Code enforcement bonds	-	41,125
Amounts held as agent for others	-	461,716
Total liabilities	<u>256,121</u>	<u>\$ 502,841</u>
NET ASSETS		
Held in trust for pension benefits - Active and Retired Members' Equity	<u>26,571,770</u>	
Total Liabilities and Net Assets	<u>\$ 26,827,891</u>	

(A schedule of funding progress for each pension plan is presented on pages 31 - 33)

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

TOWN OF LONGBOAT KEY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCUARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Town	\$ 2,863,000
Employees	495,231
State Insurance Fund	<u>352,315</u>
Total Contributions	<u>3,710,546</u>
Investment Income	
Income on investments	<u>3,329,807</u>
Total Income on Investments	3,329,807
Investment expense	<u>(327,918)</u>
Net investment income	<u>3,001,889</u>
Total Additions	<u>6,712,435</u>
DEDUCTIONS	
Pension benefits	<u>2,552,272</u>
Total Deductions	<u>2,552,272</u>
Net change in plan net assets	4,160,163
Net assets, held in trust for pension benefits:	
Beginning of year	<u>22,411,607</u>
End of year	<u>\$ 26,571,770</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, 2012

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, 2012

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

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 and non-major proprietary funds:

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

Building Department (non-major)— 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. In addition, the Solid Waste Fund collects receivable and remits collections to waste management in its custodial capacity; these receivables are classified as other assets. 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, 2012

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, 2012 which are recorded at fair value and disclosed using the segmented time distribution method as follows:

<u>Cash and Equivalents</u>	<u>Fair Value Method</u>	<u>Principal</u>	<u>Fair Value</u>
Petty Cash	Cost	\$ 2,200	\$ 2,200
Public Depository accounts			
Checking	Cost	4,345,404	4,345,404
Mutual Funds	Cost	274,657	274,657
Money Market	Cost	<u>9,816,601</u>	<u>9,816,601</u>
 Total cash and cash equivalents		 <u>\$ 14,438,862</u>	 <u>\$ 14,438,862</u>
 <u>Investments</u>			
U.S. Government and Agency Obligations			
0-6 Month Maturities	Quoted Market	\$ 1,852,075	\$ 1,804,890
6 Month to 1 Year Maturities	Quoted Market	1,243,774	1,261,375
1 to 3 Year Maturities	Quoted Market	<u>21,388,419</u>	<u>21,512,775</u>
 Total investments		 <u>\$ 24,484,268</u>	 <u>\$ 24,579,040</u>

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. As of September 30, 2012, the Town's investments in treasury/agency securities were rated AA+ by Standard and Poor's and AAA by Moody's Investors Service.

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 five years from the date of purchase.

E. Inventories

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

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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, 2012

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, which is the Town Manager, 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 fund balances are classified as follows:

General Fund

Nonspendable:		\$	96,867
	Inventory		19,951
	Prepaid items		
Committed:			
	Offset future pension costs		1,000,000
Assigned:			
	2012/13 Budget appropriations - Red Tide Cleanup		50,000
	2012/13 Budget appropriations - Commission Contingency		250,000
	Encumbrances		93,857
Unassigned			2,953,482
Total General Fund fund balance		\$	<u>4,464,157</u>

Road and Bridge

Restricted for highway maintenance and road improvements	\$	<u>2,748,026</u>
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Beach Nourishment Capital Project Fund

Restricted:			
	Beach nourishment and projects	\$	4,711,945
Assigned:			
	Future beach improvements		197,275
Total Beach Nourishment Capital Project Fund fund balance		\$	<u>4,909,220</u>

Nonmajor Governmental Funds

Restricted:			
	Infrastructure Surtax	\$	1,262,893
	Tourist Development Tax		1,783,477
	Beach District A		102,967
	Beach District B		1,792
	General Obligation Sewer Bonds		9,302
	General Obligation Facility Bonds		71,354
	Streets Capital Projects		494,017
	Land Acquisition Fees		1,521,267
	Facilities Capital Projects		3,701
	Canal Dredging		407,171
	Parks and Recreation		242,438
Total Nonmajor Governmental Funds		\$	<u>5,900,379</u>

Total governmental funds fund balance	\$	<u>18,021,782</u>
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TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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, 2012. No accrual for the property tax levy becoming due in November of 2012 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 \$365,159 and accumulated sick leave amounted to \$178,099, of which \$543,257 is vested as described above, at September 30, 2012. 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 1st 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 1st 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, 2012

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, 2012 follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Number of participants:				
Active:				
Non-vested	9	8	11	28
Partially vested	8	3	11	22
Fully vested	28	4	11	43
Total Active	<u>45</u>	<u>15</u>	<u>33</u>	<u>93</u>
Retirees and terminated employees with vested benefits	<u>42</u>	<u>20</u>	<u>32</u>	<u>94</u>
Total	<u>87</u>	<u>35</u>	<u>65</u>	<u>187</u>

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

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

TOWN OF LONGBOAT KEY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2012

NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED

Benefit Provisions Continued

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 \$352,315 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 typically puts these funds directly into the Pension Trust Funds upon receipt. The Town does recognize these on-behalf payments as revenues and expenditures / expenses in the governmental funds financial statements.

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.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 2 – DEFINED BENEFIT PENSION PLANS –CONTINUED

The following schedules are derived from the respective actuarial reports and Town information and reflects accounting policies, membership and plan provisions, assumptions, and liabilities and funding provisions for the three retirement plans as of October 1, 2012:

	<u>General</u> 10/01/12	<u>Police</u> 10/01/12	<u>Firefighters</u> 10/01/12
Valuation date			
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	25 years as of 10/01/12	25 years as of 10/01/12	25 years as of 10/01/12
Actuarial asset valuation method	4 Year Smooth	4 Year Smooth	4 Year Smooth
Actuarial assumptions:			
Investment rate of return	7.75%	7.5%	8%
Projected salary increases	Service Based*	6%*	6%*

*Includes inflation at 3%

THREE-YEAR TREND INFORMATION

Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation ⁽²⁾	Annual Required Contribution (ARC)	Interest on the NPO ⁽¹⁾
General					
10/1/10	\$ 578,021	100.00%	\$ (66)	\$ 578,017	\$ 6
10/1/11	\$ 743,912	100.02%	\$ (194)	\$ 743,196	\$ 898
10/1/12	\$ 832,147	99.94%	\$ (10,835)	\$ 831,624	\$ 909
Police					
10/1/10	\$ 402,966	99.94%	\$ (2,319)	\$ 402,719	\$ 205
10/1/11	\$ 722,207	99.97%	\$ (2,071)	\$ 722,020	\$ 205
10/1/12	\$ 925,370	99.99%	\$ (2,006)	\$ 925,246	\$ 170
Firefighters'					
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
10/1/12	\$1,460,651	99.80%	\$ (56,853)	\$ 1,458,446	\$ 4,725

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

⁽²⁾The Net Pension Obligation is generally liquidated by the general fund.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED

General	9/30/2010	9/30/2011	9/30/2012
Actuarially Determined Contribution (A)	\$ 578,017	\$ 743,196	\$ 831,624
Interest on NPO	(6)	(898)	(909)
Adjustment to (A)	10	1,614	(9,732)
Annual Pension Cost	578,021	743,912	820,983
Contributions Made	578,017	744,040	831,624
Increase in NPO	4	(128)	(10,641)
NPO Beginning of Year	(70)	(66)	(194)
NPO End of Year	\$ (66)	\$ (194)	\$ (10,835)
Police	9/30/2010	9/30/2011	9/30/2012
Actuarially Determined Contribution (A)	\$ 402,719	\$ 722,207	\$ 925,246
Interest on NPO	(205)	(205)	(170)
Adjustment to (A)	452	452	235
Annual Pension Cost	402,966	722,454	925,311
Contributions Made	402,718	722,206	925,246
Increase in NPO	248	248	65
NPO Beginning of Year	(2,567)	(2,319)	(2,071)
NPO End of Year	\$ (2,319)	\$ (2,071)	\$ (2,006)
Firefighters'	9/30/2010	9/30/2011	9/30/2012
Actuarially Determined Contribution (A)	\$ 1,005,551	\$ 1,384,027	\$ 1,458,446
Interest on NPO	(5,638)	(5,097)	(4,725)
Adjustment to (A)	12,402	9,940	6,739
Annual Pension Cost	1,012,315	1,388,870	1,460,460
Contributions Made	1,005,551	1,384,027	1,458,446
Increase in NPO	6,764	4,843	2,014
NPO Beginning of Year	(70,474)	(63,710)	(58,867)
NPO End of Year	\$ (63,710)	\$ (58,867)	\$ (56,853)

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)
General	10/1/2012	8,133,440	13,591,166	5,457,726	59.84%	2,402,728	227.15%
Police	10/1/2012	5,677,007	11,828,890	6,151,883	47.99%	1,001,603	614.20%
Fire	10/1/2012	12,743,682	27,693,570	14,949,888	46.02%	2,354,945	634.83%

TOWN OF LONGBOAT KEY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2012

NOTE 2 – DEFINED BENEFIT PENSION PLANS –CONTINUED

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	Year Ended 30-Sep	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
General	2012	\$ 831,624	\$ 831,624	-	100.00%
Police	2012	\$ 925,246	\$ 847,546	\$ 77,700	100.00%
Fire	2012	\$1,458,446	\$1,183,830	\$ 274,615	100.00%

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 \$10,835, \$2,006 and \$56,853, respectively. The Town has reported \$69,694 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 on the subsequent page for all three pension funds of the Town.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 2 - DEFINED BENEFIT PENSION PLANS - CONTINUED

	General Employees Pension	Police Officers' Pension	Firefighters' Pension	Total
ASSETS				
Cash and cash equivalents	\$ 506,711	\$ 476,367	\$ 893,484	\$ 1,876,562
Interest receivable on investments				
Receivables				
Employee contributions	-	-	19,374	19,374
Town contributions	-	-	-	-
State Contributions (Supplemental)	-	-	274,616	274,616
Total receivables	-	-	293,990	293,990
Investments, at fair value				
U.S. treasury	1,545,326	4,660,734	2,941,133	9,147,193
Corporate bonds	1,353,895	654,644	959,927	2,968,466
Corporate stocks	4,716,026	37,945	7,787,709	12,541,680
Total investments	7,615,247	5,353,323	11,688,769	24,657,339
Total Assets	\$ 8,121,958	\$ 5,829,690	\$ 12,876,243	\$ 26,827,891
LIABILITIES				
Prepaid Town Contribution	\$ 38,600	\$ 12,263	\$ 205,258	\$ 256,121
Benefits Payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	38,600	12,263	205,258	256,121
NET ASSETS				
Held in trust for active and retired members benefits	8,083,358	5,817,427	12,670,985	26,571,770
Held in trust for DROP plan benefits	-	-	-	-
Total Net Assets	8,083,358	5,817,427	12,670,985	26,571,770
Total Liabilities and Net Assets	\$ 8,121,958	\$ 5,829,690	\$ 12,876,243	\$ 26,827,891

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

	General Employees Pension	Police Officers' Pension	Firefighters' Pension	Total
ADDITIONS				
Contributions				
Town	\$ 831,624	\$ 847,546	\$ 1,183,830	\$ 2,863,000
Buy-back	-	-	-	-
Employees	149,304	97,765	248,162	495,231
State Insurance Fund	-	77,700	274,615	352,315
Total contributions	<u>980,928</u>	<u>1,023,011</u>	<u>1,706,607</u>	<u>3,710,546</u>
Investment income				
Net appreciation in fair value of investments				
Income on investments	<u>1,002,355</u>	<u>780,310</u>	<u>1,547,142</u>	<u>3,329,807</u>
	1,002,355	780,310	1,547,142	3,329,807
Investment expense	<u>(64,908)</u>	<u>(44,102)</u>	<u>(218,908)</u>	<u>(327,918)</u>
Net investment income	<u>937,447</u>	<u>736,208</u>	<u>1,328,234</u>	<u>3,001,889</u>
Total Additions	<u>1,918,375</u>	<u>1,759,219</u>	<u>3,034,841</u>	<u>6,712,435</u>
DEDUCTIONS				
Pension benefits	<u>453,880</u>	<u>681,281</u>	<u>1,417,111</u>	<u>2,552,272</u>
Total Deductions	<u>453,880</u>	<u>681,281</u>	<u>1,417,111</u>	<u>2,552,272</u>
Net change in plan net assets	1,464,495	1,077,938	1,617,730	4,160,163
Plan net assets, held in trust for pension benefits:				
Beginning of year	<u>6,618,863</u>	<u>4,739,489</u>	<u>11,053,255</u>	<u>22,411,607</u>
End of year	<u>\$ 8,083,358</u>	<u>\$ 5,817,427</u>	<u>\$ 12,670,985</u>	<u>\$ 26,571,770</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 3 - CAPITAL ASSETS

	October 1	Additions	Deductions	September 30
Governmental Activities:				
Capital assets not depreciated:				
Land and other				
non-depreciable assets	\$ 23,400,246	\$ 459,600	\$ -	\$ 23,859,846
Construction in progress	<u>2,358,488</u>	<u>462,800</u>	<u>337,814</u>	<u>2,483,474</u>
Total assets not depreciated	<u>25,758,734</u>	<u>922,400</u>	<u>337,814</u>	<u>26,343,320</u>
Capital assets depreciated:				
Buildings	9,649,834	10,654	-	9,660,488
Streets and roadways	6,559,881	-	-	6,559,881
Improvements other than buildings	46,858,687	795,858		47,654,545
Vehicles and other equipment	<u>5,638,169</u>	<u>367,195</u>	<u>238,480</u>	<u>5,766,884</u>
Total assets depreciated	<u>68,706,571</u>	<u>1,173,707</u>	<u>238,480</u>	<u>69,641,798</u>
Less accumulated depreciation:				
Buildings	3,305,282	324,713	-	3,629,995
Streets and roadways	4,069,893	206,334	-	4,276,227
Improvements other than buildings	28,888,323	3,122,044	-	32,010,367
Vehicles and other equipment	<u>3,793,915</u>	<u>432,617</u>	<u>186,476</u>	<u>4,040,056</u>
Total accumulated depreciation	<u>40,057,413</u>	<u>4,085,708</u>	<u>186,476</u>	<u>43,956,645</u>
Total depreciable capital assets, net	<u>28,649,158</u>	<u>(2,912,001)</u>	<u>52,004</u>	<u>25,685,153</u>
Total governmental activities capital assets, net	<u>\$ 54,407,892</u>	<u>\$ (1,989,601)</u>	<u>\$ 389,818</u>	<u>\$ 52,028,473</u>
Business-type Activities:				
Capital assets not depreciated:				
Land and other				
non-depreciable assets	\$ 1,794,235	\$ -	\$ -	\$ 1,794,235
Construction in progress	<u>2,006,566</u>	<u>1,219,144</u>	<u>2,541,105</u>	<u>684,605</u>
Total assets not depreciated	<u>3,800,801</u>	<u>1,219,144</u>	<u>2,541,105</u>	<u>2,478,840</u>
Capital assets depreciated:				
Buildings	2,452,121	-	-	2,452,121
Improvements other than buildings	29,294,238	2,652,880	-	31,947,118
Vehicles and other equipment	<u>2,683,535</u>	<u>108,965</u>	<u>32,748</u>	<u>2,759,752</u>
Total assets depreciated	<u>34,429,894</u>	<u>2,761,845</u>	<u>32,748</u>	<u>37,158,991</u>
Less accumulated depreciation:				
Buildings	2,164,924	23,083	-	2,188,007
Improvements other than buildings	9,034,022	1,061,187	-	10,095,209
Vehicles and other equipment	<u>2,326,829</u>	<u>80,146</u>	<u>32,748</u>	<u>2,374,227</u>
Total accumulated depreciation	<u>13,525,775</u>	<u>1,164,416</u>	<u>32,748</u>	<u>14,657,443</u>
Total depreciable capital assets, net	<u>20,904,119</u>	<u>1,597,429</u>	<u>-</u>	<u>22,501,548</u>
Total business-type activities capital assets, net	<u>\$ 24,704,920</u>	<u>\$ 2,816,573</u>	<u>\$ 2,541,105</u>	<u>\$ 24,980,388</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 3 – CAPITAL ASSETS – CONTINUED

Governmental activities	
General government	\$ 237,368
Public safety	448,004
Cultural and recreation	3,173,047
Transportation	<u>227,289</u>
	<u>\$ 4,085,708</u>
Business-type Activities:	
Water and sewer	<u>\$ 1,164,416</u>

NOTE 4 – LONG TERM DEBT

	October 1	Additions	Retirements	September 30	Due within one year
Business -type activities:					
General obligation note	\$ 8,789,018	\$ -	\$ 324,718	\$ 8,464,300	\$ 321,900
Revenue bonds	4,412,942	130,408	162,535	4,380,815	183,289
Compensated absences	45,175	3,958	461	48,672	1,965
Total	<u>13,247,135</u>	<u>134,366</u>	<u>487,714</u>	<u>12,893,787</u>	<u>507,154</u>
Governmental activities:					
General obligation bonds	2,070,000	-	220,000	1,850,000	245,000
Compensated absences	510,538	50,322	66,275	494,585	30,676
Total	<u>2,580,538</u>	<u>50,322</u>	<u>286,275</u>	<u>2,344,585</u>	<u>275,676</u>
Total long-term debt	<u>\$15,827,673</u>	<u>\$ 184,688</u>	<u>\$ 773,989</u>	<u>\$ 15,238,372</u>	<u>\$ 782,830</u>

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

Governmental activities compensated absences are typically liquidated by the general fund.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 4 – LONG TERM DEBT – CONTINUED

Long-Term Debt payable as of September 30, 2012 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. \$ 1,850,000

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. 8,464,300

Total general obligations bonds \$ 10,314,300

Revenue Bonds

Water and Sewer State Revolving Fund Loans, due in annual installments \$152,772, including interest at the rate of 2.82%, on various maturities; collateralized by revenues of water and sewer fund. Principal due within one year \$183,290. This debt is serviced by the Water and Sewer Enterprise Fund. \$ 4,380,815

Total revenue bonds \$ 4,380,815

Fiscal Year	State Revolving Fund Loans			G.O. Facilities Bonds		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2012-13	183,289	122,255	305,544	245,000	40,145	285,145
2013-14	188,495	117,050	305,545	255,000	34,828	289,828
2014-15	193,847	111,698	305,545	260,000	29,295	289,295
2015-16	199,353	106,192	305,545	265,000	23,653	288,653
2016-17	205,014	100,531	305,545	270,000	17,902	287,902
2018-22	1,115,782	411,944	1,527,726	555,000	18,119	573,119
2023-27	1,283,474	244,252	1,527,726	-	-	-
2028-31	1,011,561	57,850	1,069,411	-	-	-
	<u>\$ 4,380,815</u>	<u>\$ 1,271,772</u>	<u>\$ 5,652,587</u>	<u>\$ 1,850,000</u>	<u>\$ 163,942</u>	<u>\$ 2,013,942</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 4 – LONG TERM DEBT – CONTINUED

The annual debt service payments required on outstanding debt at September 30, 2012 are as follows:

Fiscal Year	G.O. Note, Series 2009			Total		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2012-13	321,900	431,774	753,674	750,189	594,174	1,344,363
2013-14	338,600	414,601	753,201	782,095	566,479	1,348,574
2014-15	356,200	396,536	752,736	810,047	537,529	1,347,576
2015-16	374,800	377,530	752,330	839,153	507,375	1,346,528
2016-17	394,200	357,537	751,737	869,214	475,970	1,345,184
2018-22	2,300,900	1,449,446	3,750,346	3,971,682	1,879,509	5,851,191
2023-27	2,964,700	768,402	3,733,102	4,248,174	1,012,654	5,260,828
2028-31	1,413,000	74,406	1,487,406	2,424,558	132,256	2,556,814
	<u>\$ 8,464,300</u>	<u>\$ 4,270,232</u>	<u>\$ 12,734,532</u>	<u>\$ 14,695,112</u>	<u>\$ 5,705,946</u>	<u>\$ 20,401,058</u>

NOTE 5 – RESTRICTIONS ON NET ASSETS/FUND BALANCES

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 \$3,672,943 for renewal and replacement. Also, \$3,036,737 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	Beach Capital Projects	Total Transfers
Transfer-Out Funds:			
(1) Water and Sewer Fund	\$ 999,305	\$ -	\$ 999,305
(2) Building	265,500	-	265,500
(3) Road & Bridge Fund	507,800	-	507,800
(4)(5) Non Major Governmental Funds	120,000	400,000	520,000
Total Transfers	<u>\$ 1,892,605</u>	<u>\$ 400,000</u>	<u>\$ 2,292,605</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) Fire/Police Equipment
- (5) Tourist Development

TOWN OF LONGBOAT KEY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2012

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 \$235,020 for the following funds:

General Government:	
Fire / Police Boat Lifts	<u>\$ 6,500</u>
Business-type Activities:	
Water and Sewer Fund	<u>\$ 228,520</u>

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 two 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	75
Terminated plan members entitled to but not yet receiving benefits	19
Active plan members	<u>93</u>
Total	187

Separate financial statements for the Town's OPEB plan are not available. Funds from the General Fund would be used to liquidate the OPEB liability.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 progress¹, 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:

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

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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	10/1/2010 9/30/2011	10/1/2011 9/30/2012
Annual Required Contributions	\$ 116,721	\$ 118,087
Interest on Net OPEB Obligation	3,353	5,269
Adjustment to Annual Required Contribution	<u>(4,377)</u>	<u>(3,902)</u>
Annual OPEB Cost/(Expense)	115,697	119,454
Estimated Net Contributions Made	<u>(73,111)</u>	<u>(73,111)</u>
Anticipated Increase/(Decrease) in Net OPEB Obligation	42,586	46,343
Net OPEB Obligation - Beginning of Year	<u>74,502</u>	<u>117,088</u>
Estimated Net OPEB Obligation - End of Year	<u>\$ 117,088</u>	<u>\$ 163,431</u>
Funded Status as of :	10/1/2010	10/1/2011
Actuarial Accrued Liability (AAL)	\$ 1,221,935	\$ 1,221,935
Actuarial Value of Assets (AVA)	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,221,935</u>	<u>\$ 1,221,935</u>
Funded Ratio	<u>0.0%</u>	<u>0.0%</u>
Covered Payroll	<u>\$ 6,403,848</u>	<u>\$ 6,403,848</u>
Ratio of UAAL to Covered Payroll	<u>19.1%</u>	<u>19.1%</u>

Three Year Trend Information

Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2012	\$ 119,454	73.1%	\$ 163,431
9/30/2011	\$ 115,697	98.8%	\$ 117,088
9/30/2010	\$ 72,378	97.1%	\$ 74,502

TOWN OF LONGBOAT KEY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2012

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2010	-	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

NOTE 11 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Town does not currently budget for the on-behalf payments made by the State for the Police and Firefighters' Pension Trust Funds. Generally accepted accounting principles require these payments to be recorded as revenues and expenditures in the governmental funds. Therefore, the pension budget line in the general fund will typically be over budget by these on-behalf payments.

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues:				
Property taxes				
Ad Valorem Taxes / Sarasota County	\$ 6,119,235	\$ 6,119,235	\$ 6,189,461	\$ 70,226
Ad Valorem Taxes / Manatee County	2,379,864	2,379,864	2,271,968	(107,896)
	<u>8,499,099</u>	<u>8,499,099</u>	<u>8,461,429</u>	<u>(37,670)</u>
Other Taxes				
Casualty Ins Prem Tax/Fire Pension	-	-	274,616	274,616
Casualty Ins Prem Tx/Police Pension	-	-	77,700	77,700
Local Business Tax	160,000	160,000	151,357	(8,643)
	<u>160,000</u>	<u>160,000</u>	<u>503,673</u>	<u>343,673</u>
Licenses and Permits				
Mobile Home Licenses	500	500	491	(9)
Alcoholic Beverage Licenses	13,000	13,000	10,235	(2,765)
Boat Regis / Sarasota Cnty	3,500	3,500	3,732	232
Permits / Sign	6,000	6,000	5,860	(140)
Fire Prevention Permit & Inspection	-	-	7,998	7,998
Permits / Misc	1,500	1,500	3,655	2,155
	<u>24,500</u>	<u>24,500</u>	<u>31,971</u>	<u>7,471</u>
Intergovernmental				
St Rev Sharing / Sales Tax	127,000	127,000	130,167	3,167
St Rev Sharing / Comm Tax	610,000	610,000	612,738	2,738
Local Govt 1/2 Cent Sales Tax	499,000	499,000	457,187	(41,813)
	<u>1,236,000</u>	<u>1,236,000</u>	<u>1,200,092</u>	<u>(35,908)</u>
Charges for services				
Zoning Fees / Petitions	35,000	35,000	64,529	29,529
Staff Review Fees	-	-	1,558	1,558
Copies / Maps / Ordinances / Etc	2,000	2,000	940	(1,060)
Fire Inspection Fees	120,000	120,000	51,462	(68,538)
Re-Inspection Fees	500	500	-	(500)
Emergency Medical Service Fees	200,000	200,000	191,514	(8,486)
Union Administration Fees	-	-	300	300
Rec Ctr / Registrations/Fees	16,000	16,000	15,560	(440)
Rec Ctr / Memberships	3,000	3,000	3,189	189
Tennis Ctr / Yearly-Family/Res	56,500	58,695	58,697	2
Tennis Ctr / Yearly-Single/Res	113,500	113,500	106,870	(6,630)
Tennis Ctr / Script Cards	25,000	25,000	25,622	622
Tennis Ctr / Walk-On Play	18,000	18,000	17,483	(517)
Tennis Ctr / Lessons	140,000	140,000	132,838	(7,162)
Tennis Ctr / Tournament/Spec Events	6,000	15,903	15,904	1
Misc Rev / Rec Ctr Rental	8,000	8,000	3,685	(4,315)
Misc Rev / Vending Machine	700	700	534	(166)
Misc Rev / Tennis Ctr Vend Machine	1,200	1,200	1,752	552
Misc Rev / Tennis Ctr Merch Sales	80,000	110,611	110,611	-
Misc Rev / Tennis Ctr Miscellaneous	2,000	2,000	375	(1,625)
	<u>827,400</u>	<u>870,109</u>	<u>803,423</u>	<u>(66,686)</u>
Franchise fees				
Franchise Fees / Electricity	1,010,000	1,010,000	843,299	(166,701)
Franchise Fees / Gas	50,000	50,000	34,301	(15,699)
Franchise Fees / Solid Waste	21,000	21,000	19,115	(1,885)
	<u>1,081,000</u>	<u>1,081,000</u>	<u>896,715</u>	<u>(184,285)</u>

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Fines and miscellaneous				
Court Fines / Sarasota County	10,000	10,000	2,336	(7,664)
Court Fines / Manatee County	5,000	5,000	1,941	(3,059)
Violations / Fire Alarm Ordinance	3,000	3,000	350	(2,650)
Violations / Handicap Fines	300	300	-	(300)
Violations / Local Ordinances Misc	20,000	20,000	5,786	(14,214)
Other Fines / Police Parking Fines	2,500	2,500	570	(1,930)
Rent / 4110 Gulf of Mexico Dr.	-	-	8,500	8,500
Sale Of Fixed Assets	54,000	54,000	42,650	(11,350)
Firefighters Supplemental Comp	17,280	17,280	16,608	(672)
Refund Of Prior Year Expenditures	-	-	718	718
Misc Rev / Workers Comp Reimburse	6,000	6,000	2,612	(3,388)
P-Card Rebate	-	-	14,087	14,087
Misc Rev / Police Dept	200	200	517	317
Misc Rev / Other	2,000	2,000	4,360	2,360
Misc Rev / Tree Replacement (98.06)	3,000	3,000	-	(3,000)
	<u>123,280</u>	<u>123,280</u>	<u>101,035</u>	<u>(22,245)</u>
Grants				
Fed Grants / Dept Homeland Security	-	79,521	79,521	-
State Grants / FL Dept Of Health	-	-	14,466	14,466
Other Grants / Sarasota/Manatee EMS	-	-	1,357	1,357
Other Grants / Misc	15,000	15,000	-	(15,000)
Manatee Interlocal / Marine Patrol	-	-	30,000	30,000
Other Grants / WCIND	176,500	176,500	216,740	40,240
	<u>191,500</u>	<u>271,021</u>	<u>342,084</u>	<u>71,063</u>
Income on investments				
Interest On Investments	125,000	125,000	46,847	(78,153)
Gain (Loss) on Sale of Investments	(15,000)	(15,000)	(24,233)	(9,233)
Interest / Sarasota Tax Collector	6,000	6,000	485	(5,515)
Interest / Manatee Tax Collector	1,200	1,200	-	(1,200)
	<u>117,200</u>	<u>117,200</u>	<u>23,099</u>	<u>(94,101)</u>
Total Revenues	<u>12,259,979</u>	<u>12,382,209</u>	<u>12,363,521</u>	<u>(18,688)</u>
Expenditures:				
Current				
General government				
Legislative				
Travel / Conference / Training	11,000	11,000	11,033	(33)
Communications	6,000	9,375	9,932	(557)
Postage and Freight	500	500	175	325
Rental / Building	350	386	386	-
Printing and Forms	400	400	86	314
Miscellaneous	4,850	3,822	1,924	1,898
Office Supplies	1,500	1,557	1,556	1
Small Tools and Minor Equipment	6,850	4,410	4,410	-
Bks/Publications/Subscrip/Memb Dues	2,550	2,550	2,221	329
	<u>34,000</u>	<u>34,000</u>	<u>31,723</u>	<u>2,277</u>

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Executive				
Wages / Executive	177,507	177,507	174,360	3,147
Wages / Supplemental Compensation	49,702	10,965	2,353	8,612
Wages / Regular	74,589	76,236	76,236	-
Wages / Temporary	2,500	2,251	1,125	1,126
Fica Taxes	15,813	17,213	17,213	-
Town Contrib Salary Savings / 401K	2,238	2,388	2,387	1
Town Contrib Def Comp / ICMA 401-A	11,934	40,771	40,771	-
Insurance / Medical	19,216	23,798	22,871	927
Insurance / Life	930	930	1,857	(927)
Workers Compensation	535	709	708	1
Prof Services / Other	-	1,400	1,400	-
Travel / Conference / Training	1,200	3,184	3,320	(136)
Car Allowance	2,000	2,000	2,000	-
Communications	5,050	6,120	6,284	(164)
Postage and Freight	250	29	29	-
Rental / Building	200	205	205	-
R/M Automotive Equipment	2,000	336	335	1
Printing and Forms	-	105	105	-
Miscellaneous	75	293	293	-
Office Supplies	200	551	551	-
Fuel and Oil	3,000	374	373	1
Small Tools and Minor Equipment	-	630	630	-
Bks/Publications/Subscrip/Memb Dues	600	1,996	1,996	-
Wages / Executive	83,803	85,475	85,475	-
Wages / Regular	89,211	92,285	92,285	-
Wages / Temporary	5,000	5,764	3,723	2,041
Wages / Overtime	750	750	72	678
Fica Taxes	13,675	14,064	13,599	465
Town Contrib Salary Savings / 401-K	5,209	5,209	5,189	20
Town Contrib Def Comp / ICMA 401-A	13,409	13,409	13,408	1
Insurance / Medical	17,485	17,485	17,485	-
Insurance / Life	647	647	543	104
Workers Compensation	375	497	496	1
Prof Services / Other	14,200	14,200	12,369	1,831
Travel / Conference / Training	1,480	1,480	1,363	117
Car Allowance	2,000	2,000	2,000	-
Communications	1,500	2,429	2,487	(58)
Postage and Freight	3,000	3,000	2,877	123
Rental / Building	-	12	11	1
R/M Other Equipment	300	300	-	300
Printing and Forms	9,750	8,186	4,892	3,294
Duplication Costs	50	50	-	50
Licenses and Taxes	-	79	78	1
Miscellaneous	300	300	-	300
Advertising	56,000	32,925	37,436	(4,511)
Office Supplies	1,250	1,250	1,084	166
Misc Operating Supplies	100	100	-	100
Bks/Pubs/Subscrip/Memb Dues	600	600	575	25
	<u>689,633</u>	<u>672,487</u>	<u>654,849</u>	<u>17,638</u>

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Financial and administrative				
Wages / Executive	98,467	100,251	100,252	(1)
Wages / Regular	261,373	275,694	275,694	-
Wages / Temporary	200	200	191	9
Fica Taxes	27,543	27,828	27,828	-
Town Contrib Salary Savings / 401-K	9,104	7,409	7,408	1
Town Contrib Def Comp / ICMA 401-A	15,755	15,755	15,755	-
Insurance / Medical	53,353	54,986	54,986	-
Insurance / Life	1,354	1,113	1,112	1
Workers Compensation	756	1,001	1,001	-
Prof Services / Other	440	585	585	-
Travel / Conference / Training	6,162	3,518	3,517	1
Car Allowance	2,000	2,000	2,000	-
Communications	2,400	3,017	3,094	(77)
Postage and Freight	2,400	2,120	2,120	-
Rental / Building	150	402	402	-
R/M Other Equipment	75	110	110	-
Printing and Forms	400	306	306	-
Miscellaneous	300	79	79	-
Advertising	400	2,252	2,252	-
Office Supplies	850	1,083	1,082	1
Small Tools and Minor Equipment	-	245	244	1
Bks/Publications/Subscrip/Memb Dues	1,750	1,769	1,768	1
Wages / Regular	69,992	71,699	71,698	1
Fica Taxes	5,354	5,542	5,542	-
Town Contrib Salary Savings / 401-K	2,100	1,358	1,333	25
Town Contrib Def Comp / ICMA 401-A	11,199	11,199	11,199	-
Insurance / Medical	5,916	-	-	-
Insurance / Life	260	260	218	42
Workers Compensation	147	195	195	-
Prof Service / Other	7,500	11,615	12,440	(825)
Travel / Conference / Training	200	210	210	-
Car Allowance	500	500	274	226
Communications	1,500	2,265	2,334	(69)
Insurance Opt Out Allowance	-	1,000	1,000	-
Postage and Freight	300	300	101	199
Rental / Building	-	177	176	1
Miscellaneous	400	400	335	65
Advertising	1,000	1,000	272	728
Office Supplies	500	500	211	289
Small Tools and Minor Equipment	-	200	200	-
Bks/Publications/Subscrip/Memb Dues	400	400	260	140
Wages / Executive	106,080	107,814	107,813	1
Wages / Regular	288,600	297,936	297,936	-
Wages / Temporary	4,300	3,033	3,033	-
Wages / Overtime	1,500	2,559	2,559	-
Fica Taxes	30,637	30,974	30,973	1
Town Contrib Salary Savings / 401-K	10,009	10,127	10,127	-
Town Contrib Def Comp / ICMA 401-A	16,973	16,973	16,973	-
Insurance / Medical	46,184	46,316	46,316	-
Insurance / Life	1,477	1,190	1,190	-
Workers Compensation	3,554	4,705	4,704	1
Prof Services / Other	15,000	5,754	5,753	1
Travel / Conference / Training	3,602	5,479	5,478	1
Car Allowance	2,000	2,000	2,000	-
Communications	4,000	4,030	4,368	(338)
Postage and Freight	1,100	894	893	1
Rental / Building	400	400	354	46
Rental / Equipment	4,000	2,963	2,962	1
R/M Automotive Equipment	600	3,130	3,129	1
R/M Other Equipment	300	-	-	-
Printing and Forms	100	114	114	-
Duplication Costs	1,450	1,456	1,456	-

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Financial and administrative (Continued)				
Miscellaneous	150	152	152	-
Advertising	-	283	282	1
Office Supplies	800	635	612	23
Uniforms	750	750	724	26
Fuel and Oil	3,150	5,307	5,307	-
Small Tools and Minor Equipment	-	144	143	1
Bks/Publications/Subscrip/Memb Dues	1,810	1,170	1,170	-
	<u>1,141,026</u>	<u>1,166,831</u>	<u>1,166,305</u>	<u>526</u>
Legal counsel				
Town Attorney / Contractual Services	336,400	312,545	235,585	76,960
Town Attorney / Litigation	30,000	53,855	53,854	1
Misc Legal Expenses	15,000	14,982	11,982	3,000
Other Attorneys	62,500	62,500	29,634	32,866
Travel / Conference / Training	400	-	-	-
Bks/Pubs/Subscrip/Memb Dues	3,000	3,418	3,418	-
	<u>447,300</u>	<u>447,300</u>	<u>334,473</u>	<u>112,827</u>
Comprehensive planning				
Wages / Executive	104,520	73,070	73,062	8
Wages / Regular	266,322	281,729	281,706	23
Wages / Auto Policy	1,000	1,003	1,003	-
Wages / Temporary	-	26,530	26,529	1
Wages / Overtime	-	957	956	1
Fica Taxes	28,369	26,302	26,295	7
Town Contrib Salary Savings / 401-K	7,104	7,104	5,032	2,072
Town Contrib Def Comp / ICMA 401-A	16,723	8,743	8,654	89
Insurance / Medical	37,432	37,432	34,867	2,565
Insurance / Life	1,079	1,079	713	366
Workers Compensation	2,315	3,065	3,064	1
Prof Services / Other	25,200	43,516	43,515	1
Travel / Conference / Training	9,539	9,177	7,311	1,866
Car Allowance	3,000	3,000	1,665	1,335
Communications	3,500	5,067	5,067	-
Postage and Freight	2,800	2,800	2,230	570
Rental / Building	1,000	1,054	1,054	-
Rental / Equipment	5,000	5,000	4,526	474
R/M Automotive Equipment	2,000	2,000	133	1,867
R/M Other Equipment	500	500	-	500
Printing and Forms	750	750	601	149
Duplication Costs	750	750	52	698
Miscellaneous	850	2,127	2,126	1
Advertising	9,000	17,006	17,006	-
Code Enforcement Board Actions	500	500	-	500
Office Supplies	1,000	1,468	1,468	-
Uniforms	250	250	222	28
Fuel and Oil	650	1,050	1,037	13
Misc Operating Supplies	500	655	254	401
Small Tools and Minor Equipment	550	550	400	150
Bks/Publications/Subscrip/Memb Dues	3,000	3,000	2,717	283
	<u>535,203</u>	<u>567,234</u>	<u>553,265</u>	<u>13,969</u>

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Other general government				
Wages / Executive	107,682	109,623	109,622	1
Wages / Regular	193,773	198,099	182,719	15,380
Wages / Overtime	500	500	11	489
Fica Taxes	23,045	23,472	21,886	1,586
Town Contrib Salary Savings / 401-K	9,059	9,059	8,446	613
Town Contrib Def Comp / ICMA 401-A	17,229	17,230	17,229	1
Insurance / Medical	35,592	35,592	34,146	1,446
Insurance / Life	1,131	1,131	909	222
Workers Compensation	634	840	839	1
Prof Services / Other	140,000	163,194	137,252	25,942
Travel / Conference / Training	2,606	2,606	2,684	(78)
Car Allowance	2,250	2,250	2,171	79
Communications	31,000	31,000	22,168	8,832
Postage and Freight	25	25	11	14
Rental/Building	2,000	2,000	1,062	938
R/M Other Equipment	45,000	46,209	27,388	18,821
Printing and Forms	6,600	6,600	4,486	2,114
Duplication Costs	50	50	-	50
Miscellaneous	400	400	246	154
Office Supplies	250	250	226	24
Misc Operating Supplies	1,700	1,700	1,270	430
Small Tools and Minor Equipment	27,000	21,157	21,156	1
Computer Software	17,500	5,377	5,376	1
Bks/Publications/Subscrip/Memb Dues	500	500	175	325
Electricity	29,000	27,797	26,124	1,673
Water	9,150	9,788	9,788	-
R/M Buildings	26,000	26,000	23,027	2,973
R/M Grounds	2,500	2,500	1,472	1,028
R/M Other Equipment	14,650	15,525	7,167	8,358
R/M Buildings - Contractual	33,000	33,000	28,735	4,265
Miscellaneous	700	700	495	205
Pension	2,637,698	2,637,698	3,024,074	(386,376)
Unemployment	-	200	200	-
Prof Service / Fin and Adm	37,000	38,482	38,482	-
Accounting and Auditing	21,250	25,500	25,500	-
Rental / Equipment	8,750	7,770	8,051	(281)
Miscellaneous	3,400	3,400	2,274	1,126
Office Supplies	2,000	2,147	2,146	1
Bks/Publications/Subscrip/Membersh	12,500	12,500	12,500	-
Prof Services /Other	-	220,839	229,261	(8,422)
Communications	600	600	82	518
Television Media	10,000	15,000	14,847	153
Insurance / Property	127,000	105,334	96,710	8,624
Insurance / Other	140,000	127,239	132,580	(5,341)
Duplication Costs	3,000	3,911	7,830	(3,919)
Miscellaneous	-	2,676	2,676	-
Misc Operating Supplies / Vend Mach	1,000	1,000	953	47
Prof Services / Red Tide Clean Up	50,000	50,000	-	50,000
Solid Waste Recycling	1,500	-	-	-
Contingencies	253,800	116,516	-	116,516
	<u>4,090,024</u>	<u>4,164,986</u>	<u>4,296,452</u>	<u>(131,466)</u>
Total general government	<u>6,937,186</u>	<u>7,052,838</u>	<u>7,037,067</u>	<u>15,771</u>

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Public safety				
Law enforcement				
Wages / Executive	107,682	127,547	127,546	1
Incentive Pay / Executive	1,560	1,625	1,624	1
Wages / Regular	1,321,433	1,306,707	1,280,092	26,615
Incentive Pay / Regular	29,639	30,015	30,015	-
Wages / Holiday	49,871	50,898	50,897	1
Shift Differential	30,416	30,416	28,150	2,266
Wages / Overtime	32,000	32,000	31,716	284
Fica Taxes	120,153	114,415	114,412	3
Town Contrib Salary Savings / 401-K	7,917	7,917	7,518	399
Town Contrib Def Comp / ICMA 401-A	17,229	37,809	37,809	-
Insurance / Medical	252,656	242,756	234,413	8,343
Insurance / Life	5,342	5,342	4,188	1,154
Workers Compensation	23,496	31,102	31,101	1
Prof Services / Other	15,150	7,937	1,606	6,331
Travel / Conference / Training	14,802	14,802	13,964	838
Communications	23,700	28,819	29,565	(746)
Insurance Opt Out Allowance	3,000	3,000	2,654	346
Postage and Freight	1,000	1,000	678	322
Electricity	14,050	14,050	12,535	1,515
Water	700	783	783	-
Rental / Building	1,800	1,800	1,760	40
Rental / Equipment	6,500	8,819	8,818	1
R/M Buildings	20,000	14,200	11,592	2,608
R/M Grounds	-	335	335	-
R/M Automotive Equipment	40,000	20,000	20,006	(6)
R/M Other Equipment	17,000	26,175	26,175	-
Printing and Forms	500	1,243	1,242	1
Duplication Costs	500	611	610	1
Licenses and Taxes	200	2,280	2,279	1
Miscellaneous	1,850	1,850	1,345	505
Advertising	500	1,378	1,378	-
Office Supplies	3,500	4,262	4,262	-
Cleaning and Sanitation Supplies	250	250	50	200
Uniforms	17,000	19,650	20,010	(360)
Fuel and Oil	50,000	77,196	77,196	-
Misc Operating Supplies	4,000	4,017	4,032	(15)
Small Tools and Minor Equipment	42,130	30,972	21,460	9,512
Laundry and Clothing Allowance	14,215	14,215	13,031	1,184
Property and Evidence Supplies	1,700	1,700	1,132	568
Bks/Publications/Subscrip/Memb Dues	3,500	4,792	4,791	1
	<u>2,296,941</u>	<u>2,324,685</u>	<u>2,262,770</u>	<u>61,915</u>

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Fire control/rescue service				
Wages / Executive	92,394	94,090	94,089	1
Incentive Pay / Executive	3,501	3,511	3,510	1
Wages / Regular	2,381,787	2,424,873	2,424,817	56
Incentive Pay / Regular	49,745	50,239	50,239	-
Wages / Holiday	96,465	96,037	96,037	-
Wages / Temporary	1,500	941	940	1
Wages / Overtime	115,971	122,630	122,629	1
State Incentive	17,281	16,213	16,213	-
Fica Taxes	211,036	208,317	208,237	80
Town Contrib Salary Savings / 401-K	4,922	3,177	3,177	-
Town Contrib Def Comp / ICMA 401-A	14,783	15,440	15,439	1
Insurance / Medical	368,720	374,770	374,770	-
Insurance / Life	9,274	7,629	7,628	1
Workers Compensation	52,092	68,953	68,953	-
Prof Services / Other	49,222	49,222	49,205	17
Travel / Conference / Training	24,374	23,024	23,005	19
Car Allowance	300	300	169	131
Communications	15,000	16,135	16,777	(642)
Postage and Freight	250	333	332	1
Electricity	26,770	22,929	22,928	1
Water	1,900	2,706	2,705	1
Rental / Equipment	6,900	4,606	4,838	(232)
R/M Buildings	24,000	33,983	34,778	(795)
R/M Automotive Equipment	65,050	46,894	51,475	(4,581)
R/M Other Equipment	23,750	25,264	26,120	(856)
Printing and Forms	2,000	2,000	1,696	304
Duplication Costs	350	350	272	78
Licenses and Taxes	2,550	223	222	1
Miscellaneous	3,000	1,590	1,589	1
Advertising	400	400	-	400
Office Supplies	4,000	4,000	3,420	580
Chemicals	2,500	2,500	2,140	360
Cleaning and Sanitation Supplies	3,300	3,368	3,368	-
Uniforms	19,000	19,000	18,789	211
Fuel and Oil	24,000	36,468	37,284	(816)
Rescue Supplies	33,000	39,336	40,079	(743)
Misc Operating Supplies	3,000	1,852	1,852	-
Small Tools and Minor Equipment	33,293	20,825	20,555	270
Laundry and Clothing Allowance	9,625	9,625	9,524	101
Uniforms - Bunker Gear	19,200	19,339	19,339	-
Pharmaceuticals	12,000	10,618	10,667	(49)
Bks/Pubs/Subscrip/Memb Dues	5,000	5,000	4,217	783
	<u>3,833,205</u>	<u>3,888,710</u>	<u>3,894,023</u>	<u>(5,313)</u>
Emergency and disaster relief services				
Travel / Conference / Training	1,250	563	-	563
Communications	8,000	9,745	9,812	(67)
Postage and Freight	1,100	1,324	1,323	1
Rental / Buildings	3,000	-	-	-
R/M Other Equipment	100	148	147	1
Printing and Forms	2,000	2,000	1,976	24
Miscellaneous	400	400	396	4
Misc Operating Supplies	400	400	175	225
Small Tools and Minor Equipment	-	1,313	1,312	1
Bks/Publications/Subscrip/Memb Dues	3,300	3,657	3,657	-
	<u>19,550</u>	<u>19,550</u>	<u>18,798</u>	<u>752</u>
Total Public Safety	<u>6,149,696</u>	<u>6,232,945</u>	<u>6,175,591</u>	<u>57,354</u>

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Transportation				
Wages / Regular	250,411	268,063	268,064	(1)
Wages / Overtime	4,000	4,428	4,428	-
Fica Taxes	19,462	20,561	20,560	1
Town Contrib Salary Savings / 401-K	4,721	4,912	4,912	-
Insurance / Medical	44,453	44,585	44,585	-
Insurance / Life	945	945	792	153
Workers Compensation	5,673	7,510	7,509	1
Travel / Conference / Training	1,484	1,484	1,274	210
Communications	2,400	2,600	2,736	(136)
Postage and Freight	50	50	-	50
Electricity	50,000	40,999	40,929	70
Water	400	400	169	231
Rental / Equipment	500	500	491	9
R/M Grounds	6,000	2,400	2,325	75
R/M Automotive Equipment	8,000	8,756	8,756	-
R/M Other Equipment	8,000	10,485	10,503	(18)
R/M Beach Accesses	-	178	178	-
R/M Right Of Way	45,500	36,900	36,872	28
R/M Storm	2,000	7,089	7,089	-
R/M Street Lights	5,000	2,148	2,115	33
Licenses and Taxes	50	50	25	25
Miscellaneous	50	50	18	32
Office Supplies	300	300	22	278
Chemicals	1,000	-	680	(680)
Cleaning and Sanitation Supplies	150	150	73	77
Uniforms	3,000	4,054	4,054	-
Fuel and Oil	16,700	18,088	18,087	1
Misc Operating Supplies	450	450	165	285
Small Tools and Minor Equipment	3,000	4,877	4,877	-
Laundry and Clothing Allowance	1,650	1,650	1,649	1
R/M Streets	4,700	4,700	3,774	926
R/M Drainage and Culverts	10,200	10,200	8,144	2,056
R/M Signs	2,000	2,000	1,880	120
Bks/Publications/Subscrip/Memb Dues	40	40	-	40
	<u>502,289</u>	<u>511,602</u>	<u>507,735</u>	<u>3,867</u>
Economic Environment				
LBK Trolley Subsidy	42,000	42,000	-	42,000
Economic Development Council	10,100	10,100	6,990	3,110
S.C.O.P.E.	2,000	2,000	2,000	-
	<u>54,100</u>	<u>54,100</u>	<u>8,990</u>	<u>45,110</u>
Culture and recreation				
Wages / Regular	75,400	78,492	78,491	1
Wages / Overtime	1,500	622	622	-
Fica Taxes	5,883	5,935	5,934	1
Town Contrib Salary Savings / 401-K	2,307	2,307	2,281	26
Insurance / Medical	16,376	16,509	16,508	1
Insurance / Life	283	283	237	46
Workers Compensation	1,805	2,390	2,389	1
Prof Services / Other	5,555	4,746	4,746	-
Travel / Conference / Training	500	4	4	-
Communications	1,200	1,997	2,103	(106)
Electricity	4,000	3,483	3,483	-
Water	2,000	4,942	4,942	-
Rental / Equipment	150	-	-	-
R/M Grounds	17,000	18,904	18,903	1
R/M Automotive Equipment	1,000	1,392	1,392	-
R/M Other Equipment	2,500	1,401	1,400	1
R/M Beach Accesses	5,000	11,497	11,496	1

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Culture and recreation (Continued)				
R/M Grounds/Contractual	36,000	22,755	18,813	3,942
R/M Storm	1,700	581	580	1
R/M Channel Markers	1,215	750	750	-
R/M Canal Clearance/Trim	-	545	545	-
Licenses and Taxes	-	6	6	-
Miscellaneous	100	100	18	82
Chemicals	700	8	8	-
Cleaning and Sanitation Supplies	-	172	171	1
Uniforms	600	600	405	195
Fuel and Oil	2,550	3,857	3,857	-
Misc Operating Supplies	250	52	4	48
Small Tools and Minor Equipment	2,000	3,549	3,548	1
Laundry and Clothing Allowance	825	825	550	275
R/M Signs	100	100	40	60
Bks/Publications/Subscrip/Memb Dues	150	150	29	121
Communications	750	800	763	37
Postage and Freight	25	25	1	24
Electricity	4,930	4,930	4,215	715
Water	650	1,055	1,055	-
R/M Buildings	10,000	8,713	7,534	1,179
R/M Grounds	4,500	5,332	5,331	1
R/M Other Equipment	400	400	26	374
R/M Grounds/Contractual	10,000	10,000	5,069	4,931
Miscellaneous	25	25	-	25
Office Supplies	275	275	48	227
Cleaning and Sanitation Supplies	250	250	167	83
Misc Operating Supplies	1,000	1,000	551	449
Small Tools and Minor Equipment	2,750	2,750	1,131	1,619
Bks/Publications/Subscrip/Memb Dues	200	200	190	10
Wages / Regular	135,481	183,970	183,969	1
Wages / Holiday	2,959	3,769	3,769	-
Wages / Supplemental - Lessons	93,000	96,514	96,513	1
Wages / Temporary	-	2,549	2,549	-
Fica Taxes	17,705	21,732	21,732	-
Town Contrib Salary Savings / 401-K	4,812	3,366	3,366	-
Insurance / Medical	8,564	15,684	15,678	6
Insurance / Life	245	257	257	-
Workers Compensation	2,823	3,737	3,737	-
Communications	850	955	955	-
Postage and Freight	300	413	412	1
Electricity	3,600	2,941	2,940	1
Water	10,000	11,484	11,484	-
Gas	550	342	341	1
R/M Buildings	6,000	5,337	5,292	45
R/M Grounds	16,500	12,439	12,439	-
R/M Other Equipment	1,000	415	415	-
Printing and Forms	1,000	1,111	1,110	1
Licenses and Taxes	-	355	355	-
Miscellaneous	100	123	123	-
Visa/Mastercard Fees	3,600	8,611	8,610	1
Costs / Vending Machines	400	936	935	1
Costs / Merchandise	45,905	60,330	60,232	98
Costs / Special Events	5,500	4,065	4,065	-
Costs / Start-Up / Promotion	2,000	1,912	1,912	-
Cost of Lessons	5,000	328	328	-
Office Supplies	600	622	622	-
Cleaning and Sanitation Supplies	100	20	19	1
Misc Operating Supplies	200	150	149	1
Small Tools and Minor Equipment	1,500	1,511	1,511	-
Bks/Publications/Subscrip/Memb Dues	115	245	245	-
Sarasota Bay Estuary Program	15,000	15,000	15,000	-
S.T.A.R.T.	17,500	17,500	17,000	500
	<u>627,313</u>	<u>703,432</u>	<u>688,400</u>	<u>15,032</u>

TOWN OF LONGBOAT KEY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Capital outlay				
Computer Software	-	17,741	16,726	1,015
Other Equipment	20,000	20,565	20,565	-
Automotive Equipment	90,000	87,000	-	87,000
Other Equipment	-	-	3,000	(3,000)
Other Equipment	20,000	96,221	110,075	(13,854)
Boats	<u>200,000</u>	<u>230,484</u>	<u>233,983</u>	<u>(3,499)</u>
	<u>330,000</u>	<u>452,011</u>	<u>384,349</u>	<u>67,662</u>
Total expenditures	<u>14,600,584</u>	<u>15,006,928</u>	<u>14,802,132</u>	<u>204,796</u>
Excess (deficiencies) of revenues over expenditures	<u>(2,340,605)</u>	<u>(2,624,719)</u>	<u>(2,438,611)</u>	<u>186,108</u>
Other financing sources				
Utility Fund	999,305	999,305	999,305	-
Building Fund	265,500	265,500	265,500	-
Infrastructure Surtax Fund	240,000	240,000	120,000	(120,000)
Road and Bridge Fund	<u>507,800</u>	<u>507,800</u>	<u>507,800</u>	<u>-</u>
Total other financing sources	<u>2,012,605</u>	<u>2,012,605</u>	<u>1,892,605</u>	<u>(120,000)</u>
Net change in fund balances	(328,000)	(612,114)	(546,006)	66,108
Fund balance, October 1, 2011	<u>5,010,163</u>	<u>5,010,163</u>	<u>5,010,163</u>	<u>-</u>
Fund balance, September 30, 2012	<u>\$ 4,682,163</u>	<u>\$ 4,398,049</u>	<u>\$ 4,464,157</u>	<u>\$ 66,108</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes				
Local Option Gas Tax / Sarasota	\$ 76,000	\$ 76,000	\$ 104,238	\$ 28,238
Local Option Gas Tax / Manatee	90,000	90,000	44,719	(45,281)
Local Option Gas Tax / Sarasota 5 Cents	90,000	90,000	117,925	27,925
Local Option Gas Tax / Manatee 5 Cents	70,000	70,000	69,693	(307)
2 Cent Gas Tax / Sarasota	40,000	40,000	52,119	12,119
2 Cent Gas Tax / Manatee	<u>30,000</u>	<u>30,000</u>	<u>31,499</u>	<u>1,499</u>
	<u>396,000</u>	<u>396,000</u>	<u>420,193</u>	<u>24,193</u>
Intergovernmental revenue				
8th cent Motor Fuel Tax	50,000	50,000	49,968	(32)
Rebate on Municipal Vehicles	5,000	5,000	7,073	2,073
9th Cent Gas Tax / Sarasota	21,000	21,000	26,964	5,964
9th Cent Gas Tax / Manatee	<u>12,150</u>	<u>12,150</u>	<u>11,649</u>	<u>(501)</u>
	<u>88,150</u>	<u>88,150</u>	<u>95,654</u>	<u>7,504</u>
Charges for service				
Maintenance GMD Right of Way	10,900	10,900	10,899	(1)
Maintenance Traffic Signals	<u>26,000</u>	<u>26,000</u>	<u>3,151</u>	<u>(22,849)</u>
	<u>36,900</u>	<u>36,900</u>	<u>14,050</u>	<u>(22,850)</u>
Miscellaneous Revenue				
Interest on Investments	50,000	50,000	30,878	(19,122)
Gain (Loss) on Sale of Investments	<u>(15,000)</u>	<u>(15,000)</u>	<u>(6,818)</u>	<u>8,182</u>
	<u>35,000</u>	<u>35,000</u>	<u>24,060</u>	<u>(10,940)</u>
Total revenues	<u>556,050</u>	<u>556,050</u>	<u>553,957</u>	<u>(2,093)</u>
EXPENDITURES				
Contingencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>556,050</u>	<u>556,050</u>	<u>553,957</u>	<u>(2,093)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
General Fund	<u>(507,800)</u>	<u>(507,800)</u>	<u>(507,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(507,800)</u>	<u>(507,800)</u>	<u>(507,800)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	48,250	48,250	46,157	(2,093)
FUND BALANCES, OCTOBER 1, 2011	<u>2,701,869</u>	<u>2,701,869</u>	<u>2,701,869</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2012	<u>\$ 2,750,119</u>	<u>\$ 2,750,119</u>	<u>\$ 2,748,026</u>	<u>\$ (2,093)</u>

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)
10/1/2012	\$8,133,440	\$13,591,166	\$5,457,726	59.84%	\$2,402,728	227.15%
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	57.67%	2,902,474	181.66%
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%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2012	\$ 831,624	\$ 831,624	\$ -	100.00%
2011	743,196	743,196	-	100.00%
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%

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)
10/1/2012	\$ 5,677,007	\$ 11,828,890	\$ 6,151,883	47.99%	\$ 1,001,603	614.20%
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%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2012	\$ 925,246	\$ 847,546	\$ 77,700	100.00%
2011	722,020	651,125	70,893	100.00%
2010	473,165	402,719	70,441	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%

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

TOWN OF LONGBOAT KEY, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 FIREFIGHTER 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)
10/1/2012	\$ 12,743,682	\$ 27,693,570	\$14,949,888	46.02%	\$ 2,354,945	634.83%
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%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2012	\$ 1,458,446	\$ 1,183,830	\$ 274,615	100.00%
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%

* "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, 2012

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 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

Road and Bridge Special Revenue Fund

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.

Beach Nourishment

To account for expenditures of constructing a beach along the Town's Gulf of Mexico coast.

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, 2012

	Special Revenue Funds				Debt Service Funds			Capital Project Funds					Total Nonmajor Governmental Funds		
	Infrastructure Surtax	Tourist Development Tax	Beach District A	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
<u>Assets</u>															
Cash and cash equivalents	\$ 1,225,853	\$ 1,778,666	\$ 102,748	\$ 1,792	\$ 3,109,059	\$ 9,302	\$ 71,190	\$ 80,492	\$ 492,924	\$ 1,517,877	\$ 3,701	\$ 406,296	\$ 241,891	\$ 2,662,689	\$ 5,852,240
Due from State of Florida	34,088	-	-	-	34,088	-	-	-	-	-	-	-	-	-	34,088
Accrued income on investments	2,952	4,811	219	-	7,982	-	164	164	1,093	3,390	-	875	547	5,905	14,051
Total assets	<u>\$ 1,262,893</u>	<u>\$ 1,783,477</u>	<u>\$ 102,967</u>	<u>\$ 1,792</u>	<u>\$ 3,151,129</u>	<u>\$ 9,302</u>	<u>\$ 71,354</u>	<u>\$ 80,656</u>	<u>\$ 494,017</u>	<u>\$ 1,521,267</u>	<u>\$ 3,701</u>	<u>\$ 407,171</u>	<u>\$ 242,438</u>	<u>\$ 2,668,594</u>	<u>\$ 5,900,379</u>
<u>Liabilities and fund balances</u>															
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Fund balances</u>															
Reserve for encumbrances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	1,262,893	1,783,477	102,967	1,792	3,151,129	9,302	71,354	80,656	494,017	1,521,267	3,701	407,171	242,438	2,668,594	5,900,379
Total fund balances	<u>1,262,893</u>	<u>1,783,477</u>	<u>102,967</u>	<u>1,792</u>	<u>3,151,129</u>	<u>9,302</u>	<u>71,354</u>	<u>80,656</u>	<u>494,017</u>	<u>1,521,267</u>	<u>3,701</u>	<u>407,171</u>	<u>242,438</u>	<u>2,668,594</u>	<u>5,900,379</u>
Total liabilities and fund balances	<u>\$ 1,262,893</u>	<u>\$ 1,783,477</u>	<u>\$ 102,967</u>	<u>\$ 1,792</u>	<u>\$ 3,151,129</u>	<u>\$ 9,302</u>	<u>\$ 71,354</u>	<u>\$ 80,656</u>	<u>\$ 494,017</u>	<u>\$ 1,521,267</u>	<u>\$ 3,701</u>	<u>\$ 407,171</u>	<u>\$ 242,438</u>	<u>\$ 2,668,594</u>	<u>\$ 5,900,379</u>

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

TOWN OF LONGBOAT KEY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENT FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds				Debt Service Funds			Capital Project Funds					Total Nonmajor Governmental Funds		
	Infrastructure Surtax	Tourist Development Tax	Beach District A	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
REVENUES															
Property taxes	\$ -	\$ -	\$ 11,243	\$ 26	\$ 11,269	\$ -	\$ 303,869	\$ 303,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,138
Other taxes	541,034	496,733	-	-	1,037,767	-	-	-	-	33,565	-	-	-	33,565	1,071,332
Income on investments	10,078	15,699	845	-	26,622	20	1,511	1,531	3,821	8,259	9	2,917	1,797	16,803	44,956
Total revenues	551,112	512,432	12,088	26	1,075,658	20	305,380	305,400	3,821	41,824	9	2,917	1,797	50,368	1,431,426
EXPENDITURES															
Current															
General government	-	-	175	175	350	-	-	-	-	-	-	-	-	-	350
Debt Service															
Principal retirement	-	-	-	-	-	-	220,000	220,000	-	-	-	-	-	-	220,000
Interest	-	-	-	-	-	-	70,462	70,462	-	-	-	-	-	-	70,462
Capital Outlay	-	-	-	-	-	-	-	-	-	459,600	-	-	44,873	504,473	504,473
Total expenditures	-	-	175	175	350	-	290,462	290,462	-	459,600	-	-	44,873	504,473	795,285
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES															
	551,112	512,432	11,913	(149)	1,075,308	20	14,918	14,938	3,821	(417,776)	9	2,917	(43,076)	(454,105)	636,141
OTHER FINANCING SOURCES (USES)															
Transfers to other funds	(120,000)	(400,000)	-	-	(520,000)	-	-	-	-	-	-	-	-	-	(520,000)
Total other financing sources (uses)	(120,000)	(400,000)	-	-	(520,000)	-	-	-	-	-	-	-	-	-	(520,000)
NET CHANGE IN FUND BALANCES	431,112	112,432	11,913	(149)	555,308	20	14,918	14,938	3,821	(417,776)	9	2,917	(43,076)	(454,105)	116,141
FUND BALANCES, OCTOBER 1, 2011	831,781	1,671,045	91,054	1,941	2,595,821	9,282	56,436	65,718	490,196	1,939,043	3,692	404,254	285,514	3,122,699	5,784,238
FUND BALANCES, SEPTEMBER 30, 2012	\$ 1,262,893	\$ 1,783,477	\$ 102,967	\$ 1,792	\$ 3,151,129	\$ 9,302	\$ 71,354	\$ 80,656	\$ 494,017	\$ 1,521,267	\$ 3,701	\$ 407,171	\$ 242,438	\$ 2,668,594	\$ 5,900,379

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

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes				
Infrastructure Surtax / Sarasota	\$ 540,000	\$ 540,000	\$ 541,034	\$ 1,034
Miscellaneous Revenue				
Income on Investments	45,000	45,000	10,078	(34,922)
	<u>45,000</u>	<u>45,000</u>	<u>10,078</u>	<u>(34,922)</u>
Total Revenues	<u>585,000</u>	<u>585,000</u>	<u>551,112</u>	<u>(33,888)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>585,000</u>	<u>585,000</u>	<u>551,112</u>	<u>(33,888)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
General Fund	(240,000)	(240,000)	(120,000)	120,000
Beach Capital Projects Fund	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>
Total other financing sources (uses)	<u>(540,000)</u>	<u>(540,000)</u>	<u>(120,000)</u>	<u>420,000</u>
NET CHANGE IN FUND BALANCES	45,000	45,000	431,112	386,112
FUND BALANCES, OCTOBER 1, 2011	<u>831,781</u>	<u>831,781</u>	<u>831,781</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2012	<u>\$ 876,781</u>	<u>\$ 876,781</u>	<u>\$ 1,262,893</u>	<u>\$ 386,112</u>

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

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, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Tourist Development Tax / Sarasota	\$ 380,000	\$ 380,000	\$ 279,806	\$ (100,194)
Tourist Development Tax / Manatee	<u>228,000</u>	<u>228,000</u>	<u>216,927</u>	<u>(11,073)</u>
	<u>608,000</u>	<u>608,000</u>	<u>496,733</u>	<u>(111,267)</u>
Miscellaneous Revenue				
Income on investments	<u>24,500</u>	<u>24,500</u>	<u>15,699</u>	<u>(8,801)</u>
	<u>24,500</u>	<u>24,500</u>	<u>15,699</u>	<u>(8,801)</u>
Total Revenues	<u>632,500</u>	<u>632,500</u>	<u>512,432</u>	<u>(120,068)</u>
EXPENDITURES				
Current				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>632,500</u>	<u>632,500</u>	<u>512,432</u>	<u>(120,068)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
Beach Nourishment Capital Project	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	232,500	232,500	112,432	(120,068)
FUND BALANCES, OCTOBER 1, 2011	<u>1,671,045</u>	<u>1,671,045</u>	<u>1,671,045</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2012	<u>\$ 1,903,545</u>	<u>\$ 1,903,545</u>	<u>\$ 1,783,477</u>	<u>\$ (120,068)</u>

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

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, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Taxes / Sarasota 2004 Bonds	\$ -	\$ -	\$ 9,671	\$ 9,671
Taxes / Manatee 2004 Bonds	-	-	1,572	1,572
	-	-	11,243	11,243
Micellaneous Revenue				
Income on investments	-	598	843	245
Interest / Sarasota Tax Collector	-	-	2	2
	-	598	845	247
Total Revenues	-	598	12,088	11,490
EXPENDITURES				
Current				
Miscellaneous	-	-	175	(175)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	-	598	11,913	11,315
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
G.O. Beach Bond	-	-	-	-
NET CHANGE IN FUND BALANCES				
	-	598	11,913	11,315
FUND BALANCES, OCTOBER 1, 2011	91,054	91,054	91,054	-
FUND BALANCES, SEPTEMBER 30, 2012	\$ 91,054	\$ 91,652	\$ 102,967	\$ 11,315

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

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 SEPTMEBER 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Taxes / Manatee 2004 Bonds	-	-	26	26
Total Revenues	-	-	26	26
EXPENDITURES				
Current				
Miscellaneous	-	-	175	(175)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(149)	(149)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
G.O. Beach Bond	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	(149)	(149)
FUND BALANCES, OCTOBER 1, 2011	1,941	1,941	1,941	-
FUND BALANCES, SEPTEMBER 30, 2012	\$ 1,941	\$ 1,941	\$ 1,792	\$ (149)

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

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Income on investments	-	-	20	20
Total revenues	-	-	20	20
EXPENDITURES				
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	20	20
NET CHANGE IN FUND BALANCES	-	-	20	20
FUND BALANCES, OCTOBER 1, 2011	<u>9,282</u>	<u>9,282</u>	<u>9,282</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2012	<u>\$ 9,282</u>	<u>\$ 9,282</u>	<u>\$ 9,302</u>	<u>\$ 20</u>

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

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, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Ad Valorem Taxes / Sarasota	\$ 218,287	\$ 218,287	\$ 222,343	\$ 4,056
Ad Valorem Taxes / Manatee	84,891	84,891	81,526	(3,365)
	303,178	303,178	303,869	691
Miscellaneous Revenue				
Income on investments	3,500	3,500	1,494	(2,006)
Interest / Sarasota Tax Collector	-	-	17	17
	3,500	3,500	1,511	(1,989)
Total Revenues	306,678	306,678	305,380	(1,298)
EXPENDITURES				
Debt Service				
Principal retirement	220,000	220,000	220,000	-
Interest	113,178	113,178	70,462	42,716
Fiscal agent fees	500	500	-	500
Total expenditures	333,678	333,678	290,462	43,216
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,000)	(27,000)	14,918	41,918
NET CHANGE IN FUND BALANCES	(27,000)	(27,000)	14,918	41,918
FUND BALANCES, OCTOBER 1, 2011	56,436	56,436	56,436	-
FUND BALANCES, SEPTEMBER 30, 2012	\$ 29,436	\$ 29,436	\$ 71,354	\$ 41,918

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

FIDUCIARY FUNDS



TOWN OF LONGBOAT KEY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS - ALL AGENCY FUNDS
 SEPTEMBER 30, 2012

	<u>Police Training</u>	<u>Code Enforcement</u>	<u>Solid Waste</u>	<u>Law Enforcement Forfeiture</u>	<u>Police Donations</u>	<u>Constituion Bicentennial</u>	<u>Fire Donations</u>	<u>Public Works Donations</u>	<u>Total</u>
ASSETS									
Cash and cash equivalents	\$ 62,300	\$ 41,125	\$ 48,942	\$ 258,177	\$ 18,260	\$ 1,384	\$ (10)	\$ 7,268	\$ 437,446
Other assets	<u>223</u>	<u>-</u>	<u>65,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,395</u>
TOTAL ASSETS	<u>\$ 62,523</u>	<u>\$ 41,125</u>	<u>\$ 114,114</u>	<u>\$ 258,177</u>	<u>\$ 18,260</u>	<u>\$ 1,384</u>	<u>\$ (10)</u>	<u>\$ 7,268</u>	<u>\$ 502,841</u>
LIABILITIES									
Code enforcement bonds	\$ -	\$ 41,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,125
Amounts held as agent for others	<u>62,523</u>	<u>-</u>	<u>114,114</u>	<u>258,177</u>	<u>18,260</u>	<u>1,384</u>	<u>(10)</u>	<u>7,268</u>	<u>461,716</u>
TOTAL LIABILITIES	<u>\$ 62,523</u>	<u>\$ 41,125</u>	<u>\$ 114,114</u>	<u>\$ 258,177</u>	<u>\$ 18,260</u>	<u>\$ 1,384</u>	<u>\$ (10)</u>	<u>\$ 7,268</u>	<u>\$ 502,841</u>

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

TOWN OF LONGBOAT KEY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Balance 10/1/2011	Additions	Reductions	Balance 9/30/2012
<u>POLICE TRAINING FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 61,668	\$ 632	\$ -	\$ 62,300
Other assets	223	-	-	223
	\$ 61,891	\$ 632	\$ -	\$ 62,523
LIABILITIES				
Amounts held as agent for others	\$ 61,891	\$ 632	\$ -	\$ 62,523
 <u>CODE ENFORCEMENT FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 13,662	\$ 27,572	\$ 109	\$ 41,125
LIABILITIES				
Code enforcement bonds	\$ 13,662	\$ 27,572	\$ 109	\$ 41,125
 <u>SOLID WASTE FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 46,773	1,143,917	1,141,748	48,942
Other assets	56,351	1,141,748	1,132,927	65,172
	\$ 103,124	\$ 2,285,665	\$ 2,274,675	\$ 114,114
LIABILITIES				
Amounts held as agent for others	\$ 103,124	\$ 1,141,748	\$ 1,130,758	\$ 114,114
 <u>LAW ENFORCEMENT FORFEITURES</u>				
ASSETS				
Cash and cash equivalents	\$ 257,715	\$ 462	\$ -	\$ 258,177
LIABILITIES				
Amounts held as agent for others	\$ 257,715	\$ 462	\$ -	\$ 258,177
 <u>POLICE DONATIONS FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 17,831	\$ 3,981	\$ 3,552	\$ 18,260
LIABILITIES				
Amounts held as agent for others	\$ 17,831	\$ 3,981	\$ 3,552	\$ 18,260

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

TOWN OF LONGBOAT KEY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-
 ALL AGENCY FUNDS (CONTINUED)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Balance 10/1/2011	Additions	Reductions	Balance 9/30/2012
<u>CONSTITUTIONAL BICENTENNIAL FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 1,381	\$ 3	\$ -	\$ 1,384
LIABILITIES				
Amounts held as agent for others	\$ 1,381	\$ 3	\$ -	\$ 1,384
<u>FIRE DONATIONS FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 417	\$ 885	\$ 1,312	\$ (10)
LIABILITIES				
Amounts held as agent for others	\$ 417	\$ 1,312	\$ 1,739	\$ (10)
<u>PUBLIC WORKS DONATIONS</u>				
ASSETS				
Cash and cash equivalents	\$ 6,943	\$ 325	\$ -	\$ 7,268
LIABILITIES				
Amounts held as agent for others	\$ 6,943	\$ 325	\$ -	\$ 7,268
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 406,390	\$ 1,177,777	\$ 1,146,721	\$ 437,446
Other assets	56,574	1,141,748	1,132,927	65,395
	\$ 462,964	\$ 2,319,525	\$ 2,279,648	\$ 502,841
LIABILITIES				
Code enforcement bonds	\$ 13,662	\$ 27,572	\$ 109	\$ 41,125
Amounts held as agent for others	449,302	1,148,463	1,136,049	461,716
	\$ 462,964	\$ 1,176,035	\$ 1,136,158	\$ 502,841

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



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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial performance and well-being has changed over time.	73
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant sources of revenue.	79
Debt Capacity 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.	83
Demographics and Economic Information These schedules offer demographics and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	87
Operating Information These schedules contain information regarding the number of employees, the operating indicators, and the capital assets used in the various functions and programs	89



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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
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	\$ 43,964,904	\$ 47,245,000	\$ 52,337,893	\$ 50,178,473
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	17,433,460
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	\$ 67,611,933
Business-type activities										
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	\$ 14,945,148
Restricted										
Debt Service	952,159	973,296	976,562	977,158	549,531	439,625	439,625	439,625	439,625	439,625
Renewal and Replacement	-	-	-	-	484,332	597,497	9,847,497	10,078,892	5,735,449	3,672,943
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	3,036,737
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	10,100,635
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	\$ 32,195,088
Primary government										
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	\$ 65,123,621
Restricted										
Debt Service	952,159	973,296	976,562	977,158	549,531	439,625	439,625	439,625	439,625	439,625
Renewal and Replacement	-	-	-	-	484,332	597,497	9,847,497	10,078,892	5,735,449	3,672,943
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	3,036,737
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	27,534,095
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	\$ 99,807,021

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
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	\$ 7,467,428	\$ 7,321,613
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	6,675,600
Transportation	740,988	730,092	918,564	471,559	601,173	800,339	735,368	779,937	507,134	735,024
Economic Environment	-	-	-	-	-	-	27,477	27,381	69,300	8,990
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	3,861,447
Interest on long-term debt	341,841	265,697	666,031	673,380	583,349	477,593	377,878	281,042	92,512	45,462
Total governmental activities expenses	<u>13,998,282</u>	<u>15,020,935</u>	<u>16,098,105</u>	<u>15,288,348</u>	<u>18,946,384</u>	<u>18,074,094</u>	<u>17,425,865</u>	<u>16,706,446</u>	<u>18,305,925</u>	<u>18,648,136</u>
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	6,004,385
Building Department	-	-	-	-	-	897,275	694,992	482,307	533,565	522,213
Total business-type activities	<u>4,476,784</u>	<u>5,758,182</u>	<u>4,671,948</u>	<u>4,608,751</u>	<u>4,947,613</u>	<u>5,547,737</u>	<u>5,399,058</u>	<u>5,525,243</u>	<u>6,066,903</u>	<u>6,526,598</u>
Total primary government expenses	<u>\$ 18,475,066</u>	<u>\$ 20,779,117</u>	<u>\$ 20,770,053</u>	<u>\$ 19,897,099</u>	<u>\$ 23,893,997</u>	<u>\$ 23,621,831</u>	<u>\$ 22,824,923</u>	<u>\$ 22,231,689</u>	<u>\$ 24,372,828</u>	<u>\$ 25,174,734</u>
Program Revenues										
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	\$ 132,563
Public safety	450,037	362,564	252,380	255,789	36,349	298,350	314,869	320,239	322,745	243,276
Transportation	-	-	-	-	39,681	45,393	80,525	40,491	44,385	14,050
Culture & recreation	273,272	317,895	350,686	361,290	2,733	340,423	415,772	420,025	469,975	493,120
Operating grants and contributions	721,747	700,963	959,225	1,447,422	43,062	-	153,441	146,878	130,882	342,084
Capital grants and contributions	436,124	395,198	91,846	2,223,624	3,484,766	177,248	462,453	424,792	571,183	1,837,074
Total governmental activities program revenues	<u>3,951,487</u>	<u>3,994,747</u>	<u>4,431,379</u>	<u>6,746,227</u>	<u>5,804,926</u>	<u>966,221</u>	<u>1,494,976</u>	<u>1,485,599</u>	<u>1,601,949</u>	<u>3,062,167</u>
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	7,206,700
Building Department	-	-	-	-	-	980,050	821,342	975,460	933,697	1,083,741
Operating grants and contributions	-	-	4,551	4,357	5,307	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	613,668	-
Total business-type activities program revenues	<u>4,683,992</u>	<u>5,531,288</u>	<u>7,016,426</u>	<u>7,888,779</u>	<u>8,112,287</u>	<u>9,094,493</u>	<u>8,983,005</u>	<u>8,474,113</u>	<u>8,809,479</u>	<u>8,290,441</u>
Total primary government program revenues	<u>\$ 8,635,479</u>	<u>\$ 9,526,035</u>	<u>\$ 11,447,805</u>	<u>\$ 14,635,006</u>	<u>\$ 13,917,213</u>	<u>\$ 10,060,714</u>	<u>\$ 10,477,981</u>	<u>\$ 9,959,712</u>	<u>\$ 10,411,428</u>	<u>\$ 11,352,608</u>
Net (Expense)/Revenue										
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)	\$ (16,703,976)	\$ (15,585,969)
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	1,763,843
Total primary government net expense	<u>\$ (9,839,587)</u>	<u>\$ (11,253,082)</u>	<u>\$ (9,322,248)</u>	<u>\$ (5,262,093)</u>	<u>\$ (9,976,784)</u>	<u>\$ (13,561,117)</u>	<u>\$ (12,346,942)</u>	<u>\$ (12,271,977)</u>	<u>\$ (13,961,400)</u>	<u>\$ (13,822,126)</u>

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	2012
General Revenues and Other Changes in Net Assets										
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	\$ 8,776,567
Gasoline taxes	507,160	526,870	552,259	540,676	522,613	507,807	489,367	490,026	487,002	515,847
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	1,128,388
State revenue sharing	553,484	547,930	574,902	572,877	598,886	603,664	680,595	602,486	591,914	612,738
Business Tax	-	-	-	-	112,016	175,361	198,083	158,263	166,731	503,673
Tourist tax	609,294	572,536	633,270	571,529	583,205	599,800	635,662	614,800	542,761	496,733
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	896,715
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	134,982
Miscellaneous	49,142	45,550	40,864	40,021	38,064	43,189	75,191	106,746	413,975	101,035
Net Transfers	-	-	-	-	-	990,748	924,470	1,284,605	1,262,605	1,264,805
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>15,001,921</u>	<u>14,431,483</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	49,546
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)	(1,264,805)
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>	<u>(1,215,259)</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>\$ 13,853,855</u>	<u>\$ 13,216,224</u>
Change in Net Assets										
Governmental activities	\$ 4,707,423	\$ 3,516,224	\$ 2,989,756	\$ 7,129,910	\$ 4,671,084	\$ 892,200	\$ 630,377	\$ 947,406	\$ (1,702,055)	\$ (1,154,486)
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	548,584
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>\$ (107,545)</u>	<u>\$ (605,902)</u>

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

	FISCAL YEAR				
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 429,845	\$ 191,136	\$ 502,669	\$ 235,837	\$ 267,232
Building Division	-	-	-	-	695,019
Unreserved	<u>3,362,894</u>	<u>5,224,394</u>	<u>5,555,601</u>	<u>6,267,721</u>	<u>4,819,326</u>
Total general fund	<u>\$ 3,792,739</u>	<u>\$ 5,415,530</u>	<u>\$ 6,058,270</u>	<u>\$ 6,503,558</u>	<u>\$ 5,781,577</u>
All Other Governmental Funds					
Reserved	\$ 1,254,719	\$ 388,436	\$ 11,892,695	\$ 436,225	\$ 147,430
Unreserved, reported in:					
Special revenue funds	5,003,557	4,907,314	5,824,404	6,664,778	8,016,575
Debt service funds	9,815	4,950	2,409	2,440	13,552
Capital projects funds	<u>2,653,359</u>	<u>21,365,999</u>	<u>7,427,452</u>	<u>8,061,199</u>	<u>12,256,600</u>
Total all other governmental funds	<u>\$ 8,921,450</u>	<u>\$ 26,666,699</u>	<u>\$ 25,146,960</u>	<u>\$ 15,164,642</u>	<u>\$ 20,434,157</u>

	FISCAL YEAR				
	2008	2009	2010	2011	2012
General Fund					
Reserved	\$ 166,392	\$ 335,340	\$ 1,381,392	\$ 1,242,184	\$ 1,388,424
Building Division	-	-	-	-	-
Unreserved	<u>5,098,242</u>	<u>5,166,748</u>	<u>3,986,168</u>	<u>3,767,979</u>	<u>3,075,733</u>
Total general fund	<u>\$ 5,264,634</u>	<u>\$ 5,502,088</u>	<u>\$ 5,367,560</u>	<u>\$ 5,010,163</u>	<u>\$ 4,464,157</u>
All Other Governmental Funds					
Reserved	\$ 257,877	\$ 2,118,714	\$ 461,414	\$ 560,440	\$ 197,379
Unreserved, reported in:					
Special revenue funds	9,378,505	8,888,713	7,847,267	5,297,690	5,899,155
Debt service funds	24,391	32,534	41,372	65,718	80,656
Capital projects funds	<u>11,496,487</u>	<u>9,481,773</u>	<u>10,012,269</u>	<u>6,061,009</u>	<u>7,380,435</u>
Total all other governmental funds	<u>\$ 21,157,260</u>	<u>\$ 20,521,734</u>	<u>\$ 18,362,322</u>	<u>\$ 11,984,857</u>	<u>\$ 13,557,625</u>

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

	FISCAL YEAR				
	2003	2004	2005	2006	2007
Revenues					
Property taxes	\$ 11,252,602	\$ 10,957,144	\$ 10,153,257	\$ 10,903,316	\$ 11,704,884
Other taxes			1,337,523	1,272,972	1,236,895
Licenses and permits	1,253,797	1,381,146	1,987,559	1,509,921	1,078,428
Intergovernmental	2,431,837	1,907,473	2,216,737	2,771,012	2,130,367
Charges for services	1,328,180	692,421	627,584	573,300	587,447
Franchise	873,195	904,343	948,406	1,090,604	1,112,370
Fines/miscellaneous/interest	884,893	1,440,931	1,832,452	4,183,162	6,038,473
Other taxes	609,294	1,190,936	-	-	-
Land acquisition	71,907	62,765	42,909	220,163	-
Total revenues	18,705,705	18,537,159	19,146,427	22,524,450	23,888,864
Expenditures					
General government	4,912,215	4,937,228	4,986,832	5,734,955	6,219,824
Physical environment	-	323,729	5,821,758	14,245,986	6,213
Public safety	4,891,498	5,526,124	5,674,612	5,888,579	6,942,090
Transportation	495,011	480,528	676,201	881,001	637,096
Economic Environment			-	-	-
Culture and recreation	620,067	718,522	766,940	724,365	1,508,115
Debt service					
Principal retirement	2,508,399	545,000	575,000	2,885,000	2,960,000
Interest	339,739	264,056	651,460	671,899	570,148
Fiscal charges	2,102	1,641	14,571	1,481	13,201
Capital outlay	4,777,666	1,865,603	856,053	992,761	484,644
Total expenditures	18,546,697	14,662,431	20,023,427	32,026,027	19,341,331
Excess of revenues over (under) expenditures	159,008	3,874,728	(877,000)	(9,501,577)	4,547,533
Other Financing Sources (uses)					
Bond proceeds	-	15,493,312	-	-	-
Transfers in	3,416,973	5,266,290	3,638,176	3,640,545	4,303,693
Transfers out	(3,416,973)	(5,266,290)	(3,638,176)	(3,640,545)	(4,303,693)
Total other financing sources (uses)	-	15,493,312	-	-	-
Net change in fund balances	\$ 159,008	\$ 19,368,040	\$ (877,000)	\$ (9,501,577)	\$ 4,547,533
Debt service as a percentage of noncapital expenditures	21%	6%	6%	11%	19%

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

	FISCAL YEAR				
	2008	2009	2010	2011	2012
Revenues					
Property taxes	\$ 11,856,511	\$ 11,714,672	\$ 10,257,437	\$ 9,247,176	\$ 8,776,567
Other taxes	1,185,498	1,323,112	1,698,975	1,646,303	1,995,198
Licenses and permits	181,301	26,683	25,324	23,795	31,971
Intergovernmental	1,865,298	1,271,219	1,274,719	1,286,117	1,295,746
Charges for services	705,915	814,835	863,614	869,432	817,473
Franchise	1,088,276	1,118,650	1,020,128	980,723	896,715
Fines/miscellaneous/interest	1,092,743	613,151	657,380	585,654	236,017
Grants	-	615,894	571,670	702,065	2,179,158
Land acquisition	-	-	-	-	-
Total revenues	<u>17,975,542</u>	<u>17,498,216</u>	<u>16,369,247</u>	<u>15,341,265</u>	<u>16,228,845</u>
Expenditures					
General government	5,687,372	6,229,730	5,705,494	7,156,191	7,037,417
Physical environment	-	-	-	-	-
Public safety	6,866,816	6,481,483	6,134,442	6,277,819	6,175,591
Transportation	555,889	477,998	507,587	507,134	507,735
Economic Environment	-	27,477	27,381	69,300	8,990
Culture and recreation	762,602	722,927	702,745	765,943	688,400
Debt service					
Principal retirement	3,055,000	3,059,454	2,920,000	5,425,000	245,000
Interest	467,621	142,993	276,233	89,916	45,462
Fiscal charges	9,972	431	4,809	2,596	-
Capital outlay	<u>1,354,858</u>	<u>1,678,265</u>	<u>3,669,101</u>	<u>5,386,179</u>	<u>1,758,293</u>
Total expenditures	<u>18,760,130</u>	<u>18,820,758</u>	<u>19,947,792</u>	<u>25,680,078</u>	<u>16,466,888</u>
Excess of revenues over (under) expenditures	(784,588)	(1,322,542)	(3,578,545)	(10,338,813)	(238,043)
Other Financing Sources (uses)					
Bond proceeds	-	-	-	2,355,000	-
Payment to escrow agent	-	-	-	(13,654)	-
Transfers in	4,627,985	5,971,869	6,422,389	5,452,360	2,292,605
Transfers out	<u>(3,637,237)</u>	<u>(5,047,399)</u>	<u>(5,137,784)</u>	<u>(4,189,755)</u>	<u>(1,027,800)</u>
Total other financing sources (uses)	<u>990,748</u>	<u>924,470</u>	<u>1,284,605</u>	<u>3,603,951</u>	<u>1,264,805</u>
Net change in fund balances	<u>\$ 206,160</u>	<u>\$ (398,072)</u>	<u>\$ (2,293,940)</u>	<u>\$ (6,734,862)</u>	<u>\$ 1,026,762</u>
Debt service as a percentage of noncapital expenditures	20%	19%	20%	27%	2%

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

Fiscal Year	Real and Personal Property Sarasota County	Real and Personal Property Manatee County	Total Assessed Value	Estimated Actual Value ⁽¹⁾	Total Direct Tax Rate	Ratio Of Total Assessed To Total Estimated Actual Value
2003	3,003,704,254	1,018,346,718	4,022,050,972	4,022,050,972	2.1639	100%
2004	3,400,620,217	1,218,255,408	4,618,875,625	4,618,875,625	1.9974	100%
2005	3,666,581,208	1,347,923,180	5,014,504,388	5,014,504,388	1.6360	100%
2006	4,157,146,112	1,538,478,499	5,695,624,611	5,695,624,611	1.5849	100%
2007	4,742,440,174	1,812,608,364	6,555,048,538	6,555,048,538	1.5011	100%
2008	4,732,518,406	1,874,290,960	6,606,809,366	6,606,809,365	1.5098	100%
2009	4,236,364,578	1,718,513,521	5,954,878,099	5,954,878,099	1.5583	100%
2010	3,481,431,456	1,371,391,139	4,852,822,595	4,852,822,595	1.5554	100%
2011	3,345,287,529	1,299,318,422	4,644,605,951	4,644,605,951	1.9588	100%
2012	3,304,226,339	1,276,571,873	4,580,798,212	4,580,798,212	1.9549	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 2003 Sarasota County valuation of \$3,003,704,254 represents valuations as of January 1, 2002. Taxes were collected during 2002/2003

(1) 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.

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	General Obligation Debt Service	Total Direct Rate	⁽¹⁾ Beach Erosion Control District A	District B	Manatee County	Sarasota County
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
2012	1.8872	0.0677	1.9549	0.0000	0.0000	14.9504	12.4919

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, 2003 direct tax rate of 2.1639 applies to valuations as of January 1, 2002.

⁽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, 2012

<u>Taxpayer</u>	<u>2012</u>			<u>2003</u>		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Oprock Longboat Fee LLC	\$ 17,139,566	1	0.37%			
LB 500 LLC (3000 Harbourside)	16,412,400	2	0.35%			
Veranda Beach Club	10,550,000	3	0.23%			
P & W Charters	10,440,900	4	0.22%			
Mike & Michele McKee	10,179,033	5	0.22%			
Ave .of the Flowers Acquisition Co	9,982,300	6	0.21%			
BBC Key LLC	9,520,300	7	0.20%			
Pleasant Real Estate LLC	9,364,600	8	0.20%			
LB 500 LLC (361 Longboat club)	7,491,800	9	0.16%			
Sun and Sea	6,687,443	10	0.14%			
Holiday Inn				\$ 17,421,731	1	0.43%
Key Club Associates				16,333,700	2	0.41%
Veranda Beach Club				13,946,963	3	0.35%
Hilton				12,632,933	4	0.31%
Harbourside Golf Course				11,538,800	5	0.29%
Town Plaza				7,120,000	6	0.18%
Worldwide Properties of America				6,570,300	7	0.16%
Four Winds I				6,491,030	8	0.16%
Francis E. O'Donnell				6,430,200	9	0.16%
Siegfried Schulte				6,300,000	10	0.16%
Total	<u>\$ 107,768,342</u>		<u>2.30%</u>	<u>\$ 104,785,657</u>		<u>2.61%</u>

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 ⁽³⁾	Total Collections to Date	
		Amount	Percentage of Levy		Collections	Percentage of Levy
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	10,257,437	96.4%	5,549	10,262,986	96.4%
2011	9,536,616	9,241,627	96.9%	4,684	9,246,311	97.0%
2012	9,085,731	8,771,883	96.5%	-	8,771,883	96.5%

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

1. 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, 2012.

2. Tax levy includes millage for operating and debt service requirements.

3. Collection in subsequent years is reported for Manatee County only; Sarasota County does not provide.

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 ⁽¹⁾	Percentage of Personal Income ⁽¹⁾	Per Capita	Percentage of Actual Estimated Value of Property ⁽²⁾
	General Obligation Bonds	Loans Payable	General Obligation Bonds	Revenue Bonds				
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	2.49%	2,414	0.27%
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	2.47%	1,999	0.31%
2012	1,850,000	-	8,464,300	4,380,815	14,695,115	2.48%	2,023	0.32%

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

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

⁽²⁾ 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 10 FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
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	6,482,942	65,718	6,417,224	0.14%	884
2012	6,230,815	71,354	6,159,461	0.13%	894

NOTE:

⁽¹⁾ See Schedule 5 for property value data

⁽²⁾ See Schedule 13 for population data

TOWN OF LONGBOAT KEY, FLORIDA
 SCHEDULE 11 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 SEPTEMBER 30, 2012

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Longboat Key ⁽¹⁾</u>	<u>Amount Applicable to Longboat Key</u>
Town of Longboat Key	\$ 1,850,000	100%	\$ 1,850,000
Overlapping Bonded Debt:			
Sarasota County	-	8.44%	-
Manatee County	<u>9,630,000</u>	5.49%	<u>\$ 528,687</u>
Total Overlapping Bonded Debt	<u>9,630,000</u>		<u>528,687</u>
Total net direct and net overlapping bonded debt	<u>\$ 11,480,000</u>		<u>\$ 2,378,687</u>

⁽¹⁾ 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 ⁽¹⁾	Debt Service		Coverage
		Principal	Interest	
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
2012	703,869	220,000	70,462	2.4

General Obligation Bonds (Water and Sewer)

Fiscal Year	Ad Valorem Taxes	Debt Service		Coverage
		Principal	Interest	
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	-	-	-	-
2012	-	-	-	-

Water and Sewer

Revenue Bonds⁽²⁾; State Revolving Fund Loan⁽³⁾; General Obligation Note⁽⁴⁾

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2012	7,164,921	4,229,121	2,935,800	486,487	636,543	2.6

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

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

⁽²⁾ Revenue Bonds were defeased in 2010

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

⁽⁴⁾ 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 ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
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	\$ 81,573	10.9%
2012	6,888	\$ 654,966,144	\$ 95,088	8.9%

Sources:

- (1) 2011 population: Office of Economic & Demographic Research, April 1, 2011 (est.)
- (2) 2011 population: Office of Economic & Demographic Research, April 1, 2011 (est.)
- (3) U.S. Department of Labor, Bureau of Labor Statistics
 (Sarasota-Bradenton-Punta Gorda combined area)
 (8.9% for 2012 preliminary: North Port-Bradenton-Sarasota)

SARASOTA AND MANATEE COUNTIES, FLORIDA
 SCHEDULE 14 - PRINCIPAL EMPLOYERS
 SEPTEMBER 30, 2012
 CURRENT YEAR AND TEN YEARS AGO

Employer	<u>2012</u>			<u>2003</u>		
	Employees	Rank	Percentage of Total Employment ⁽²⁾	Employees	Rank	Percentage of Total Employment ⁽²⁾
Longboat Key Club	515	1	26.92%	N/A	N/A	N/A
Publix Super Market #1432	193	2	10.09%	N/A	N/A	N/A
Town of Longboat Key	110	3	5.75%	N/A	N/A	N/A
Longboat Key Hilton	75	4	3.92%	N/A	N/A	N/A
Valleycrest Landscape Maintenance	71	5	3.71%	N/A	N/A	N/A
Mar Vista Dockside Resturant & Pub	60	6	3.14%	N/A	N/A	N/A
Chart House Restaurant	55	7	2.88%	N/A	N/A	N/A
Euphemia Haye	51	8	2.67%	N/A	N/A	N/A
Moore's Stone Crab Restaurant	43	9	2.25%	N/A	N/A	N/A
Grants Gardens Inc	40	10	2.09%	N/A	N/A	N/A
Total	<u>1,213</u>		<u>63.42%</u>	<u>N/A</u>		<u>N/A</u>

(1) Principal employers for ten 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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Function										
General government	34	35	34	34	34	34	29	32	32	25
Public safety	65	65	65	65	65	64	64	63	65	67
Transportation	7	7	8	8	8	7	7	6	6	6
Culture & recreation	6	6	7	7	7	6	5	6	5	5
Water and sewer	7	7	7	7	7	8	8	7	7	7
Total	<u>119</u>	<u>120</u>	<u>121</u>	<u>121</u>	<u>121</u>	<u>119</u>	<u>113</u>	<u>114</u>	<u>115</u>	<u>110</u>

Source: Town of Longboat Key Budget Office.

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Fire										
Fire calls	501	637	559	491	478	483	382	390	423	412
Rescue calls	933	1,010	931	927	1,025	960	973	991	1,073	1,003
Inspections	661	1,224	892	854	1,744	1,582	376	388	804	805
Police										
Law Violations	930	1,022	952	1,131	857	846	567	353	354	200
Law Arrests	165	134	253	278	221	215	135	110	101	46
Water system										
Number of users or consumers	11,062	10,804	10,871	10,738	10,775	10,770	10,733	10,723	10,723	16,802
Daily average finished flow in gallons	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	1,609,210
Sewer system										
Daily average treatment in gallons	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	1,690,384

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	1	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	141	141
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	12	12	12	12	12	12	12	12	12
Water										
Water Mains (miles) ⁽¹⁾	56	56	56	56	56	56	56	46	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	209	209	209	209	209	209	209	209	212
Wastewater										
Sanitary Sewers (miles)	46.0	46.0	46.0	46.0	46.0	46.0	46.0	44.0	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

⁽¹⁾ 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Longboat Key, Florida (the "Town"), as of and for the year ended September 30, 2012, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 19, 2013. 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 of the Town 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 and 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 management, Town Commission, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
June 19, 2013

Honorable Members of the Board of Town Commissioners

Town of Longboat Key, Florida

We have audited the financial statements of the Town of Longboat Key, Florida (the "Town"), as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated June 19, 2013.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, which is dated June 19, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- 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 made in the preceding annual financial audit 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 Town complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such violations.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such matters.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement 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 Town 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 Town for the fiscal year ended September 30, 2012, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Section 10.551(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 Town'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 the same. This assessment was done for the year ended September 30, 2012.

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

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
June 19, 2013