



# **The Town of Longboat Key, Florida**

## **Comprehensive Annual Financial Report**

**Fiscal Year Ended September 30, 2013**

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT  
of the  
TOWN OF LONGBOAT KEY, FLORIDA  
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Prepared by: Susan Smith, Finance Director  
Finance Department  
Town of Longboat Key, Florida

TOWN OF LONGBOAT KEY, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

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# **Introductory Section**



# TOWN OF LONGBOAT KEY

*Incorporated November 14, 1955*

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

March 27, 2014

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 (CAFR) for the fiscal year ended September 30, 2013.

Chapter 218.32 of the Florida Statutes requires that each local government entity that is required to provide for an audit in accordance with Chapter 218.39 must submit an annual financial report with the audit report no later than nine months after the end of the fiscal year. This requirement has been met for the fiscal year ended September 30, 2013, and the report of the independent auditing firm has been included in the financial section of this report.

This report was prepared in accordance with generally accepted accounting principles (GAAP) 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. Because the cost of internal controls should not outweigh their benefit, the Town of Longboat Key's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Longboat Key's financial statements have been audited by Carr Riggs & Ingram, LLC. The scope of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year end September 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town's financial statements for fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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 complement 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.

## **Profile of the Government**

The Town of Longboat Key is a political subdivision of the State of Florida and was formally incorporated in 1955. Longboat Key is a 10-mile long barrier island, covering 4.75 square miles, located off the coast of Sarasota in Southwest Florida that has a reputation as an affluent residential community, particularly for retirees who relocate predominantly from northern states. The island is bordered on the east by Sarasota Bay and on the west by the Gulf of Mexico. The northern half of the island is located in Manatee County, while the southern half is located in Sarasota County. The island's location, temperate climate, and natural resources, particularly its white sand beach, have had a major influence on the Town's growth. Residents and visitors enjoy numerous year-round recreational opportunities, including boating, fishing, golf, tennis, biking, and kayaking.

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.

## **Town Structure**

The Town operates under a Charter that was adopted in 1955 and revised in 2008. The charter sets forth a Commission/Manager form of government. Seven Commissioners are elected for two-year terms and constitute the governing body of the Town. Commissioners may only serve three (3) consecutive terms as town commissioner without an interval of one (1) complete term out of office. The appointed Mayor is the Commission's presiding officer. Elections are held annually with either four or three seats to be decided upon. Two (2) commissioners are elected at large. The remaining five (5) commissioners must reside in, and be nominated from, each of the five (5) districts of the town as set forth in the Charter. Following an election for the commission, the commissioners elect a mayor and vice-mayor.

The Town Manager is the chief administrative officer of the Town and is responsible to the town commission for the administration of all town affairs. He/she establishes such departments and divisions of responsibility as necessary for administration of the affairs of the town and performance of its municipal functions. The town manager is responsible for the preservation of peace and the protection of persons and property within the town and is the director of all public safety forces. Subject to personnel regulations adopted by the town commission, the town manager appoints, removes and fixes compensation for the chiefs and all subordinate officers of the police, fire and other safety forces of the town, department heads and all other town employees, except those specified by the Charter.

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 level. 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

Longboat Key has a permanent population of approximately 6,884 residents, but it is also a popular seasonal destination for visitors and part-time residents from both the United States and abroad. During the winter months, when the climate in Florida is mild, the population on Longboat Key can increase to approximately 18,000 to 24,000. However, the majority of the seasonal residents are only on the island for a few weeks to a few months, at most. Close proximity to the Sarasota-Bradenton International Airport and the Tampa International Airport provides convenient access to part-time residents and out-of-state visitors. Longboat Key has no industrial development and limited commercial uses.

The island's permanent population increased steadily in the latter part of the 20<sup>th</sup> century, but slowed beginning in 2000. Since that time, the island's full-time population has declined by approximately eight (8) percent, for a total loss of approximately 719 permanent residents. While there are no certainties as to the cause of the decline since 2000, it can be speculated that rising property taxes and significantly increased property insurance costs have played a role in the decline. National economic conditions may also have led some people to delay retirement, thus reducing the number of people who might have moved to the island on a permanent basis. Currently, rising flood insurance rates have the potential to create additional uncertainty in the real estate market.

Prior to 2007, Longboat Key and other areas in Florida had experienced a dramatic increase in property values. During the national recession, regional property values dropped dramatically, with the Sarasota – Bradenton area experiencing an average real estate value drop of approximately 40 percent over the course of the downturn, though properties on Longboat Key experienced a much less dramatic decline. Current reports indicate that 2014 should be the first year that assessed values for property values will reflect an increase since 2008.

**Employment Types and Trends.** The major employers on Longboat Key include the Longboat Key Club, the Hilton Resort, Publix Supermarket, and the Town. According to the U.S. Census, there are a total of 224 business establishments and 2,287 total employees. Hospitality and other tourism-related services, retail/food services and municipal government are the major sources of employment on Longboat Key. Seasonal employment is common on Longboat Key due to the influx of seasonal residents and visitors during the winter months. The length of the typical "season," when most visitors and seasonal residents visit, has historically lasted from approximately November through April. During the recession, "season" gradually shrunk to only about four (4) months. However, weather patterns in northern states can influence the length of each season, with part-time residents sometimes staying longer if northern states continue to experience colder temperatures during early spring. This was the case during Spring 2013, when northern states experienced record cold temperatures and extended snow. Many part-time residents delayed their departure from the area, which resulted in one of the best tourist seasons in recent years. This prompted many employers to retain seasonal employees longer than in years past.

The seasonal influx of visitors and part-time residents creates challenges for many retail and commercial businesses that typically depend on a year-round client base to be financially sustainable. Since there are few attractions to draw people from the mainland, businesses must rely almost exclusively on Longboat Key residents and visitors.

Cost of living on the island is a consideration for many employers and employees. Most people who work for businesses on the island are unable to afford housing on the island and are forced to live off-island. This creates longer commute times and increased transportation expenses, particularly during the tourist season when routes on and off the island are heavily trafficked. This often requires Longboat Key's employers to pay higher wages than similar employers on the mainland in order to attract workers.

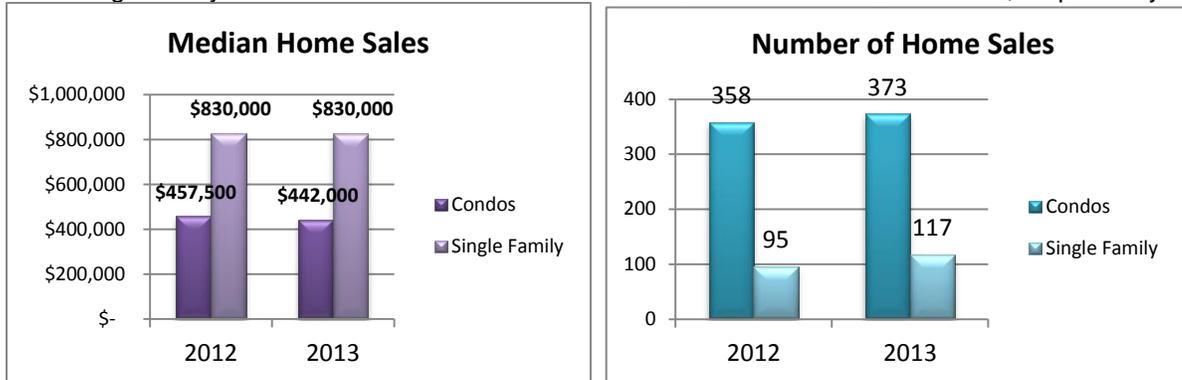
Contractors and maintenance crews make up the majority of commuters who travel to the island on a daily basis. Most of these workers are employed by companies with offices on the mainland.

A major expansion will soon be underway for The Hilton Resort. The resort is scheduled for closure during construction. Upon reopening, they anticipate hiring an additional 20 full-time employees.

**Redevelopment.** Longboat Key is currently experiencing a renewed interest in development and redevelopment in both the residential and tourism sectors. The Town has recently approved plans for an 85-room expansion of the beachfront Hilton Resort, an 11-unit luxury condominium complex, a 16-unit luxury condominium complex, and a single-family subdivision with nine (9) upscale residential homes.

There has been a trend over recent years to convert older tourism properties to single-family homes or luxury condominium buildings with single- or double-digit units. Many of the new homes and condominiums are not primary residences, but rather second, third, fourth or even fifth homes, which has resulted in a decrease in the number of full-time residents.

**Housing.** According to Premier Sotheby's International Realty, Longboat Key's housing market showed a modest increase in the number of sales from 2012 to 2013 as shown below. While home prices on Longboat Key can range from \$200,000 into the millions, the median single family home and condo prices remained flat. The average sale price for a single family home and condominium for 2013 was \$1.3 million and \$1.1 million, respectively.



**Comprehensive Plan and Zoning Regulations.** The Town's Comprehensive Plan is developed pursuant to the requirements of Chapter 163, Florida Statutes, and the Florida Administrative Code. Other than the purposes expressly set forth in the Florida Statutes and Administrative Code, the Town's Comprehensive Plan has the following goals:

- Improve the physical environment for the community as a setting for human and natural resource activities;
- Protect the public health, safety, and welfare;
- Insure that long-range considerations are included in the determination of short-range actions;
- Promote political cooperation by bringing professional and technical knowledge to bear on governmental decisions concerning the physical development of the Town; and,
- To ensure appropriate protection of the public interest with consideration of private property rights as determined by the Town Commission and state law.

The Town's Land Development Code (LDC) establishes the development regulations for all areas within the Town's incorporated boundaries. Recent legal challenges were brought against some provisions within the LDC. As a result, certain sections of the LDC related to development order processes were declared by the courts to be invalid. This has created the need to revise certain sections of the LDC, a process that is underway and has delayed the processing of some development order application requests.

Most of Longboat Key's housing stock is comprised of condominiums built prior to the 1980's. Approximately 72 percent of the available housing stock is more than 25 years old and almost half of the island's housing was built over 34 years ago. As these properties age and look to modernize and/or redevelop, issues such as multiple-ownership, density restrictions and development regulations present serious challenges.

Developers have cited market trends, increased property values and Longboat Key's restrictive development regulations as cause to redevelop aging tourist properties into residential uses, with individual luxury condominium units selling into the millions of dollars.

**Major initiatives**

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. For the first time in several years taxable values are beginning to stabilize.

- One of the Town's major initiatives was to freeze all the Town's defined benefit pension plans and institute a Town sponsored defined contribution plan, to stop the growth of the unfunded pension liability. These were all accomplished by February 2014.

- The Town's ongoing beach nourishment program is underway with a \$16,000,000 bond authorization in place. The Town has successfully secured groin permits for the north end of the island and a reevaluation of the beach management program has been initiated with several projects identified.
- 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. In addition the Town is in the early stages of planning replacement of the 2.5 miles of subaqueous wastewater line.

**Long-term Financial Planning**

Prepared as part of the annual budget process, a five year plan of capital improvement projects attempts to identify and provide a responsible funding/execution plan for public betterments to ensure a stable community infrastructure. The plan is designed to budget adequate reserves for replacement of obsolete equipment and vehicles and provide for the betterment of town-wide infrastructure.

**Capital projects.** 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.

**Relevant Financial Policies**

Management's goals for long-term financial planning include stabilizing tax rates while maintaining adequate General Fund reserves to sustain a complete economic cycle and providing for contingency and emergency/disaster relief reserves.

Over the next two fiscal years, management will be updating and preparing written comprehensive financial policies which address pension funding initiatives, enterprise fund reserves, debt policies, long-term beach nourishment, and other capital improvement and budgeting policies.

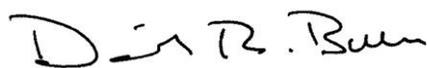
**Awards.** The Government Finance Officers Association and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Longboat Key, Florida for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012. This was the 32nd 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 would not have been possible without the dedicated service of the finance staff and the cooperation of town departments. Our sincerest appreciation is extended to all of the contributing staff members. We also appreciate the professional service and assistance rendered by Carr Riggs & Ingram, LLC. The Finance Department is committed to advancing its fiscal accountability, efficiency and integrity in the Town's financial operations.

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,




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David R. Bullock  
Town Manager




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Susan L. Smith  
Finance Director

**TOWN OF LONGBOAT KEY, FLORIDA**

LIST OF PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2013

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**TOWN COMMISSION**

Mayor Jim Brown  
Vice-Mayor David Brenner

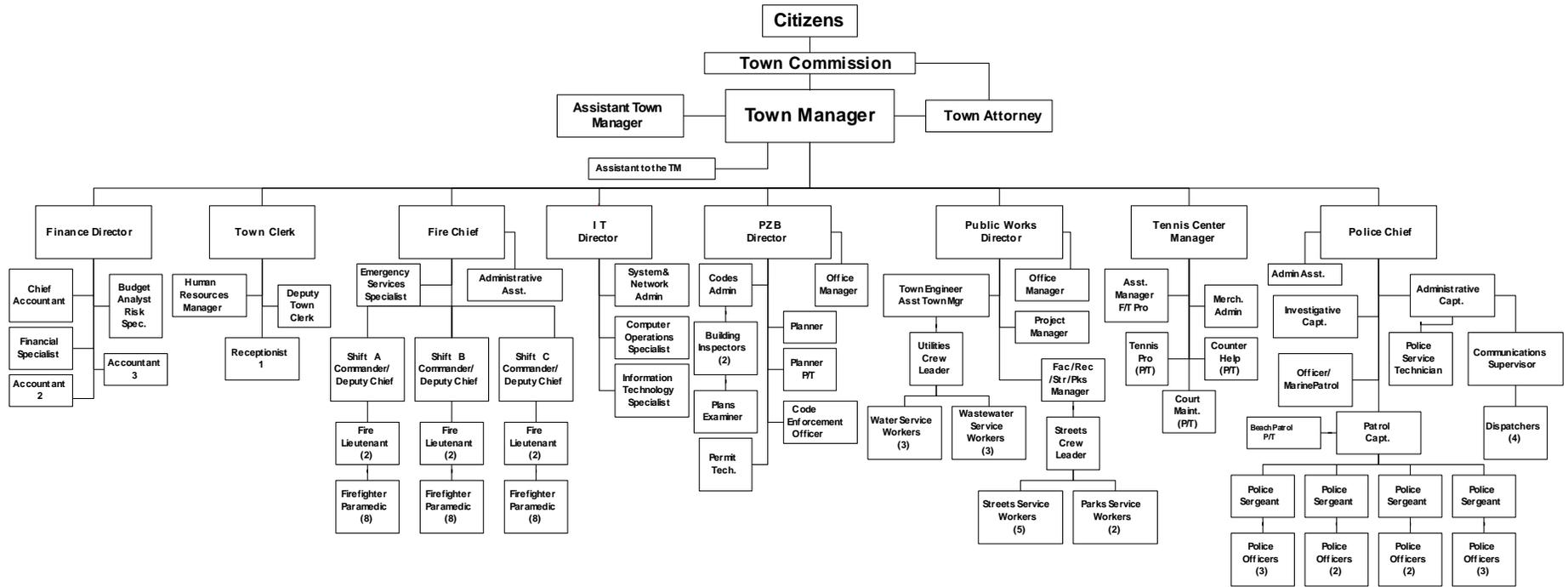
District 1 – Lynn Larson  
District 2 – Jack Duncan  
District 3 – David Brenner  
District 4 – Jim Brown  
District 5 – Pat Zunz  
At Large – Phill Younger  
At Large – Terry Gans

**TOWN DEPARTMENTS**

David R. Bullock, Town Manager  
Anne Ross, Assistant Town Manager and Town Engineer  
Susan L. Smith, Finance Director  
Kathi J. Pletzke, Information Technology Director  
Alaina Ray, Planning Zoning & Building Director  
Juan J. Florensa, Public Works Director  
Patricia J. Granger, Town Clerk  
Pete Cumming, Police Chief  
Paul Dezzi, Fire Chief  
Maggie Mooney-Portale, Town Attorney

**AUDITORS**

Carr, Riggs, & Ingram, LLC





Government Finance Officers Association

**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, 2012**

Executive Director/CEO

**Financial  
Section**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Longboat Key, Florida (the "Town"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Longboat Key, Florida, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter – Correction of an Error**

As discussed in Note 12 to the financial statements, net position – beginning of the year and nonmajor special revenue fund balances – beginning of the year have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### **Emphasis of a Matter – Change in Reporting Entity**

As discussed in Note 12 to the financial statements, general funds fund balance – beginning of the year and nonmajor special revenue fund balance – beginning of the year have been restated due to a change in the reporting entity. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

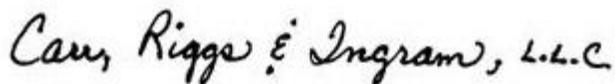
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Longboat Key, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



**CARR, RIGGS & INGRAM, LLC**  
Certified Public Accountants

March 27, 2014

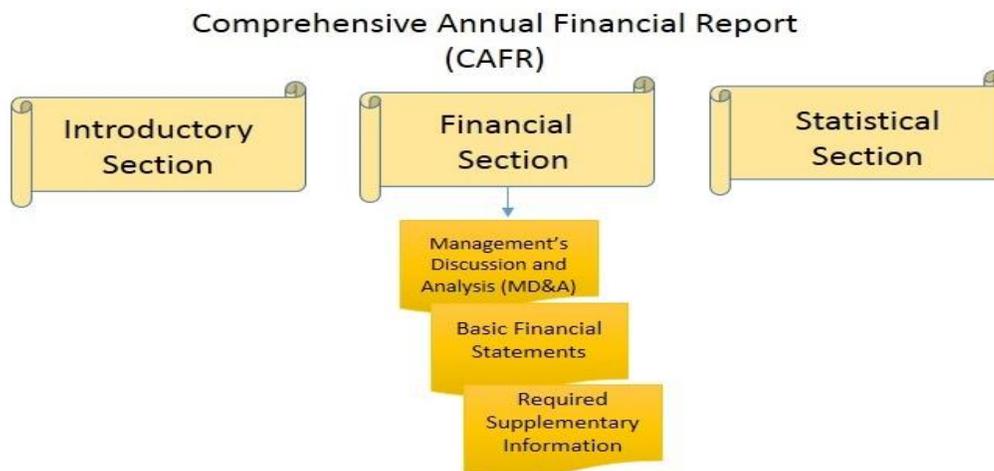
## Management's Discussion and Analysis

The Town's Comprehensive Annual Financial report (CAFR) was prepared in accordance with generally accepted accounting principles (GAAP) applicable to government entities. The Management's Discussion and Analysis report (MD&A) is required supplementary information (RSI), which must be presented to remain in compliance with GAAP.

The MD&A presents a narrative overview and analysis of the financial activities of the Town of Longboat Key for the fiscal year ended September 30, 2013. Readers are encouraged to consider MD&A information in conjunction with information provided in the financial statements, the Letter of Transmittal, and the notes to the financial statements.

### Comprehensive Annual financial report (CAFR) Overview

As shown below, the CAFR is organized into three main sections with the Financial Section containing Management's Discussion and Analysis, the Basic Financial Statements and Required Supplementary Information. 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.



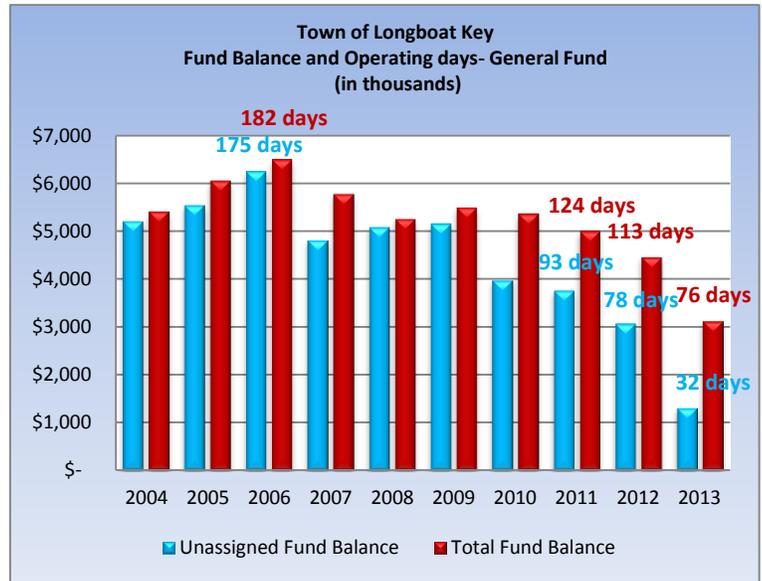
### Financial Highlights

- The Town of Longboat Key's net position for governmental activities at the close of the fiscal year September 30, 2013, is \$63.8 million, which is a decrease of \$4.1 million (6%) from the previous year. Of the Town's total net position, \$13.1 million is restricted to specific purposes and \$2.8 million is unrestricted which may be used to meet the Town's ongoing obligations to citizens and creditors. Unrestricted net position decreased \$14.7 million from the previous fiscal year, primarily due to the appropriated use of surplus for general fund operations and an increase in reserves for pension liabilities.
- The Town's total net position for business-type activities is \$32.4 million, which is an increase of \$193,000 or 6%. Of this amount, \$16.7 million or 51% is considered unrestricted. Unrestricted net position increased by \$6.6 million due to the expiration of bond covenants.
- At September 30, 2013 the Town of Longboat Key's governmental fund statements, which includes the General Fund, Road and Bridge Fund, Beach Nourishment Fund and all non-major funds, reported combined ending fund balances of \$16.5 million, a decrease of \$1.5 million from the previous fiscal year. Of this amount, \$1.3 million remains in the various fund types of the Town as unassigned.

**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
 September 30, 2013

- At the end of the current fiscal year, the total fund balance for the general fund was \$3.2 million, which is a decrease of \$1.3 million from the prior fiscal year. This decrease was due to four major factors: (1) the Town originally appropriated \$450,000 from surplus to balance the budget; (2) the Town approved 3% raises for employees in the amount of \$162,000; (3) major changes to the pension plan caused members to elect the Deferred Retirement Option Program (DROP) which required \$359,000 of accrued sick and vacation payouts and (4) the Town experienced a shortfall in budgeted revenues. The chart below represents a history of fund balance levels with the blue column representing unassigned fund balance and the red column representing the Total fund balance.

- As of September 30, 2013, the general fund *unassigned* fund balance decreased by \$1.6 million. The unassigned balance of \$1.3 million represents approximately 8.7% of total general fund expenses, excluding capital outlay, (32 operating days), as compared to \$2.9 million or 21.3% in the prior year (78 operating days). The Town Commission increased its assignment of fund balance toward future pension liabilities by \$610,075 during the year, for a total of \$1,610,075. This, in addition to an operating deficit of \$1.4 million, contributed to the decline in *unassigned* fund balance.



- The desired *unassigned* general fund balance shall be not less than 60 days or 16% of general fund operating expenditures and the desired total available fund balances should not be less than 90 days or 25%. The Town's total fund balance ended with 76 operating days or 20.7%. Rating agencies evaluate municipalities to determine the financial condition of the community and assign a bond rating that influences the rate of interest paid on debt issues. Accordingly, a strong fund balance demonstrates a town's commitment to fiscal responsibility, reduces bonding costs, and indicates the ability to meet unforeseen emergencies. If, after the annual audit, should fund balance fall below desired levels, the Town Manager will so advise the Town Commission in order for the necessary action to be taken to restore the unassigned fund balance to acceptable levels within two budget cycles.

**Financial Statements Overview**

This section includes a brief overview of the Town's financial statements that is required by the Governmental Accounting Standards Board (GASB). This is intended to help readers understand the financial statements and does not present any financial information specifically for the Town of Longboat Key.

**Fund Types** – The Town uses fund accounting to enhance public accountability over public resources and to demonstrate compliance with finance related legal requirements. A Fund is a self-balancing set of accounts that is used to maintain control over resources segregated for a specific purpose or objective.

There are three different fund types:

- Governmental funds* focus on short-term inflows and outflows of spendable resources, as well as spendable resources at year end. The focus of governmental fund financial statements is on major funds: the General Fund, the Road and Bridge Fund and the Beach Nourishment Capital Project fund. The Governmental Fund financial statements present information for each major fund, while the non-major funds are combined into a separate, single column. These non-major funds are shown separately following the notes to the financial statements.

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2. *Proprietary Funds* are business-type activities generally used for reporting charges for services for which the Town charges a fee. 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 25 to 27 of this report.
3. *Fiduciary Funds* 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 26 and 27 of this report.

**Basic Financial Statements** – The basic financials statements consist of three components: (1) The Government-wide statements, (2) Individual Fund Statements, and (3) Notes to the Financial Statements.

1. *Government Wide Financial Statements* provide a broad overview of the town's finances using the accrual basis of accounting similar to a private sector business entity. These statements are further broken into two types of activities – Governmental activities and Business type activities:
  - a. *Governmental activities* are primarily supported by taxes and other non-program revenue which support general government, public safety, transportation, and culture and recreation.
  - b. *Enterprise or business-type activities* are primarily supported by user fees rather than taxes and non-program revenue. Major business activities in the Town of Longboat Key include water and sewer operations and Building Department functions.

Government wide statements include two types of financial statements:

- i. The *Statement of Net Position* (page 20) presents information on all of the Town's assets and liabilities with the difference being reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Town is improving or deteriorating.
  - ii. The *Statement of Activities* (page 21) presents information showing how the Town's net position changed during the fiscal year related to revenue and expenses. All revenue and expenses are reported as soon as an underlying event occurs, regardless of when cash is received or paid, as required under accrual basis of accounting (e.g., accounts payable and earned but unused vacation leave).
2. *Individual Fund Statements* – Individual fund statements report a narrower financial view than the government wide financial statements, but it is useful to compare fund information with the government wide information. A reconciliation of the difference between the two is provided in the CAFR following the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.
  3. *Notes to the Financial Statements* – The notes provide additional information that is essential to gaining a full understanding of the government-wide financials and the individual fund statements.

**Required Supplementary information (RSI)** – Other RSI in addition to this MD&A provides a Budget to Actual Comparison for the General Fund, The Road and Bridge Fund, and Schedules of Funding Progress related to the Town's pension plans.

**Combining Financial Statements, Individual Fund Financial Statements and Schedules** – These statements and schedules are provided for the non-major governmental funds and are located immediately following the RSI.

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Below is a summary of the major features of the Basic Financial Statements.

**Major Features of the Basic Financial Statements - Figure A-1**

<b><u>Type of Statements</u></b>	<b><u>Government-wide Financial Statements</u></b>	<b><u>Fund Financial Statements</u></b>		
		<b><u>Governmental Funds</u></b>	<b><u>Proprietary Funds</u></b>	<b><u>Fiduciary Funds</u></b>
<i>Scope</i>	Entire Town government (except fiduciary activities)	Activities primarily supported by taxes, grants, and similar revenue sources	Activities the Town operates similar which have significant support from fees and charges.	Instances in which the Town administers resources as trustee on behalf of someone else.
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>➤ Statement of net position</li> <li>➤ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>➤ Balance sheet</li> <li>➤ Statement of revenues, expenditures and changes in fund balances.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Statement of net position.</li> <li>➤ Statement of revenues, expenses and changes in fund net position.</li> <li>➤ Statement of cash flows.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Statement of fiduciary net position.</li> <li>➤ Statement of changes in fiduciary net position.</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash are received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during year, regardless of when cash is received or paid.	All additions and deductions during the year regardless of when cash is received or paid.

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**Government-Wide Financial Analysis**

Comparative data for fiscal years ending September 30, 2013 and 2012 are shown below.

<b>Town of Longboat Key Net Position (in thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Current/other assets	\$ 17,511	\$ 18,670	\$ 18,822	\$ 21,267	\$ 36,333	\$ 39,937
Capital assets	49,563	52,028	26,983	24,980	76,546	77,008
Total assets	<u>67,074</u>	<u>70,698</u>	<u>45,805</u>	<u>46,247</u>	<u>112,879</u>	<u>116,945</u>
Current liabilities	1,234	854	1,561	1,665	2,795	2,519
Long-term liabilities	<u>2,051</u>	<u>2,233</u>	<u>11,856</u>	<u>12,387</u>	<u>13,907</u>	<u>14,620</u>
Total liabilities	<u>3,285</u>	<u>3,087</u>	<u>13,417</u>	<u>14,052</u>	<u>16,702</u>	<u>17,139</u>
Invested in capital assets net of related debt	47,891	50,178	13,354	14,945	61,245	65,123
Restricted	13,133	-	2,362	7,149	15,495	7,149
Unrestricted	<u>2,765</u>	<u>17,433</u>	<u>16,672</u>	<u>10,101</u>	<u>19,437</u>	<u>27,534</u>
Total net position	<u>\$ 63,789</u>	<u>\$ 67,611</u>	<u>\$ 32,388</u>	<u>\$ 32,195</u>	<u>\$ 96,177</u>	<u>\$ 99,806</u>

Governmental activities. The largest portion of the Town's net position (75.1%) reflects its investment in capital assets (i.e., land, buildings, vehicles, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves may not be used to liquidate these liabilities.

Based on the Summary above, there appears to be a large variance in both *restricted and unrestricted* net position for governmental activities. This is due to an error in classification in the prior year's financial statements. FY2012 should have reported \$13.360 million in *restricted* assets and \$4.395 of *unrestricted* assets. Had the amount been reported correctly, there would have been an insignificant change reported. *Unrestricted* net position would have shown a decrease of \$1.63 million. The *unrestricted* balance of \$2.76 million may be used to meet the government's on-going obligations to citizens and creditors. This change in *unrestricted* governmental net position resulted primarily because of the operating results of general fund activity and use of fund balance.

The overall financial position of the Town declined by \$4.144 million in fiscal year 2013. As noted earlier in our discussion, changes in net position over time can be one of the best and most useful indicators of financial position. This is the third consecutive year the Town of Longboat Key has seen a decrease in net position, although the Town's fiscal outlook remains positive due to the stabilization of a declining tax base, which saw only a 1.4% reduction in taxable value for fiscal year 2013 and an increase of 2.55% in fiscal year 2014.

Business-type activities. The Town's business-type activities (water and sewer and building departments) net position at September 30, 2013 increased a total of \$193,000 over 2012. Current *unrestricted* assets increased a total of \$6.57 million from the previous year. This increase was primarily a result of the expiration of bond covenants, which moved restrictions on fund balance to the unrestricted classification. 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 Town's utility rate consultant is currently performing a new comprehensive rate study and will assist in the development of a reserve policy for future repair and replacement of major infrastructure.

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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:

<b>Comparison of Current Unrestricted Assets and Liabilities (in thousands)</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>Fiscal year ending September 30, 2013</b>		
Current unrestricted assets	\$ 17,511	\$ 17,413
Current unrestricted liabilities	\$ 1,234	\$ 1,219
Ratio of current assets to current liabilities	14.19	14.28
<b>Fiscal year ending September 30, 2012</b>		
Current unrestricted assets	\$ 18,600	\$ 16,871
Current unrestricted liabilities	\$ 854	\$ 1,365
Ratio of current assets to current liabilities	21.78	12.36

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

**Summary – Statement of Activities.** The following schedule summarizes the Statement of Activities, which presents all the revenues, expenses and other sources/uses of funds by Governmental and Business-type activities. These items are responsible for any changes in net assets as discussed above.

As presented in the summary below, Governmental Activity expenses exceeded program revenues by \$18.14 million in FY 2013. Most Governmental Activities expenses are not paid for with program revenue, but are typically paid for with general revenues, mainly property taxes, therefore reporting net expenses after deducting program revenues is normal for most local governments. Approximately 6% of governmental activity expenses were paid for with program revenue compared to 16.5% in the prior year.

Capital grants decreased by \$1.829 million due to a prior year reimbursements from FEMA for Tropical Storm Fay (2008) in the amount of \$1.2 million and \$631,000 from FDEP Port Dolphin LLC. The Town held the mill rate level at 1.8872 for the general fund while property values decreased. This, in combination with a decrease in debt service tax, caused a \$200,000 decrease in property tax revenue. Public resistance to paying higher taxes will place greater reliance and emphasis on charges for services in the future. The Town also experienced an unexplained decrease in gas taxes of \$126,000 which is currently being looked into by the Florida Department of Revenue.

There was large swing in both general government expenditures and public safety expenditures. This is due to an accounting allocation change, whereby pension contributions were allocated by department in FY2013 instead of a single line item in the budget under general services in FY2012.

The decrease in franchise tax of \$85,000 is mostly attributable to lower electric utility rates, which have steadily decreased over the past several years. There is a decrease in consumer demand and more people are replacing old appliances and equipment with new energy efficient appliances. Unseasonably mild winters may also have an impact on demand, however, no specific data is available.

Total business-type activity revenues exceeded program expenses by \$1.4 million. Business-type activities expenses are typically paid for with user fees, because these services are provided on a cost reimbursement basis.

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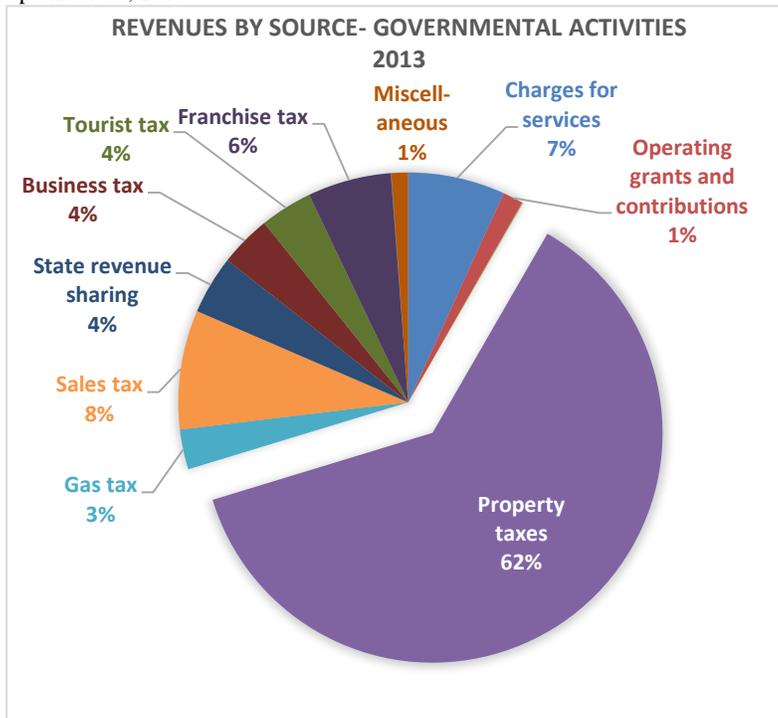
**Town of Longboat Key Statement of Activities (in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Program Revenues:</b>						
Charges for services	\$ 944	\$ 883	\$ 8,150	\$ 8,213	\$ 9,094	\$ 9,096
Operating grants and contributions	199	342	-	-	199	342
Capital grants and contributions	8	1,837	31	-	39	1,837
Total program revenue	<u>1,151</u>	<u>3,062</u>	<u>8,181</u>	<u>8,213</u>	<u>9,332</u>	<u>11,275</u>
<b>Expenses:</b>						
General government	4,794	7,298	-	-	4,794	7,298
Public safety	9,649	6,676	-	-	9,649	6,676
Transportation	838	735	-	-	838	735
Economic Environment	10	9	-	-	10	9
Culture and recreation	3,961	3,861	-	-	3,961	3,861
Interest on long-term debt	40	70	-	-	40	70
Water and sewer	-	-	6,196	5,926	6,196	5,926
Building Department	-	-	578	522	578	522
Total expenses	<u>19,292</u>	<u>18,649</u>	<u>6,774</u>	<u>6,448</u>	<u>26,066</u>	<u>25,097</u>
Net expense	<u>(18,141)</u>	<u>(15,587)</u>	<u>1,407</u>	<u>1,765</u>	<u>(16,734)</u>	<u>(13,822)</u>
<b>General Revenues:</b>						
Property taxes	8,577	8,777	-	-	8,577	8,777
Gasoline taxes	390	516	-	-	390	516
Sales taxes	1,161	1,128	-	-	1,161	1,128
Unrestricted State revenue sharing	570	613	-	-	570	613
Business Tax	502	504	-	-	502	504
Tourist tax	509	497	-	-	509	497
Franchise tax	812	897	-	-	812	897
Licenses and permits	-	-	-	-	-	-
Interest income	51	135	35	50	86	185
Miscellaneous	163	101	13	-	176	101
Total general revenue	<u>12,735</u>	<u>13,168</u>	<u>48</u>	<u>50</u>	<u>12,783</u>	<u>13,218</u>
Increase in net position before transfers	(5,406)	(2,419)	1,455	1,815	(3,951)	(604)
Net transfers	<u>1,262</u>	<u>1,265</u>	<u>(1,262)</u>	<u>(1,265)</u>	<u>-</u>	<u>-</u>
Change in net position	(4,144)	(1,154)	193	550	(3,951)	(604)
Net position - beginning	67,933	69,087	32,196	31,646	100,129	100,733
Net position - ending	<u>\$ 63,789</u>	<u>\$ 67,933</u>	<u>\$ 32,389</u>	<u>\$ 32,196</u>	<u>\$ 96,178</u>	<u>\$ 100,129</u>

**Revenues:**

The chart below reveals the Town's revenue sources by type. Approximately 62% of the revenues were derived from property taxes, 25% were generated from State and local option taxes such as business tax, tourist development tax, sales tax and gas taxes, and the remaining revenue comes from state revenue sharing and charges for services.

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➤ The Town is seeing a decline in gas taxes which averaged \$147,000 lower for 2013. Gas taxes are deposited in to the Road and Bridge fund and help maintain the Town's roads, sidewalks and drainage systems.

➤ Little or no growth has shown in State revenue sharing, sales taxes, business tax, tourist tax and franchise taxes, however a brighter outlook for economic development may provide for growth in sales and tourism taxes.

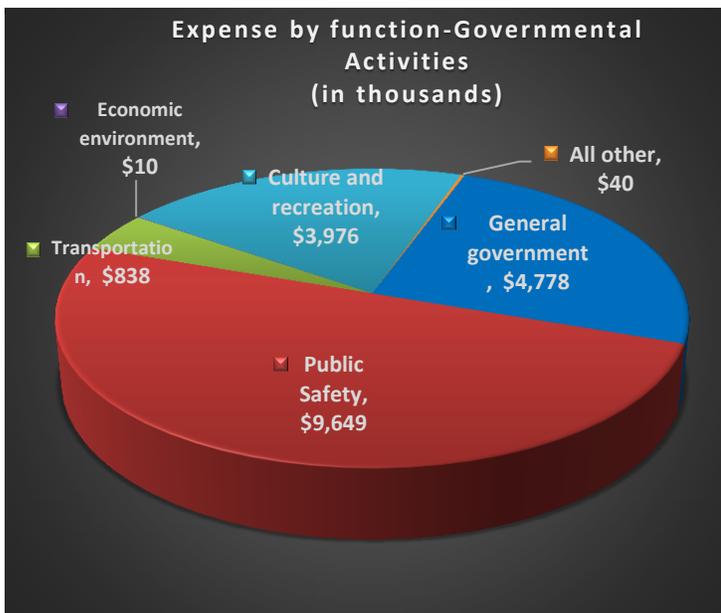
➤ Charges for services increased by \$61,000 due to charges for maintenance on the Gulf of Mexico Drive right of way and traffic signals.

➤ Investment earnings continued to decrease due to lower interest earnings rates in the market. Investment earnings decreased \$84,000.

**Expenses:**

The display shown below left shows that within governmental activities public safety makes up 50% of the expenses followed by General Government 25%, Culture and Recreation 21% and Transportation 4%. It is important to remember that these expenses include items you do not normally

see on a budgetary basis, such as depreciation of capital assets, the disposal of capital assets, the change in compensated absence accruals for vacation and sick pay and net pension and OPEB (other post employment benefit) costs. The chart at the right shows a further breakdown of general government expenses.



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The Town provides services to the Community unlike private businesses that sell products; therefore the town budget is primarily made of up personnel services and benefits (74.5% of total spending). The following provides an additional perspective on pension expense:

- The Town's combined required pension contribution in FY2013 for all three plans was \$3.35 million (approximately 57.3% of payroll)
- The contribution has more than doubled in five years when the Town contribution was \$1.43 million (20.8% of pay) in 2008.
- The \$23.2 million unfunded pension liability is one and half times the General Fund budget.
- The unfunded liability is \$3,367 per capita (based on 6884 residents)
- Annual pension costs of \$3.7 million makes up 24% of the total General Fund budget and 43% of ad valorem taxes.

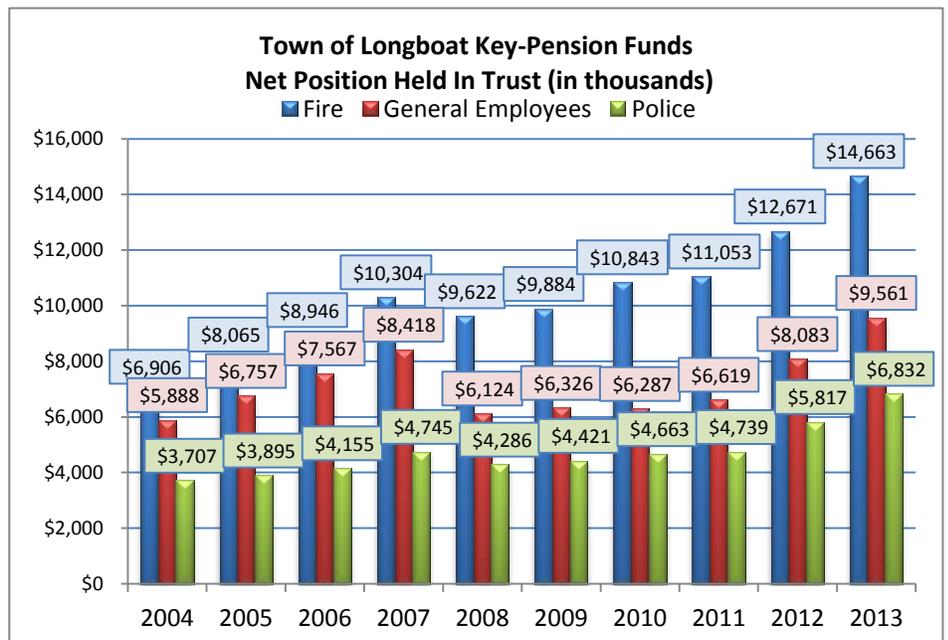
A new GASB reporting standard that will become effective in FY2015 requires the inclusion of unfunded pension liabilities to be recorded in the town's financial statements for the first time. The Town elected not to implement the standard early. The implementation will not cause contributions to increase but will have a major negative effect on the Town's financial net position. It is important to remember that pension funding and pension accounting have two different objectives. The funding objective of the pension plan is to maintain reasonably stable contribution rates and to achieve an ultimate funded status of 100% over time. The objective of pension accounting is to record the financial events that affect the total pension liability when they occur. Thus pension accounting calculates the total pension liability using the fair value of investments at a point-in-time and uses a short term amortization period for components of the total pension liability.

**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 28 and 29 of this report.

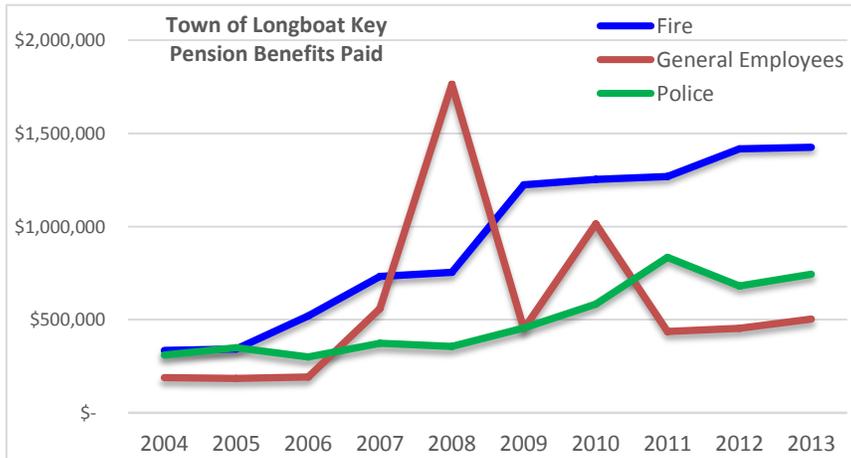
The Town of Longboat Key has three individual pension plans; police officers firefighters, and general employees. The combined pension plan net position held in trust for pension benefits at September 30, 2013 are \$31.1 million. The net position, shown in the graph, is defined as the fair market value of investments less amounts due for administrative fees and other payables.

The Town has recovered fairly well from the financial crisis of 2008 and the plans are currently 52.99% funded for firefighters, 55.54% funded for police officers and 63.43% funded for general employees, which are below the average of 70% (top 100 public plans). The Town historically funds 100% of its annual required contribution.



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The graph below represents the total benefits paid to retirees annually. The combined annual pension benefit payments have risen from \$836,000 in 2004 to \$2.7 million over 10 years (320%) increase. The General Employees' pension plan experienced large spikes in 2008 and 2010 due to the lump sum payouts for two long term employees.



During the year, The Town has successfully negotiated a plan freeze for both the firefighters plan and the general employees effective September 30, 2013. Subsequently the Police pension plan was also frozen effective February 1, 2014. In lieu of the defined benefit plan, the police officers and general employees opted for a Town sponsored defined contribution plan 401(a) and the firefighters opted to join the Florida Retirement System. As a result of the freeze the employees no longer make contributions to the Plan and the State premium revenue sharing money will cease. This among other actuarial assumption changes will require the Town's annual contributions to rise over the next several years and then decrease gradually

over the remaining life of the Plan. The Town will also consider affordable options for terminating the Plans when market conditions allow. All three pension Boards are now analyzing the proper asset allocation mix and rate of return assumptions over the remaining life of the Plan best suited for a frozen Plan.

**Governmental Funds**

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

The Town of Longboat Key's governmental funds reported combined fund balances of \$16,549,912 for 2013 and \$18,342,482 for 2012 as restated. These fund balances indicate a decrease from the previous year of \$1,471,870 of which \$159,043 is nonspendable, \$13,132,754 is restricted, \$1,945,043 is assigned and \$1,313,072 is unassigned.

Below is a summary of changes in fund balances for governmental funds:

<b>Town of Longboat Key- Governmental Funds Change in Fund Balance</b>			
	<b>2013</b>	<b>2012</b>	<b>Increase (Decrease)</b>
General Fund	\$ 3,179,056	\$ 4,421,176	\$ (1,242,120)
Road and Bridge Fund	2,117,979	2,748,026	(630,047)
Beach Nourishment Capital Project Fund	5,276,491	4,909,220	367,271
Other Governmental Funds	5,976,386	6,264,060	(287,674)
	<u>\$16,549,912</u>	<u>\$18,342,482</u>	<u>\$ (1,792,570)</u>

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**Major Governmental Funds**

The Town of Longboat Key reports three major funds: General Fund, Road and Bridge Fund and Beach Capital Project Fund. To be classified as a major fund, a fund must report at least 10% of the Town's total governmental funds' assets, liabilities, revenues or expenses, and must report at least 5% of the Town's total governmental funds' plus enterprise funds' total assets, liabilities, revenues or expenses. The 10% and 5% tests must be passed for the same element (e.g. for assets) and the tests need only be passed for one of the four elements.

General Fund. The General Fund is the chief operating fund of the Town and accounts for the majority of general governmental activities. General Fund activities directly impact property taxes, which are the fund's largest revenue source. The next several pages highlight general fund activity and budget highlights. At September 30, 2013, total fund balance in the General Fund was \$3,179,056 of which \$1,313,072 was unassigned. As a measure of the General Fund's liquidity, total expenditures excluding capital outlay, compared to both total and unassigned fund balances shows percentages of 20.7% and 8.7%, respectively, for fiscal year 2013 as compared to 31% and 21.3% for the prior fiscal year. Property values declined by 1.4% resulting in lower tax revenues to the Town of \$134,155.

Road and Bridge Fund. The Road and Bridge fund accounts for receipts from local option gas taxes, the local alternative fuel decal fee, the 2 cent, 8<sup>th</sup> cent and 9<sup>th</sup> cent gas/motor fuel taxes. Expenditures related to road improvements, maintenance and drainage are generally incurred in the general fund and transfers are made to reimburse the general fund. Total fund balance of \$2,117,979 decreased by \$630,047 due to construction of a seawall to protect the North Shore from potential exposure and vulnerability to public infrastructure as well as an adjustment to allocation of costs for three positions related to street maintenance.

Beach Nourishment Capital Project Fund. The Beach Nourishment Capital Project Fund was created to account for the expenditures of sand replacement and reconstructing beach structures along the Town's Gulf of Mexico coastline. The beach engineering continues and permits have been secured for the construction of groins at the north end of the island. The next beach nourishment project is scheduled for 2015. A spending authorization of \$16 million has been in place since 2012 where voters approved a referendum to authorize a 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.

The *Non-spendable* portion of fund balance, \$159,043, represents an amount that cannot be spent, such as inventory and prepaid expenses.

*Restricted* fund balances of \$13,132,754, are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Assigned* fund balance of \$1,945,043 Includes spendable fund balance amounts established by management of the Town that are intended to be used for specific purposes. Intent is expressed by the Town Commissioners or a body or official to which the Town Commissioners have delegated authority, which is the Town Manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances (open purchase orders) are considered assignments of fund balances. \$1,610,075 has been assigned for future pension liabilities (which is an increase of \$610,075 from the prior year) and the remaining amounts of \$334,968 are for open purchase orders outstanding at fiscal year end.

*Unassigned* fund balance is the residual classification for the general fund. The balance of \$1,313,072 represents the Town's cash balance available for any other purpose.

**General Fund Budgetary Highlights**

The detailed line item budget can be found in the RSI section of the CAFR which provides the original budget, the final budget after amendments made during the year and the actual revenues received and expenditures incurred. There were additional amendments made to the original expenditure budget in the amount of \$933,628 of which \$494,414 was appropriated from general fund surplus, \$388,394 came from other revenue sources and \$50,820 was carried over from open encumbrances in the prior year. A summary of these amendments are as follows:

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**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2013

Appropriated from General Fund surplus:

- \$158,845 - 3% wage increases for firefighters, general employees, police, and non-represented employees.
- \$ 60,000 - Addition of a part-time Assistant Town Manager who also serves as the Town Engineer.
- \$215,000 - Expenses related to accrued vacation and sick payouts for firefighter pension members who elected the Deferred Retirement Option Program (DROP).
- \$143,569 - Expenses related to accrued vacation and sick payouts for general employee pension members who elected the Deferred Retirement Option Program (DROP).
- (\$83,000) – A reduction in expenditures due to a reimbursement from the road and bridge fund for three staff members who perform beach maintenance.

Appropriated from other revenue sources:

- \$253,394 – State reimbursements under Chapter 175 and Chapter 185, which were sent to the pension trust funds.
- \$ 10,008 - Insurance proceeds for stolen/damaged equipment were used to replace the equipment.
- \$ 41,991 – Additional tennis program revenue sales were used to pay for staff to run the programs.

During the year, revenues fell short \$492,917 of budgetary estimates primarily due to these factors:

- *Property Tax Revenue* came in short \$52,638. Sarasota County provided a listing of uncollected taxes and \$13,340 was attributable to The Colony, an abandoned property located on the Gulf side of the island. Further inquiry revealed that there were some minor assessment adjustments made by the County. The Town may need to consider adjusting the collection rate of 3.1% to 3.5% in future budgets.
- *Franchise Fees* for electricity was effected by two issues. Collections average approximately \$68,000 per month and original budgets were overstated. In addition the Town has been incorrectly accruing revenue for the new fiscal year in the old fiscal year for several years. We are making a one-time correction in FY13 to get us back on track, therefore, only eleven months of revenue are recorded, the effects of this are not material.
- *Communication Service Tax* has the same accrual issue as above and only eleven months have been recorded, the effects of this are not material.
- *Zoning Fees* are difficult to predict for budgeting purposes as it is based on the activity going on in the Town. As an example, history shows significant swings:
  - FY10 \$80,964
  - FY11 \$20,100
  - FY12 \$64,529
  - FY13 \$6,255
- *Fire Inspection Fees* have decreased significantly due to an ordinance change. While a decrease was budgeted for FY13, we didn't know the true impact it would have and future budgets will need to be adjusted lower. Historical numbers are:
  - FY10-\$131,688
  - FY11-\$125,128
  - FY12-\$51,462
  - FY13-\$28,752
- *Fines and Forfeiture* income in total is \$25,563 less than budgeted. Some items based on history should be reduced in future budgets.
- *Investment income* was budgeted at \$125,000 which has not been seen since FY10. The decline in investment income should have been adjusted in the budget to be in line with current interest rates, the declining fund balance and the Town's conservative investment policy.
- *Sale of Fixed Assets* came in \$114,695 short. It was anticipated that the sale of the fire truck would produce \$100,000 but only \$42,850 was received in proceeds from the auction of the truck. In addition the Town budgeted \$18,000 for the auctioning of police cars, however it was later decided that the automobiles be traded in.

**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2013

- *Transfer In from Infrastructure Tax Fund* was intentionally adjusted down by \$170,437 due to a correction of an error in prior year transfers as well as an adjustment for the timing of the expenditures. A budget amendment for FY14 has been adopted to change the accounting method so that the expenditures are recorded in the infrastructure surtax fund instead of the general fund for FY14 and forward.

Expenditures were below budgetary estimates by \$299,498. The Town annually budgets a Contingency line item in the budget. This is a form of stabilization fund, similar to the Town's unassigned fund balance, or as some may call it, the rainy day fund. These funds may be used at a government's discretion to address emergencies and unanticipated costs. They provide flexibility to respond to unexpected emergencies without utilizing fund balance reserves and may help a government achieve its goals. This account also ensures that a government has an ability to cover service costs and address unpredictable revenue fluctuations, which could occur during the budget year. The Town had budgeted \$400,000 for contingency and \$50,000 for Red Tide cleanup as a precaution. Only \$180,000 of contingency was used leaving a favorable variance of \$270,000.

Transfers from contingency of \$180,000 were made during the year as follows:

- \$123,000 to Planning, Zoning & Building Department for continued work on the Town's Code changes.
- \$ 57,000 to various department line items with negative variances which did not exceed \$10,000.

**Town of Longboat Key General Fund Budgetary Basis**

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Property taxes, interest and lien fees	\$ 8,327,274	\$ 8,461,429	\$ (134,155)
Other taxes	502,206	503,673	(1,467)
Licenses, fees and permits	27,758	31,971	(4,213)
Intergovernmental	1,187,617	1,200,092	(12,475)
Charges for services	790,975	803,423	(12,448)
Franchise fees	812,026	896,715	(84,689)
Fines and miscellaneous	172,461	101,035	71,426
Grants	148,914	342,084	(193,170)
Income on investments	11,981	23,099	(11,118)
Transfers from other funds	2,742,668	1,892,605	850,063
<b>Total Revenues</b>	<u>14,723,880</u>	<u>14,256,126</u>	<u>467,754</u>
<b>Expenditures:</b>			
General government	4,630,425	7,037,067	(2,406,642)
Public safety	9,177,003	6,175,591	3,001,412
Transportation	609,835	507,735	102,100
Economic Environment	0	8,990	(8,990)
Culture and Recreation	755,428	688,400	67,028
Capital Outlay	890,185	384,349	505,836
<b>Total Expenditures</b>	<u>16,062,876</u>	<u>14,802,132</u>	<u>1,260,744</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,338,996)</u>	<u>\$ (546,006)</u>	<u>\$ (792,990)</u>

The major 2012 to 2013 variances are as follows:

- Property taxes decreased \$134,155 due to the decrease in property values while keeping the mill rate level flat at 1.8872 for the third consecutive year.

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**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2013

- The Town experienced declining revenue in all areas except for fines and miscellaneous revenue, some of which were already addressed above in the budget to actual comparison. The lack of growth in general fund revenue over the past few years reflects a long-term challenge that could require future cost reductions as costs rise, because property taxes comprise 56.6% of total revenue sources. The lack of control over most major revenue sources aside from property taxes continues to affect the Town's revenue stability.
- Intergovernmental revenue decreased due to a one-time correction for proper period reporting for the Communication Service Tax. A one-time correction was also made to franchise fees for electricity.
- Grants decreased due to a non-recurring payment related to FEMA reimbursements in 2012 and a large decrease in funds available from the WCIND.
- Transfers from other funds into the general fund increased due to (1) the Town utilized infrastructure surtax revenue for the replacement of a fire truck, related fire equipment and three police patrol cars, and (2) an analysis was performed to determine the correct reimbursement rate from the road and bridge fund to the general fund.
- The Town shifted the pension contribution costs out of general services and allocated the costs to all the individual departments for the first time in 2013. This caused a large swing between general government and public safety. The increase in the transportation department and culture and recreation is also related to the absorbing of pension costs for the first time.
- The costs for the Economic Development Council and S.C.O.P.E. were moved into general government for 2013 causing the \$8,990 decrease.
- The increase in Capital outlay of \$505,836 was due to the fire truck purchase.
- Total expenditures for FY2013 include encumbrances of \$96,875.

### **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, 2013 totaled \$75.2 million while September 30, 2012 totaled \$77.0 million.

This investment in capital assets, both purchased and donated, includes land, buildings and systems, improvements, machinery and equipment, parks, roads, and drainage structures. The Town invested an additional \$1.2 million in new capital assets and \$466,000 in Construction in Progress for Governmental activities. The Town invested an additional \$1.2 million in new capital assets and \$1.7 million in Construction in Progress for Business-type Activities.

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

*Governmental Activities*

• Fire Truck & Equipment	\$699,919
• Beach Nourishment – Engineering	\$383,927
• Boat Ramp Replacement	\$ 79,635
• License Plate Recognition System	\$ 79,487
• Mobile Radios	\$ 68,635
• Street Resurfacing Equipment	\$ 68,068
• Recreation Center improvements	\$ 40,213
• Patrol car computers	\$ 32,211

*Business-Type Activities*

• Water Meter Replacement	\$981,770
• Various Liftstation Rehabilitation	\$659,143
• Engineering for Subaqueous Pipeline	\$174,126
• Water Storage Tank Mixer	\$123,127
• Dump Truck	\$ 52,659
• Utility maps	\$ 43,079

**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2013

The Town has plans to replace a subaqueous waste-water main crossing at Gulf Bay Road to Southwest Regional Wastewater Facility (SRWF), which is part of the ongoing rehabilitation and renovation of the Town's waste-water distribution system. The Town has engaged a consultant to assist with the preliminary engineering and bidding process. It is expected that this project will span the next three to four years. Preliminary budget estimates for this project is \$16 million, however, as design progresses the estimate will be finalized.

A \$16 million bond authorization is also in place for continued beach nourishment program which includes island-wide rebuilding, restoring and nourishing of the beaches of Longboat Key from the effects of long term beach erosion. The Town is in the process of obtaining permitting for erosion control structures for the north end of the island.

Below is a summary of the change in capital assets, net of depreciation for fiscal year 2013:

<b>Capital Assets Net of Accumulated Depreciation (in thousands)</b>				
<b>Governmental Activities</b>				
	<b>2013</b>	<b>2012</b>	<b>Increase (Decrease)</b>	<b>Percent</b>
Land	\$ 23,860	\$ 23,860	\$ -	0.0%
Buildings	5,729	6,030	(301)	-5.0%
Streets and roadways	2,174	2,283	(109)	-4.8%
Improvements other than buildings	12,426	15,644	(3,218)	-20.6%
Vehicles and other equipment	2,209	1,727	482	27.9%
Construction in progress	3,099	2,484	615	24.8%
<b>Total</b>	<b>\$ 49,497</b>	<b>\$ 52,028</b>	<b>\$ (2,531)</b>	<b>-4.9%</b>
<b>Business Activities</b>				
	<b>2013</b>	<b>2012</b>	<b>Increase (Decrease)</b>	<b>Percent</b>
Land	\$ 1,794	\$ 1,794	\$ -	0.0%
Buildings	241	264	(23)	-8.7%
Improvements other than buildings	21,384	21,851	(467)	-2.1%
Vehicles and other equipment	582	386	196	50.8%
Construction in progress	1,693	685	1,008	147.2%
<b>Total</b>	<b>\$ 25,694</b>	<b>\$ 24,980</b>	<b>\$ 714</b>	<b>2.9%</b>

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

**Long Term Debt**

At September 30, 2013 the Town of Longboat Key had total bonded debt outstanding of \$13,944,927 of which \$1,605,000 is for the G.O. Facilities Bonds, \$8,142,400 is for the G.O. Note Series 2009 and \$4,197,527 is for the Water and Sewer State Revolving Fund Loans.

<b>Outstanding Debt</b>			
	<b>2013</b>	<b>2012</b>	<b>Increase (Decrease)</b>
General Obligation Bonds	\$ 9,747,400	\$ 10,314,300	\$ (566,900)
Revenue Bonds	4,197,527	4,380,815	(183,288)
<b>Total</b>	<b>\$ 13,944,927</b>	<b>\$ 14,695,115</b>	<b>\$ (750,188)</b>

**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**

September 30, 2013

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.

Other obligations include implicit rate subsidies for retiree medical costs, accrued vacation pay and sick leave and risk management. More detailed information about the Town's long-term liabilities is presented in Note 4 and Note 10 of the financial statements.

The constitution of the State of Florida sets no debt limit for municipalities. The Town maintains a "pay as you go" policy for most capital purchases. The Town of Longboat Key will issue debt only for the purposes of constructing or acquiring large nonrecurring permanent capital improvements and for making major renovations to existing capital improvements that are included within the Town's Capital Improvement program. The only exception to the above would involve entering into long-term leases as described above when it is cost justifiable to do so or to fund emergency projects that are not included within the Town's Capital Improvement program. All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event to exceed 20 years (30 years for sewer projects).

One measure of the Town's debt levels is to compare the amount of debt outstanding to the book value (asset cost less accumulated depreciation) of the Town's capital assets. According to the table below, a large percentage of capital assets owned by the Town's Utility fund is encumbered by debt.

	(In thousands)		
	<u>Governmental Activities</u>	<u>Business- type activities</u>	<u>Total Activities</u>
Net Capital assets	\$ 49,497	\$ 25,694	\$ 75,191
Less related debt payable	(1,605)	(12,340)	(13,945)
Equity in net capital assets	<u>\$ 47,892</u>	<u>\$ 13,354</u>	<u>\$ 61,246</u>
Percentage of capital assets financed	<u>3%</u>	<u>48%</u>	<u>19%</u>

Additional information on general obligations bonds can be found in Note 4 of the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

Local and State Governments throughout the country, including Longboat Key, continue to deal with the global and national issues and the economic reality of Federal budget deficits and the slowly declining unemployment rates. The economy hasn't returned to pre-recession levels, but improvement is steady but slow. Much of the credit can be attributed to a rebound in housing. From Jacksonville to Miami, home sales and prices are rising. Business activity is picking up and Tourism, which has been surging for two years, remains robust, and banks are becoming more open to lending.

Sarasota County retail and development activity is picking up. The 880,000-sq.-ft. Mall at University Town Center is under construction. In the immediate vicinity are some 500 hotel rooms, 1,750 residential units and a \$39.5-million world-class rowing facility under construction in three phases at Nathan Benderson Park.

The unemployment rate for the Sarasota-Bradenton-Northport combined area has decreased to 6.5% for 2013 as compared to 11.7% rate at its peak in 2009. The State of Florida overall rate of 6.9% for the same time period.

The Town did not add any major new programs or initiatives to the 2013-2014 budget. There will be increased focus on the core services for the Town in future budget plans in order to ease the stress of limited resources of taxpayers and current economic conditions. The Town has not appropriated any use of fund balance for the 2013-2014 budget to assist with bringing fund balance back up to minimum desired levels.

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**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2013

Factors considered in preparing The Town of Longboat Key's budget for the 2014 fiscal year included:

- The total assessed value for real and personal property had increased 2.55% percent for the fiscal 2013-14 budget. 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>
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%)
2013	4,582,642,068	(1.40%)
2014	4,699,704,223	2.55%

- 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 2014 fiscal year.

During the current fiscal year, the fund balance in the General Fund decreased by \$1,242,120. All funds carried over in the General Fund for fiscal year 2013 are available for expenditures except \$96,866 that is reserved for encumbrances, \$159,043 reserved for prepaid items and inventories and \$1,610,075 reserved for offsetting future pension costs. The Town has increased its operating millage rate to 2.0176 from 1.8872 from fiscal year 2013 to fiscal year 2014.

### **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 Susan L. Smith, Finance Director, Town of Longboat Key, at 501 Bay Isles Road, Longboat Key, Florida, 34228 or by phone at (941) 316-1999. We also recommend that you visit our website at [www.longboatkey.org](http://www.longboatkey.org) for further information.

# **Basic Financial Statements**

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013

ASSETS	Governmental Activities	Business-type Activities	Total	LIABILITIES	Governmental Activities	Business-type Activities	Total
Current assets:				Current Liabilities:			
Cash and investments	\$ 16,842,163	\$ 16,600,925	\$ 33,443,088	Accounts payable	\$ 503,587	644,041	\$ 1,147,628
Accounts receivables	84,944	585,105	670,049	Wages and benefits payable	188,085	20,541	208,626
Due from other governmental units	395,608	0	395,608	Due to other governmental entities	269,908	25,531	295,439
Accrued income on investments	24,925	10,581	35,506	Compensated absences	17,778	1,965	19,743
Inventory	83,263	161,966	245,229	Bonds, notes and loans payable	255,000	527,095	782,095
Prepaid items	75,780	48,602	124,382	Security deposits - restricted	-	341,700	341,700
Other assets	4,809	-	4,809				
Cash and investments - restricted	-	1,409,250	1,409,250	Total current liabilities	1,234,358	1,560,873	2,795,231
Total current assets	<u>17,511,492</u>	<u>18,816,429</u>	<u>36,327,921</u>	Noncurrent liabilities:			
Noncurrent assets:				Net OPEB obligation	205,654	-	205,654
Cash and investments-restricted	-	1,294,486	1,294,486	Compensated absences	495,843	42,735	538,578
Net pension obligation	66,829	-	66,829	Bonds notes and loans payable (net)	1,350,000	11,812,832	13,162,832
Land and other nondepreciable assets	26,958,685	3,487,434	30,446,119	Total noncurrent liabilities	<u>2,051,497</u>	<u>11,855,567</u>	<u>13,907,064</u>
Capital assets, net of depreciation	<u>22,537,790</u>	<u>22,206,167</u>	<u>44,743,957</u>				
				Total liabilities	<u>3,285,855</u>	<u>13,416,440</u>	<u>16,702,295</u>
Total noncurrent assets	<u>49,563,304</u>	<u>26,988,087</u>	<u>76,551,391</u>	<u>NET POSITION</u>			
				Net investment in capital assets	47,891,475	13,353,674	61,245,149
Total assets	<u>\$ 67,074,796</u>	<u>\$ 45,804,516</u>	<u>\$ 112,879,312</u>	Restricted for			
				Highway maintenance and road improvements	2,117,979		2,117,979
				Beach nourishment and projects	5,094,468		5,094,468
				Other infrastructure	3,377,831		3,377,831
				Other debt service	45,276		45,276
				Other capital projects	2,497,200		2,497,200
				Debt service	-	1,067,550	1,067,550
				Connection fees	-	1,294,486	1,294,486
				Unrestricted	2,764,712	16,672,366	19,437,078
				Total net position	<u>\$ 63,788,941</u>	<u>\$ 32,388,076</u>	<u>\$ 96,177,017</u>

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, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 4,794,174	\$ 194,057	\$ -	\$ 8,236	\$ (4,591,881)	\$ -	\$ (4,591,881)
Public safety	9,648,821	232,970	148,914	-	(9,266,937)	-	(9,266,937)
Transportation	837,858	74,253	-	-	(763,605)	-	(763,605)
Economic environment	10,262	-	-	-	(10,262)	-	(10,262)
Culture and recreation	3,960,972	442,788	50,507	-	(3,467,677)	-	(3,467,677)
Interest on long-term debt	40,145	-	-	-	(40,145)	-	(40,145)
Total governmental activities	<u>19,292,232</u>	<u>944,068</u>	<u>199,421</u>	<u>8,236</u>	<u>(18,140,507)</u>	<u>-</u>	<u>(18,140,507)</u>
<b>Business-type activities:</b>							
Water and Sewer	6,196,380	7,284,125	-	31,022	-	1,118,767	1,118,767
Building Department	<u>578,350</u>	<u>866,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,661</u>	<u>287,661</u>
Total business-type activities	<u>6,774,730</u>	<u>8,150,136</u>	<u>-</u>	<u>31,022</u>	<u>-</u>	<u>1,406,428</u>	<u>1,406,428</u>
Total	<u>\$ 26,066,962</u>	<u>\$ 9,094,204</u>	<u>\$ 199,421</u>	<u>\$ 39,258</u>	<u>(18,140,507)</u>	<u>1,406,428</u>	<u>(16,734,079)</u>
<b>General Revenues:</b>							
Property taxes					8,576,215	-	8,576,215
Gasoline taxes					389,503	-	389,503
Sales taxes					1,160,767	-	1,160,767
Unrestricted State revenue sharing					570,126	-	570,126
Business tax					502,206	-	502,206
Tourist tax					509,370	-	509,370
Franchise tax					812,026	-	812,026
Interest income					51,128	35,522	86,650
Miscellaneous					162,869	13,644	176,513
Total General Revenues					<u>12,734,210</u>	<u>49,166</u>	<u>12,783,376</u>
Net transfers					<u>1,262,605</u>	<u>(1,262,605)</u>	<u>-</u>
Total General Revenues and Transfers					<u>13,996,815</u>	<u>(1,213,439)</u>	<u>12,783,376</u>
Change in net position					(4,143,692)	192,989	(3,950,703)
Total net position - beginning, as restated					<u>67,932,633</u>	<u>32,195,087</u>	<u>100,127,720</u>
Total net position - ending					<u>\$ 63,788,941</u>	<u>\$ 32,388,076</u>	<u>\$ 96,177,017</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, 2013

	General Fund	Road and Bridge Fund	Beach Nourishment Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and investments	\$ 3,344,859	\$ 2,108,745	\$ 5,465,859	\$ 5,922,700	\$ 16,842,163
Due from counties	31,730	-	-	-	31,730
Due from State of Florida	310,990	5,449	-	47,439	363,878
Other receivables	84,944	-	-	-	84,944
Accrued income on investments	6,493	3,785	6,375	8,272	24,925
Inventory	83,263	-	-	-	83,263
Prepaid items	75,780	-	-	-	75,780
Other assets	4,586	-	-	223	4,809
Total assets	<u>\$ 3,942,645</u>	<u>\$ 2,117,979</u>	<u>\$ 5,472,234</u>	<u>\$ 5,978,634</u>	<u>\$ 17,511,492</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 239,693	\$ -	\$ 195,743	\$ 2,248	\$ 437,684
Due to State of Florida	90.00	-	-	-	90
Due to other funds	269,818	-	-	-	269,818
Wages payable	188,085	-	-	-	188,085
Deferred credit	65,903	-	-	-	65,903
Total liabilities	<u>763,589</u>	<u>-</u>	<u>195,743</u>	<u>2,248</u>	<u>961,580</u>
Fund balances:					
Nonspendable	159,043	-	-	-	159,043
Restricted	-	2,117,979	5,094,468	5,920,307	13,132,754
Assigned	1,706,941	-	182,023	56,079	1,945,043
Unassignd	1,313,072	-	-	-	1,313,072
Total fund balances	<u>3,179,056</u>	<u>2,117,979</u>	<u>5,276,491</u>	<u>5,976,386</u>	<u>16,549,912</u>
Total liabilities and fund balances	<u>\$ 3,942,645</u>	<u>\$ 2,117,979</u>	<u>\$ 5,472,234</u>	<u>\$ 5,978,634</u>	

Amounts reported for governmental activities in the Statement of Net Position  
Capital assets used in governmental activities are not financial resources and  
therefore are not reported in the funds.

49,496,475

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 position

66,829

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 position

(205,654)

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

Bonds and notes payable

(1,605,000)

Accrued compensated absences

(513,621)

Net position of governmental activities

\$ 63,788,941

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, 2013

	General Fund	Road and Bridge Fund	Beach Nourishment Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 8,327,274	\$ -	\$ -	\$ 248,941	\$ 8,576,215
Other taxes	502,206	306,805	-	1,103,153	1,912,164
Licenses and permits	27,758	-	-	-	27,758
Intergovernmental	1,187,617	82,698	-	-	1,270,315
Charges for services	790,975	74,253	-	-	865,228
Franchise fees	812,026	-	-	-	812,026
Fines and miscellaneous	172,461	-	-	517	172,978
Grants	148,914	-	8,236	40,973	198,123
Income on Investments	11,981	6,011	16,422	16,714	51,128
Total revenues	<u>11,981,212</u>	<u>469,767</u>	<u>24,658</u>	<u>1,410,298</u>	<u>13,885,935</u>
<b>Expenditures:</b>					
<b>Current</b>					
General government	4,527,762	-	-	350	4,528,112
Public safety	9,173,803	-	-	-	9,173,803
Transportation	609,835	-	-	-	609,835
Economic environment	8,987	-	-	-	8,987
Culture and recreation	755,428	-	-	-	755,428
<b>Debt Service</b>					
Principal retirement	-	-	-	245,000	245,000
Interest	-	-	-	40,145	40,145
<b>Capital outlay</b>					
Public safety	822,850	-	-	79,487	902,337
Transportation	37,335	-	-	91,307	128,642
Culture and recreation	30,000	-	395,202	123,621	548,823
Total expenditures	<u>15,966,000</u>	<u>-</u>	<u>395,202</u>	<u>579,910</u>	<u>16,941,112</u>
Excess (deficiency) of revenues over expenditures	<u>(3,984,788)</u>	<u>469,767</u>	<u>(370,544)</u>	<u>830,388</u>	<u>(3,055,177)</u>
<b>Other financing sources (uses)</b>					
Transfers in	2,742,668	-	737,814	-	3,480,482
Transfers out	-	(1,099,814)	-	(1,118,063)	(2,217,877)
Total other financing sources (uses)	<u>2,742,668</u>	<u>(1,099,814)</u>	<u>737,814</u>	<u>(1,118,063)</u>	<u>1,262,605</u>
Net change in fund balances	(1,242,120)	(630,047)	367,270	(287,675)	(1,792,572)
Fund balance, October 1, 2012, as restated	4,421,176	2,748,026	4,909,221	6,264,061	18,342,484
Fund balance, September 30, 2013	<u>\$ 3,179,056</u>	<u>\$ 2,117,979</u>	<u>\$ 5,276,491</u>	<u>\$ 5,976,386</u>	<u>\$ 16,549,912</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, 2013

Amounts reported for governmental activities in the statement of activities

Net change in fund balances - total governmental funds page 16.	\$ (1,792,572)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	1,579,804
Depreciation expense on governmental capital assets included in the governmental activities in the Statement of Activities.	(4,111,800)
The increase in the Net OPEB Obligation reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	(42,223)
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.	(2,865)
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.	(19,036)
Repayment of long-term debt is reported as expenditure in governmental funds, but a reduction of long-term liabilities in the Statement of Net Position.	<u>245,000</u>
Change in net position of governmental activities - page 14.	<u>\$ (4,143,692)</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
SEPTEMBER 30, 2013

	Water and Sewer	Building Department	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 15,648,761	\$ 952,164	\$ 16,600,925
Accounts receivable - customers	585,105	-	585,105
Accrued income on investments	9,328	1,253	10,581
Prepaid Items		10,089	10,089
Inventories	161,966	-	161,966
Deferred charge	38,513	-	38,513
<b>CURRENT ASSETS-RESTRICTED</b>			
Cash and investments	1,067,550	-	1,067,550
Customer meter deposits, security deposits	341,700	-	341,700
Total current assets	<u>17,852,923</u>	<u>963,506</u>	<u>18,816,429</u>
<b>NONCURRENT ASSETS</b>			
<b>Restricted Cash and investments</b>			
Connection fees	1,294,486	-	1,294,486
Total restricted assets	<u>1,294,486</u>	<u>-</u>	<u>1,294,486</u>
<b>Capital assets</b>			
Land	1,794,235	-	1,794,235
Buildings and improvements	2,452,121	-	2,452,121
Improvements other than buildings	32,841,586	-	32,841,586
Machinery and equipment	3,040,776	-	3,040,776
Construction work-in-progress	1,693,199	-	1,693,199
Less accumulated depreciation	(16,128,316)	-	(16,128,316)
Total capital assets	<u>25,693,601</u>	<u>-</u>	<u>25,693,601</u>
<b>Bond issuance cost</b>			
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>26,988,087</u>	<u>-</u>	<u>26,988,087</u>
Total assets	<u>\$ 44,841,010</u>	<u>\$ 963,506</u>	<u>\$ 45,804,516</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current installments of notes	\$ 338,600	\$ -	\$ 338,600
Current installments of bonds	188,495	-	188,495
Accounts payable	630,789	13,252	644,041
Wages payable	11,311	9,230	20,541
Compensated absences, current portion	1,965	-	1,965
Total unrestricted current liabilities	<u>1,171,160</u>	<u>22,482</u>	<u>1,193,642</u>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>			
Due to Manatee County	-	6,572	6,572
Due to Sarasota County	-	18,959	18,959
Customer meter deposits, security deposits	341,700	-	341,700
Total current liabilities payable from restricted assets	<u>341,700</u>	<u>25,531</u>	<u>367,231</u>
Total current liabilities	<u>1,512,860</u>	<u>48,013</u>	<u>1,560,873</u>
<b>LONG - TERM LIABILITIES</b>			
Notes Payable	7,803,800	-	7,803,800
Bonds Payable	4,009,032	-	4,009,032
Accrued compensated absences	26,648	16,087	42,735
Total long-term liabilities	<u>11,839,480</u>	<u>16,087</u>	<u>11,855,567</u>
Total liabilities	<u>13,352,340</u>	<u>64,100</u>	<u>13,416,440</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,353,674	-	13,353,674
<b>Restricted for</b>			
Debt service	1,067,550	-	1,067,550
Accumulated earnings on connection fees	1,294,486	-	1,294,486
Unrestricted	15,772,960	899,406	16,672,366
Total net position	<u>\$ 31,488,670</u>	<u>\$ 899,406</u>	<u>\$ 32,388,076</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 FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 7,258,795	\$ 858,632	\$ 8,117,427
Late charges	25,330	-	25,330
Rentals and miscellaneous	<u>-</u>	<u>7,379</u>	<u>7,379</u>
Total operating revenues	<u>7,284,125</u>	<u>866,011</u>	<u>8,150,136</u>
<b>OPERATING EXPENSES</b>			
Personnel services and benefits			
Salaries	382,648	331,817	714,465
Payroll taxes and employee benefits	<u>233,140</u>	<u>220,675</u>	<u>453,815</u>
Total personnel services and benefits	<u>615,788</u>	<u>552,492</u>	<u>1,168,280</u>
Professional services	127,828	2,001	129,829
General and administrative	5,762	8,801	14,563
Materials and supplies	66,618	6,348	72,966
Utility services	116,956	-	116,956
Insurance	81,524	-	81,524
Repairs and maintenance	297,226	8,709	305,935
Water purchased for resale	1,205,880	-	1,205,880
Wastewater treatment	1,613,190	-	1,613,190
Miscellaneous	29,768	-	29,768
Depreciation	<u>1,470,873</u>	<u>-</u>	<u>1,470,873</u>
Total operating expenses	<u>5,015,625</u>	<u>25,859</u>	<u>5,041,484</u>
Total operating and personnel expenses	<u>5,631,413</u>	<u>578,351</u>	<u>6,209,764</u>
<b>OPERATING INCOME</b>	<u>1,652,712</u>	<u>287,660</u>	<u>1,940,372</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Income on investments	32,536	2,986	35,522
Miscellaneous	13,644	-	13,644
Grants	31,022	-	31,022
Interest expense	<u>(564,967)</u>	<u>-</u>	<u>(564,967)</u>
Total non-operating revenues (expenses)	<u>(487,765)</u>	<u>2,986</u>	<u>(484,779)</u>
Income before transfers	1,164,947	290,646	1,455,593
Transfers out	<u>(997,605)</u>	<u>(265,000)</u>	<u>(1,262,605)</u>
<b>CHANGE IN NET POSITION</b>	167,342	25,646	192,988
<b>TOTAL NET POSITION, OCTOBER 1, 2012</b>	<u>31,321,328</u>	<u>873,760</u>	<u>32,195,088</u>
<b>TOTAL NET POSITION, SEPTEMBER 30, 2013</b>	<u>\$ 31,488,670</u>	<u>\$ 899,406</u>	<u>\$ 32,388,076</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, 2013

	<u>Utility</u>	<u>Building</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 7,320,351	\$ 866,011	\$ 8,186,362
Cash payments to vendors for goods and services	(3,731,297)	(13,853)	(3,745,150)
Cash payments to employees for services	(619,009)	(539,425)	(1,158,434)
Net cash provided by operating activities	<u>2,970,045</u>	<u>312,733</u>	<u>3,282,778</u>
Cash flows from noncapital financing activities:			
Transfers out	(997,605)	(265,000)	(1,262,605)
Net cash provided (used) by noncapital financing activities	<u>(997,605)</u>	<u>(265,000)</u>	<u>(1,262,605)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,184,086)	-	(2,184,086)
Principal payments on debt	(505,188)	-	(505,188)
Interest payments on debt	(564,967)	-	(564,967)
Grant proceeds	31,022	-	31,022
Miscellaneous	13,644	-	13,644
Net cash (used) by capital and related financing activities	<u>(3,209,575)</u>	<u>-</u>	<u>(3,209,575)</u>
Cash flows from investing activities:			
Proceeds from sale of investments	1,605,589	190,072	1,795,661
Purchase of investments	(2,767,247)	(193,054)	(2,960,301)
Income on investments	39,446	2,986	42,432
Net cash provided (used) by investing activities	<u>(1,122,212)</u>	<u>4</u>	<u>(1,122,208)</u>
Net increase in cash and investments	(2,359,347)	47,737	(2,311,610)
Cash and cash equivalents, October 1, 2012	12,231,944	41,911	12,273,855
Cash and cash equivalents, September 30, 2013	<u>\$ 9,872,597</u>	<u>\$ 89,648</u>	<u>\$ 9,962,245</u>
Breakout of Cash and investments on Statement of Net Position:			
Cash and investments	\$ 9,872,597	\$ 89,648	\$ 9,962,245
Investments	8,479,900	862,516	9,342,416
Total cash and investments, September 30, 2013	<u>\$ 18,352,497</u>	<u>\$ 952,164</u>	<u>\$ 19,304,661</u>
Classified as:			
Current assets	\$ 15,648,761	\$ 952,164	\$ 16,600,925
Restricted assets	2,703,736	-	2,703,736
Cash and investments, September 30, 2013	<u>\$ 18,352,497</u>	<u>\$ 952,164</u>	<u>\$ 19,304,661</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income	\$ 1,652,712	\$ 287,660	\$ 1,940,372
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,470,873	-	1,470,873
Changes in assets (increase) decrease in:			
Accounts receivable	(5,554)	-	(5,554)
Other assets	-	551	551
Prepaid Expenses	-	3,569	3,569
Deferred charges	2,567	-	2,567
Changes in liabilities increase (decrease) in:			
Accounts payable	(189,112)	12,006	(177,106)
Wages payable	3,309	985	4,294
Customer deposits	41,780	-	41,780
Due to other governments	-	5,404	5,404
Accrued compensated absences	(6,530)	2,558	(3,972)
Total adjustments	<u>1,317,333</u>	<u>25,073</u>	<u>1,342,406</u>
Net cash provided by operating activities	<u>\$ 2,970,045</u>	<u>\$ 312,733</u>	<u>\$ 3,282,778</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2013

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,319,454	\$ 132,850
Receivables		
Due from other funds	269,818	-
Employer contributions	2,246	-
Employee contributions	4,019	-
Interest Receivable	94,834	-
Total receivables	<u>370,917</u>	<u>-</u>
Investments, at fair value		
US Bonds and Bills	4,291,541	-
Federal Agency Gauranteed Securities	1,458,137	-
Corporate bonds	3,783,804	-
Corporate stocks	13,594,002	-
Matual Funds	4,539,416	-
Total investments	<u>27,666,900</u>	<u>-</u>
Other assets	-	69,163
Total assets	<u>\$ 31,357,271</u>	<u>\$ 202,013</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 269,818	\$ -
Prepaid Town Contribution	30,409	-
Amounts held as agent for others	-	202,013
Total liabilities	<u>300,227</u>	<u>\$ 202,013</u>
<b>NET POSITION</b>		
Held in trust for pension benefits - active and retired members' benefits	<u>31,057,044</u>	
Total Liabilities and net position	<u>\$ 31,357,271</u>	

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

TOWN OF LONGBOAT KEY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Pension Trust Funds
<b>ADDITIONS</b>	
Contributions	
Town	\$ 3,353,715
Employees	513,144
State Insurance Fund	347,116
Total Contributions	4,213,975
Investment Income	
Income on investments	3,258,084
Total Income on Investments	3,258,084
Investment expense	(311,195)
Net investment income	2,946,889
Total Additions	7,160,864
<b>DEDUCTIONS</b>	
Pension benefits	2,531,906
Termination payments	116,698
Lump Sum DROP balances	26,986
Total Deductions	2,675,590
Change in net position	4,485,274
Net position, held in trust for pension benefits:	
Beginning of year	26,571,770
End of year	\$ 31,057,044

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, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Town of Longboat Key, Florida (the Town) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

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 Town operates under a Commission-Manager form of government under which a seven member Commission is elected to serve as the executive and legislative body for the Town. The Commissioners appoint a Town Manager whose duties include the administration of directives and policies of the Commissioners and who has the responsibility for the operation of all Town provided services as authorized by its charter.

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). 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 financial transactions of these component units are merged in with similar transactions of the Town as part of the primary government.

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 a 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 Position and a Statement of Activities. These statements report all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses on all non-fiduciary activities of the Town, providing a consolidated financial picture of the government as a whole. For the most part, the effect of interfund activity has been removed from these statements.

Each statement distinguishes between activities that are supported primarily by taxes and intergovernmental revenues (*governmental activities*) and activities that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, transportation, economic environment and culture and recreation. The business-type activities of the Town include the water and sewer system, solid waste, storm water and building permits.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Government-Wide and Fund Financial Statements – Continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. The effect of administrative and support services' indirect expense allocations has been eliminated in the government-wide financial statements. Depreciation expense for capital assets that serve all functions is reported as a direct expense of general government function on the government-wide statement of activities. All interest on long term debt is considered indirect and is reported separately in the government-wide statement of activities.

*Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, and other items not properly included among program revenues are reported instead as *general revenues*. For identifying the function to which program revenue pertains, the determining factor for *charges for services* is the function that generates the revenue. For *grants and contributions*, the determining factor is the function to which the revenues are restricted.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Fund structures have been designed to comply with all the requirements of bond resolutions and regulatory provisions or administrative action. The fund financial statements 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.

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

The government-wide financial statements, as well as the fund financial statements for proprietary funds and fiduciary funds, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows. Agency funds, however, have no measurement focus.

Proprietary Funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses 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*. 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.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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 Town reports the following major governmental funds:

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.

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:

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

The *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 Code Enforcement Fund, which holds funds prior to legal disbursement and the Solid Waste Fund, Police Donations Fund, and the Fire Donations Fund, which hold money in a custodial capacity. In addition, the Solid Waste Fund collects receipts 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. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

*Proprietary funds* distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned and then unassigned.

D. Cash and Investments

All funds participate in a pooled cash investment program, excluding certain investments held in a fiduciary capacity or those investments belonging to a specific fund due to legal or other restrictions. 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.

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.

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.

Investments in debt securities and money markets are recorded at fair value using quoted market prices. If quoted market prices are unavailable, fair values are based on quoted market prices of comparable instruments or values obtained from independent pricing services. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses are netted for financial statement presentation purposes. Realized gains and losses on investments held in more than one fiscal year are included as a change in the fair value of investments reported in the prior year(s) and the current fiscal year.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments - Continued

The following summarizes the Town's cash and investments, excluding Pension Trust Funds, at September 30, 2013 which are recorded at fair value and disclosed using the segmented time distribution method as follows:

Cash and Equivalents	Fair Value Method	Principal	Fair Value
Petty Cash	Cost	\$ 2,200	\$ 2,200
Public Depository accounts			
Checking	Cost	2,373,965	2,373,965
Money Market	Cost	<u>11,084,499</u>	<u>11,084,499</u>
 Total cash and cash equivalents		 <u>\$ 13,460,664</u>	 <u>\$ 13,460,664</u>
 <u>Investments</u>			
U.S. Government and Agency Obligations			
0-6 Month Maturities	Quoted Market	\$ 4,842,000	\$ 4,853,343
6 Month to 1 Year Maturities	Quoted Market	5,070,000	5,091,078
1 to 3 Year Maturities	Quoted Market	<u>12,630,000</u>	<u>12,741,739</u>
 Total investments		 <u>\$ 22,542,000</u>	 <u>\$ 22,686,160</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, 2013, 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. Receivables

All trade receivables are reported net of an allowance for uncollectibles, which is generally equivalent to the receivables that are over 90 days past due.

TOWN OF LONGBOAT KEY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Inventories

Inventories are determined by physical count and valued at cost using first-in first-out (FIFO) method. Inventories, consisting of expendable supplies are recorded as expenditures as they are used (consumption method). Governmental Fund inventories are classified as nonspendable fund balance which indicates that the fund balance is not in spendable form.

G. Restricted Assets

The following items are classified as restricted assets of the statement of net position because their use is limited by applicable bond covenants or town policy: resources of the Town's enterprise fund are set aside for the repayment of scheduled annual debt service payments in the amount of \$1,067,550 and cash collected from water and sewer connection fees in the amount of \$1,294,486.

H. 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 proprietary fund financial statements and in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at cost at the time of purchase and an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value at the date received. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Amounts expended for maintenance and repairs are charged to expenditures/expenses as incurred. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

GASB No. 51 established accounting and financial reporting requirements for intangible assets. The Town complies with this statement by incorporating software, easements, patents, copyrights, water, timber and land rights as intangible assets.

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

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshld</u>
Buildings	15 - 75	\$ 10,000
Building improvements	7 - 15	\$ 10,000
Equipment	5 - 10	\$ 5,000
Autos, trucks and buses	3 - 12	\$ 5,000
System infrastructure	20 - 40	\$ 25,000
Public domain infrastructure	20 - 50	\$ 25,000
Beach nourishment	7 - 15	\$ 25,000
Intangible Assets:		
Software Internally generated	3 - 10	\$ 25,000
Software Purchased	3 - 10	\$ 25,000

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.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

I. 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.

J. 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.

K. Net Position / Fund Balance Classification

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions in enabling legislation.

At year end, governmental activities net position restricted for other purposes was composed of amounts related to purposes as noted in the Statement of Net Position.

Unrestricted Net Position – This category represents net position that does not meet the definition of “net investment in capital assets” or “restricted”.

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

- Nonspendable Fund Balance – This represents amounts that cannot be spent due to form (e.g. inventories, prepaid amounts) or legally or contractually required to be maintained intact (such as corpus of an endowment fund).
- Restricted Fund Balance – This represents amounts constrained for a specific purpose by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - This represents amounts that can only be used for specific purposes determined by a formal action (ordinance) of the town Commission, the Town's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type of action.
- Assigned Fund Balance - Assigned fund balances includes spendable fund balance amounts established by management of the Town that are intended to be used for a specific purposes that are neither considered restricted or committed. Intent is expressed by the Town Commission or a body or official to which the Town Commissioners have delegated authority, which is the Town manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances are considered assignments of fund balance.
- Unassigned Fund Balance – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Net Position / Fund Balance Classification – Continued

The desired unassigned general fund balance shall be not less than two months or 16% of general fund operating expenditures. The desired combined unrestricted available fund balances should not be less than three months or 25%. The three month minimum is based on the caveat that there is sufficient cash available for borrowing in other funds in case of a natural disaster. Minimum target levels of unassigned fund balance are reviewed annually. If fund balance falls below minimum target levels, the Town Manager will so advise the Town Commission in order for the necessary action to be taken to restore the unassigned fund balance to acceptable levels within two budget cycles.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it such as in grant agreements requiring dollar for dollar spending.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

L. 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, 2013. No accrual for the property tax levy becoming due in November of 2013 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

M. 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 and vested sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability in the amount of \$332,229 has been accrued for vacation leave and \$226,094 has been accrued for vested accumulated sick leave as described above. 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.

N. 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.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Budgets and Budgetary Data – Continued

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

1. During the Month of April Citizens Goals and Objectives workshops are held. During the month of May the Town Manager and the department and division directors review the budget documents.
2. On or before June 1<sup>st</sup> of each year the Town Manager presents the Preliminary Budget.
3. In the month of June public budget workshops are held, and in July the tentative maximum millage is set. County and State agencies are advised.
4. On or before August 1<sup>st</sup> the Recommended Budget is presented to the Town Commission.
5. At the first Regular Commission meeting in September reading of the budget and millage ordinances takes place. Upon approval of the second reading the budget is legally adopted.
6. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the appropriations) is the line item level. Transfers of appropriations between funds and use of unallocated fund balances amend the budget and require approval by the Town Commission. Transfers of appropriations up to \$10,000 between line items within a department or among programs within a department may be approved by the Town Manager. Examples of line items are Wages, Office Supplies, Communications and Capital Outlay. The Town does not currently use program budgeting.
7. All appropriations except for capital expenditures shall lapse to the extent that it has not been expended or encumbered.
8. There were supplementary budgetary appropriations of \$494,414 from fund balance and \$305,393 from additional revenue sources made during the year.

O. 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.

P. Implementation of Governmental Accounting Standards Statements

In November 2010, the GASB issued Statement 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financial accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012. The Town has implemented this statement for fiscal year 2013.

In December 2010, GASB issued Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 62 did not have any impact on the Town's financial statements.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

P. Implementation of Governmental Accounting Standards Statements – Continued

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The Town has implemented this statement for fiscal year 2013. The adoption of GASB 63 did not have any impact on the Town's financial statements other than terminology changes from net assets to net position and invested in capital assets, net of related debt to net investment in capital assets.

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.

**Actuarial Assumption/Method Changes Since Prior Valuation**

During the year, the Town adopted several Ordinances which provide for a Plan freeze as of September 30, 2013 for the firefighters and general employees' pension plans. The police officers plan was subsequently frozen effective February 1, 2014. In addition, the Town has opted out of participation in the premium tax revenue sharing program established by Chapter 175 and Chapter 185, Florida Statutes. As a result of the Plan freeze, employees cease contributing to the Plan and members become 100% vested regardless of the number of years of credited service. Early retirement provisions were eliminated except for general employees. Members with less than 10 years of credited service were allowed to elect to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the System. There is no assumption for future salary increases on all three Plans. For Police officers, the funding method was changed from Entry Age Normal level Percentage of Pay to Entry Age Normal Level Dollar.

In lieu of the defined benefit plan, all current and future firefighters shall be enrolled in the State of Florida Retirement System (FRS). General employees and police officers elected a Town sponsored defined contribution 401(a) plan.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED

**Actuarial Assumption/Method Changes Since Prior Valuation - Continued**

Employee membership data as of September 30, 2013 follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Number of participants:				
Active:				
Non-vested	0	6	0	6
Partially vested	0	6	0	6
* Fully vested	25	4	11	40
Total Active	<u>25</u>	<u>16</u>	<u>11</u>	<u>52</u>
Retirees and terminated employees with vested benefits	<u>64</u>	<u>22</u>	<u>55</u>	<u>141</u>
Total	<u><u>89</u></u>	<u><u>38</u></u>	<u><u>66</u></u>	<u><u>193</u></u>

\* Members become 100% vested in their frozen accrued benefit as of September 30, 2013 for firefighters and general employees and February 1, 2014 for police officers.

**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 – None

Firefighters – None

Normal Retirement Benefit

General employees – 2.75% of Average Final Compensation times years of credited service accrued as of September 30, 2013

Police officers – 3.5% of Average Final Compensation times years of credited service accrued as of February 1, 2014

Firefighters – 3.5% of Average Final Compensation times years of credited service accrued as of September 30, 2013

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.

TOWN OF LONGBOAT KEY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2013

NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED

**Benefit Provisions - Continued**

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%

\* Members became 100% vested in their frozen accrued benefit as of September 30, 2013 for firefighters and general employees and February 1, 2014 for police officers.

**Contributions and Reserves**

Contributions – Employees

General employees – None (previously 6% of compensation)  
 Police officers – 10% of compensation until February 1, 2014  
 Firefighters – None (previously 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 was 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. As a result of the Plan freeze, contributions from the State shall cease in 2014.

The Town has received on-behalf payments totaling \$347,116 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 receives these funds into the general fund and recognizes these on-behalf payments as revenues and as expenditures when the funds are put into the Pension Trust Funds.

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, 2013

NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED

**Contributions and Reserves - 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, 2013:

	<u>General</u> 10/1/2013	<u>Police</u> 10/1/2013	<u>Firefighters</u> 10/1/2013
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	24 years as of 10/01/13	24 years as of 10/01/13	24 years as of 10/01/13
Actuarial asset valuation method	4 Year Smooth	4 Year Smooth	4 Year Smooth
Actuarial assumptions:			
Investment rate of return	7.00%	7.50%	8%
Projected salary increases	None	None	None

THREE-YEAR TREND INFORMATION

Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation <sup>(2)</sup>	Annual Required Contribution (ARC)	Interest on the NPO <sup>(1)</sup>
General					
10/1/11	\$ 743,912	99.90%	\$ (11,358)	\$ 743,196	\$ 898
10/1/12	\$ 832,147	99.94%	\$ (10,835)	\$ 831,624	\$ 909
10/1/13	\$ 986,811	99.94%	\$ (10,264)	\$ 986,240	\$ 867
Police					
10/1/11	\$ 722,207	99.95%	\$ (2,130)	\$ 722,020	\$ 186
10/1/12	\$ 925,370	99.97%	\$ (2,006)	\$ 925,246	\$ 170
10/1/13	\$ 902,324	99.99%	\$ (1,889)	\$ 902,207	\$ 160
Firefighters'					
10/1/11	\$1,388,679	99.50%	\$ (59,058)	\$ 1,384,027	\$ 5,097
10/1/12	\$1,460,650	99.70%	\$ (56,853)	\$ 1,458,446	\$ 4,725
10/1/13	\$1,814,561	99.80%	\$ (54,676)	\$ 1,812,384	\$ 4,548

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

<sup>(2)</sup>The Net Pension Obligation is generally liquidated by the general fund.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

**Contributions and Reserves – Continued**

<b>General</b>	<u>9/30/2011</u>	<u>9/30/2012</u>	<u>9/30/2013</u>
Actuarially Determined Contribution (A)	\$ 743,196	\$ 831,624	\$ 986,240
Interest on NPO	(898)	(909)	(867)
Adjustment to (A)	1,614	1,432	1,438
Annual Pension Cost	743,912	832,147	986,811
Contributions Made	744,040	831,624	986,240
Increase in NPO	(128)	523	571
NPO Beginning of Year	(11,230)	(11,358)	(10,835)
NPO End of Year	<u>\$ (11,358)</u>	<u>\$ (10,835)</u>	<u>\$ (10,264)</u>

<b>Police</b>	<u>9/30/2011</u>	<u>9/30/2012</u>	<u>9/30/2013</u>
Actuarially Determined Contribution (A)	\$ 722,020	\$ 925,246	\$ 902,207
Interest on NPO	(186)	(170)	(160)
Adjustment to (A)	373	294	277
Annual Pension Cost	722,207	925,370	902,324
Contributions Made	722,018	925,246	902,207
Increase in NPO	189	124	117
NPO Beginning of Year	(2,319)	(2,130)	(2,006)
NPO End of Year	<u>\$ (2,130)</u>	<u>\$ (2,006)</u>	<u>\$ (1,889)</u>

<b>Firefighters'</b>	<u>9/30/2011</u>	<u>9/30/2012</u>	<u>9/30/2013</u>
Actuarially Determined Contribution (A)	\$ 1,384,027	\$ 1,458,446	\$ 1,812,384
Interest on NPO	(5,097)	(4,725)	(4,548)
Adjustment to (A)	9,749	6,929	6,725
Annual Pension Cost	1,388,679	1,460,650	1,814,561
Contributions Made	1,384,027	1,458,445	1,812,384
Increase in NPO	4,652	2,205	2,177
NPO Beginning of Year	(63,710)	(59,058)	(56,853)
NPO End of Year	<u>\$ (59,058)</u>	<u>\$ (56,853)</u>	<u>\$ (54,676)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

**Contributions and Reserves – Continued**

SCHEDULE OF FUNDING PROGRESS

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAA) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
<b>General</b>	10/1/2013	\$ 9,306,433	\$14,671,207	\$ 5,364,774	63.43%	n/a *	n/a *
<b>Police</b>	10/1/2013	6,446,047	11,606,913	5,160,866	55.54%	n/a *	n/a *
<b>Fire</b>	10/1/2013	14,260,344	26,913,699	12,653,355	52.99%	n/a *	n/a *

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	Year Ended 30-Sep	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
<b>General</b>	2013	\$ 986,240	\$ 986,240	\$ -	100.00%
<b>Police</b>	2013	902,207	824,909	77,298	100.00%
<b>Fire</b>	2013	1,812,384	1,542,566	269,818	100.00%

\* Covered payroll is no longer applicable due to plan freeze effective September 30, 2013 for Fire and general employees and effective January 31, 2014 for Police Officers.

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 \$10,264, \$1,889 and \$54,676, respectively. The Town has reported \$66,829 of the negative NPO and the interest on the NPO as Noncurrent Assets for the reporting period at the government-wide Statement of Net Position. 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, 2013

NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED

	General Employees Pension	Police Officers' Pension	Firefighters' Pension	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,691,358	\$ 452,269	\$ 1,175,827	\$ 3,319,454
Interest receivable on investments	<u>32,104</u>	<u>17,200</u>	<u>45,530</u>	<u>94,834</u>
Total cash and cash equivalents	1,723,462	469,469	1,221,357	3,414,288
<b>Receivables</b>				
Employee contributions	-	-	4,019	4,019
Town contributions	2,246	-	-	2,246
State Contributions (Supplemental)	<u>-</u>	<u>-</u>	<u>269,818</u>	<u>269,818</u>
Total receivables	<u>2,246</u>	<u>-</u>	<u>273,837</u>	<u>276,083</u>
<b>Investments, at fair value</b>				
U.S. bonds and bills	876,244	1,063,292	2,352,005	4,291,541
Federal agency guaranteed securities	456,460	-	1,001,677	1,458,137
Corporate bonds	1,963,467	724,821	1,095,516	3,783,804
Corporate stocks	-	4,601,386	8,992,616	13,594,002
Equity mutual funds	<u>4,539,416</u>	<u>-</u>	<u>-</u>	<u>4,539,416</u>
Total investments	<u>7,835,587</u>	<u>6,389,499</u>	<u>13,441,814</u>	<u>27,666,900</u>
<b>Total Assets</b>	<b><u>\$ 9,561,295</u></b>	<b><u>\$ 6,858,968</u></b>	<b><u>\$ 14,937,008</u></b>	<b><u>\$ 31,357,271</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 269,818	\$ 269,818
Prepaid Town Contribution	<u>-</u>	<u>26,619</u>	<u>3,790</u>	<u>30,409</u>
Total liabilities	<u>-</u>	<u>26,619</u>	<u>273,608</u>	<u>300,227</u>
<b>NET ASSETS</b>				
Held in trust for active and retired members benefits	<u>9,561,295</u>	<u>6,832,349</u>	<u>14,663,400</u>	<u>31,057,044</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 9,561,295</u></b>	<b><u>\$ 6,858,968</u></b>	<b><u>\$ 14,937,008</u></b>	<b><u>\$ 31,357,271</u></b>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED

NOTE 2 - DEFINED BENEFIT PLANS CONTINUED

	General Employees Pension	Police Officers' Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>				
Contributions				
Town	\$ 986,240	\$ 824,909	\$ 1,542,566	\$ 3,353,715
Employees	153,500	100,547	259,097	513,144
State Insurance Fund	-	77,298	269,818	347,116
Total contributions	<u>1,139,740</u>	<u>1,002,754</u>	<u>2,071,481</u>	<u>4,213,975</u>
Investment income				
Net appreciation				
in fair value of investments	61,719	448,650	130,886	641,255
Income on investments	<u>834,518</u>	<u>391,922</u>	<u>1,390,389</u>	<u>2,616,829</u>
	896,237	840,572	1,521,275	3,258,084
Investment expense	<u>(53,973)</u>	<u>(83,635)</u>	<u>(173,587)</u>	<u>(311,195)</u>
Net investment income	<u>842,264</u>	<u>756,937</u>	<u>1,347,688</u>	<u>2,946,889</u>
Total Additions	<u>1,982,004</u>	<u>1,759,691</u>	<u>3,419,169</u>	<u>7,160,864</u>
<b>DEDUCTIONS</b>				
Pension benefits	477,081	681,203	1,373,622	2,531,906
Termination payments		63,566	53,132	116,698
Lump Sum DROP balances	<u>26,986</u>	-	-	26,986
Total Deductions	<u>504,067</u>	<u>744,769</u>	<u>1,426,754</u>	<u>2,675,590</u>
Net change in plan net position	1,477,937	1,014,922	1,992,415	4,485,274
Plan net position, held in trust for pension benefits:				
Beginning of year	<u>8,083,358</u>	<u>5,817,427</u>	<u>12,670,985</u>	<u>26,571,770</u>
End of year	<u>\$ 9,561,295</u>	<u>\$ 6,832,349</u>	<u>\$ 14,663,400</u>	<u>\$ 31,057,044</u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 3 – CAPITAL ASSETS

	<u>October 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>September 30</u>
Governmental Activities:					
Capital assets not depreciated:					
Land and other					
non-depreciable assets	\$ 23,859,846	\$ -	\$ -	\$ -	\$ 23,859,846
Construction in progress	<u>2,483,474</u>	<u>466,585</u>	<u>119,762</u>	<u>268,542</u>	<u>3,098,839</u>
Total assets not depreciated	<u>26,343,320</u>	<u>466,585</u>	<u>119,762</u>	<u>268,542</u>	<u>26,958,685</u>
Capital assets depreciated:					
Buildings	9,660,488	33,699	-	-	9,694,187
Streets and roadways	6,559,881	91,308	-	-	6,651,189
Improvements other than buildings	47,654,545	194,011	-	(268,542)	47,580,014
Vehicles and other equipment	<u>5,766,884</u>	<u>913,961</u>	<u>664,311</u>	<u>-</u>	<u>6,016,534</u>
Total assets depreciated	<u>69,641,798</u>	<u>1,232,979</u>	<u>664,311</u>	<u>(268,542)</u>	<u>69,941,924</u>
Less accumulated depreciation:					
Buildings	3,629,995	334,752	-	-	3,964,747
Streets and roadways	4,276,227	201,248	-	-	4,477,475
Improvements other than buildings	32,010,367	3,144,003	-	-	35,154,370
Vehicles and other equipment	<u>4,040,056</u>	<u>431,797</u>	<u>664,311</u>	<u>-</u>	<u>3,807,542</u>
Total accumulated depreciation	<u>43,956,645</u>	<u>4,111,800</u>	<u>664,311</u>	<u>-</u>	<u>47,404,134</u>
Total depreciable capital assets, net	<u>25,685,153</u>	<u>(2,878,821)</u>	<u>-</u>	<u>-</u>	<u>22,537,790</u>
Total governmental activities capital assets, net	<u>\$ 52,028,473</u>	<u>\$ (2,412,236)</u>	<u>\$ 119,762</u>	<u>\$ -</u>	<u>\$ 49,496,475</u>
Business-type Activities:					
	<u>October 1</u>	<u>Additions</u>	<u>Deductions</u>		<u>September 30</u>
Capital assets not depreciated:					
Land and other					
non-depreciable assets	\$ 1,794,235	\$ -	\$ -	\$ -	\$ 1,794,235
Construction in progress	<u>684,605</u>	<u>1,686,666</u>	<u>678,072</u>	<u>\$ -</u>	<u>\$ 1,693,199</u>
Total assets not depreciated	<u>2,478,840</u>	<u>1,686,666</u>	<u>678,072</u>	<u>\$ -</u>	<u>3,487,434</u>
Capital assets depreciated:					
Buildings	2,452,121	-	-	-	2,452,121
Improvements other than buildings	31,947,118	894,468	-	-	32,841,586
Vehicles and other equipment	<u>2,759,752</u>	<u>281,024</u>	<u>-</u>	<u>-</u>	<u>3,040,776</u>
Total assets depreciated	<u>37,158,991</u>	<u>1,175,492</u>	<u>-</u>	<u>-</u>	<u>38,334,483</u>
Less accumulated depreciation:					
Buildings	2,188,007	23,083	-	-	2,211,090
Improvements other than buildings	10,095,209	1,362,659	-	-	11,457,868
Vehicles and other equipment	<u>2,374,227</u>	<u>85,131</u>	<u>-</u>	<u>-</u>	<u>2,459,358</u>
Total accumulated depreciation	<u>14,657,443</u>	<u>1,470,873</u>	<u>-</u>	<u>-</u>	<u>16,128,316</u>
Total depreciable capital assets, net	<u>22,501,548</u>	<u>(295,381)</u>	<u>-</u>	<u>-</u>	<u>22,206,167</u>
Total business-type activities capital assets, net	<u>\$ 24,980,388</u>	<u>\$ 1,391,285</u>	<u>\$ 678,072</u>	<u>\$ -</u>	<u>\$ 25,693,601</u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 3 – CAPITAL ASSETS – CONTINUED

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

Governmental activities	
General government	\$ 219,094
Public Safety	462,653
Cultural and recreation	3,205,207
Transportation	<u>224,846</u>
	<u>\$ 4,111,800</u>
Business-type Activities:	
Water and sewer	<u>\$ 1,470,873</u>

NOTE 4 – LONG TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2013:

	October 1	Additions	Deductions	September 30	Due within one year
Business -type activities:					
General obligation note	\$ 8,464,300	\$ -	\$ 321,900	\$ 8,142,400	\$ 338,600
Revenue bonds	4,380,815	-	183,288	4,197,527	188,495
Compensated absences	<u>48,672</u>	<u>57,423</u>	<u>61,394</u>	<u>44,702</u>	<u>1,965</u>
Total	<u>12,893,787</u>	<u>57,423</u>	<u>566,582</u>	<u>12,384,629</u>	<u>529,060</u>
Governmental activities:					
General obligation bonds	1,850,000	-	245,000	1,605,000	255,000
Net OPEB obligation	163,431	42,223	-	205,654	-
Compensated absences	<u>494,585</u>	<u>635,076</u>	<u>616,040</u>	<u>513,621</u>	<u>17,778</u>
Total	<u>2,508,016</u>	<u>677,299</u>	<u>861,040</u>	<u>2,324,275</u>	<u>272,778</u>
Total long-term debt	<u>\$ 15,401,803</u>	<u>\$ 734,722</u>	<u>\$ 1,427,622</u>	<u>\$ 14,708,904</u>	<u>\$ 801,838</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 4 – LONG TERM DEBT – CONTINUED

Long-Term Debt payable as of September 30, 2013 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 \$245,000 to \$280,000, plus interest at a rate of 2.17% on various series maturities: collateralized by ad valorem tax levies. \$ 1,605,000

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. 8,142,400

Total general obligations bonds \$ 9,747,400

Revenue Bonds

Water and Sewer State Revolving Fund Loans, due in annual installments \$305,545, including interest at the rate of 2.82%, on various maturities; collateralized by revenues of water and sewer fund. Principal due within one year \$188,495. This debt is serviced by the Water and Sewer Enterprise Fund. \$ 4,197,527

Total revenue bonds \$ 4,197,527

The annual debt service payments required on outstanding debt at September 30, 2013 are as follows:

Fiscal Year	State Revolving Fund Loans			G.O. Facilities Bonds		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
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	1,011,565	57,850	1,069,415	-	-	-
	<u>\$ 4,197,527</u>	<u>\$ 1,149,517</u>	<u>\$ 5,347,047</u>	<u>\$ 1,605,000</u>	<u>\$ 123,797</u>	<u>\$ 1,728,797</u>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 4 – LONG TERM DEBT – CONTINUED

The annual debt service payments required on outstanding debt at September 30, 2013 are as follows:

Year	G.O. Note, Series 2009			Total		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
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	2,424,565	132,256	2,556,821
	<u>\$ 8,142,400</u>	<u>\$ 3,838,458</u>	<u>\$ 11,980,858</u>	<u>\$ 13,944,930</u>	<u>\$ 5,111,772</u>	<u>\$ 19,056,702</u>

Authorized but Unissued Debt

The total of authorized but unissued binds at September 30, 2013 is \$29,130,426.

Project	Bonding Authorization	Previously Bonded	Authorized But Unissued
Water and Waste Water Improvements	\$ 27,000,000	\$ 13,869,574	\$ 13,130,426
Beach Nourishment	1,600,000	-	1,600,000

Pursuant to a resolution adopted by referendum on March 17, 2009, the Town authorized the issuance of tax-exempt debt not to exceed \$27,000,000 to reimburse various costs and expenditures relating to the acquisition, rehabilitation, replacement and equipping of various capital improvements to the Town's water and wastewater utility system.

Pursuant to a resolution adopted by referendum on March 15, 2011, the Town authorized the borrowing authorization of \$1,600,000 to finance the estimated cost of the Town's island-wide rebuilding, restoring and nourishing of the beaches of Longboat Key from the effects of long-term beach erosion, including construction and installation of erosion control structures and obtaining and depositing of sand for the Districts' northerly Gulf of Mexico beaches.

NOTE 5 – RESTRICTIONS ON NET POSITION/FUND BALANCES

The net position of the Water and Sewer Fund are restricted in the amount of \$1,067,550 in accordance with the terms of the bond ordinances and Town policy, which require establishment of reserve accounts equal to the debt service of the next fiscal year. In the Water and Sewer Fund net position has been further restricted, in the amount of \$1,294,486 representing the balance of water and sewer connection fees and related investment earnings collected 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 position, as appropriate for the fund types involved.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 5 – RESTRICTIONS ON NET POSITION/FUND BALANCES – CONTINUED

The fund balances are classified as follows:

**General Fund**

Nonspendable:		
Inventory		\$ 83,263
Prepaid items		75,780
Assigned:		
Offset future pension costs		1,610,075
Encumbrances		96,866
Unassigned		1,313,072
Total General Fund fund balance		<u>\$ 3,179,056</u>

**Road and Bridge**

Restricted for highway maintenance and road improvements		<u>\$ 2,117,979</u>
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**Beach Nourishment Capital Project Fund**

Restricted:		
Beach nourishment and projects		\$ 5,094,468
Assigned:		
Future beach improvements		182,023
Total Beach Nourishment Capital Project Fund fund balance		<u>\$ 5,276,491</u>

**Nonmajor Governmental Funds**

Restricted:		
Infrastructure Surtax		\$ 1,091,978
Tourist Development Tax		1,896,257
Beach District A		103,168
Beach District B		1,623
Tree Replacement		42,981
Police Training		63,058
Law Enforcement		178,766
General Obligation Sewer Bonds		9,305
General Obligation Facility Bonds		35,971
Streets Capital Projects		348,165
Land Acquisition Fees		1,576,424
Facilities Capital Projects		3,702
Canal Dredging		408,440
Parks and Recreation		160,469
Assigned:		
Streets Capital Projects		56,079
Total Nonmajor Governmental Funds		<u>\$ 5,976,386</u>
<b>Total governmental funds fund balance</b>		<u>\$ 16,549,912</u>

TOWN OF LONGBOAT KEY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2013

NOTE 6 – INTERFUND TRANSFERS

	Transfer-In Funds		
	General Fund	Beach Capital Projects	Total Transfers
Transfer-Out Funds:			
(1) Water and Sewer Fund	\$ 997,605	\$ -	\$ 997,605
(2) Building Department Fund	265,000	-	265,000
(3)(4) Road & Bridge Fund	762,000	337,814	1,099,814
(5)(6) Non Major Governmental Funds	718,063	400,000	1,118,063
Total Transfers	\$ 2,742,668	\$ 737,814	\$ 3,480,482

- (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) Reimbursement for seawall construction from Road and Bridge Fund
- (5) Reimbursement for Fire/Police Equipment
- (6) Tourist Development

NOTE 7 – COMPLIANCE

The Town Commission passed an Ordinance and 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 \$439,582 for the following funds:

General Government:	
Street Paving	<u>\$ 56,079</u>
Business-type Activities:	
Water and Sewer Fund	<u>\$ 383,503</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.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 9 – RISK MANAGEMENT – CONTINUED

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.

Employees who retire under a Town-sponsored pension plan are entitled to participate in the group medical insurance plan, provided, if the Town has a Medicare Supplemental Plan, the employee will be entitled to participate only in the Medicare Supplemental Plan.

Membership in the plan consisted of the following at September 30, 2013:

Retirees and beneficiaries receiving benefits	28
Terminated plan members entitled to but not yet receiving benefits	19
Active plan members	<u>109</u>
Total	156

Active plan member include 19 members participating in the Deferred Retirement Option Program (DROP).

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.

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

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

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

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

For the Actuarial Valuation, the Entry Age Normal (level % of pay) actuarial cost method was used. The Town utilizes a closed amortization over 30 Years. Select Actuarial Assumptions are listed in the table below:

<b>Funding Interest Rate:</b>	4.5%
<b>Health Care Inflation:</b>	Pre-Medicare: 7% (grading down to 5% in 2015) Post-Medicare: 7% (grading down to 5% in 2015)
<b>Payroll Growth/Inflation Assumption</b>	2.0%
<b>Amortization of UAAL</b>	Level Percentage of Payroll (Closed Amortization over 30 Years)

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

**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.

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

**Employee Contribution Information – Continued**

Valuation Date	10/1/2010	10/1/2010
Applicable for Fiscal Year Ending	<u>9/30/2012</u>	<u>9/30/2013</u>
Annual Required Contributions	\$ 118,087	\$ 120,780
Interest on Net OPEB Obligation	5,269	7,355
Adjustment to Annual Required Contribution	<u>(3,902)</u>	<u>(7,904)</u>
Annual OPEB Cost/(Expense)	119,454	120,231
Estimated Net Contributions Made	<u>(73,110)</u>	<u>(78,008)</u>
Anticipated Increase/(Decrease) in Net OPEB Obligation	46,343	42,223
Net OPEB Obligation - Beginning of Year	<u>117,088</u>	<u>163,431</u>
Estimated Net OPEB Obligation - End of Year	<u>\$ 163,431</u>	<u>\$ 205,654</u>
Funded Status as of :	10/1/2010	
Actuarial Accrued Liability (AAL)	\$ 1,221,935	
Actuarial Value of Assets (AVA)	-	
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,221,935</u>	
Funded Ratio	<u>0.0%</u>	
Covered Payroll	<u>\$ 6,403,848</u>	
Ratio of UAAL to Covered Payroll	<u>19.1%</u>	

**Three Year Trend Information**

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2013	\$ 120,231	64.9%	\$ 205,654
9/30/2012	\$ 119,454	73.1%	\$ 163,431
9/30/2011	\$ 115,697	63.2%	\$ 117,089

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	( c )	((b-a)/c)
10/1/2010	-	\$ 1,221,935	\$ 1,221,935	0.0%	\$ 6,403,848	19.1%
10/1/2008	-	\$ 6,147	\$ 614,727	0.0%	\$ 7,418,613	8.1%

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.

NOTE 12 – RESTATEMENT

The Town has restated previously issued governmental activities net position – beginning of the year and nonmajor special revenue funds fund balances – beginning of the year due to a correction of an error. Previously issued financial statements reported the balances and activity of the Police Training Fund and Law Enforcement Trust Fund as agency funds. The funds have been moved to special revenue funds to be reported in accordance with generally accepted accounting principles.

The Town has also restated previously issued general funds fund balance – beginning of the year and nonmajor special revenue funds fund balance – beginning of the year due to a change in reporting entity. The result of the change was to report a new Tree Replacement Fund, which had previously been reported as a part of the general fund. This change is not a correction of an error; it is the intent of the Town to separately report these balances and activity as a separate fund.

The impact of all changes is presented below:

	2012, as previously reported	Restatement	2012, as restated
<b>General fund:</b>			
Fund Balance - beginning of year	\$ 4,464,157	\$ (42,981)	\$ 4,421,176
<b>Combined Nonmajor:</b>			
Special Revenue Funds	3,151,129	363,681	3,514,810
<b>Total change in fund balance</b>	<b>7,615,286</b>	<b>320,700</b>	<b>7,935,986</b>
<b>Net Position, beginning</b>	<b>\$ 67,611,933</b>	<b>\$ 320,700</b>	<b>\$ 67,932,633</b>

TOWN OF LONGBOAT KEY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 13 – SUBSEQUENT EVENTS

The Town Commission approved the purchase of 2.81 acres, the Enclave Parcel, B-1 South located at 594 Bay Isles Road for \$1,508,000 to be paid from the Land Acquisition Fund at their March 3, 2014 regular, meeting. If the Town decides to develop a cultural community center and/or a park, this land will be utilized for such purpose. If the land is resold proceeds will be returned to the Land Acquisition Fund.

**Required  
Supplementary  
Information**

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Property taxes				
Ad Valorem Taxes / Sarasota County	\$ 6,045,591	\$ 6,045,591	\$ 6,000,416	\$ (45,175)
Ad Valorem Taxes / Manatee County	2,334,321	2,334,321	2,326,858	(7,463)
	8,379,912	8,379,912	8,327,274	(52,638)
Other Taxes				
Casualty Ins Premium Tax/ Fire Pension	-	175,096	269,819	(94,723)
Casualty Ins Premium Tax/ Police Pension	-	78,298	77,298	1,000
Local Business Tax	160,000	160,000	155,089	4,911
	160,000	413,394	502,206	(88,812)
Licenses and Permits				
Mobile Home Licenses	500	500	852	352
Fire Prevention Inspection Fees	-	-	4,950	4,950
Alcoholic Beverage Licenses	13,000	13,000	9,649	(3,351)
Boat Regis / Sarasota Cnty	4,000	4,000	3,832	(168)
Permits / Sign	6,000	6,000	6,575	575
Permits / Misc	1,500	1,500	1,900	400
	25,000	25,000	27,758	2,758
Intergovernmental				
St Rev Sharing / Sales Tax	127,000	127,000	129,124	2,124
St Rev Sharing / Comm Tax	635,000	635,000	570,126	(64,874)
Local Govt 1/2 Cent Sales Tax	473,000	473,000	488,367	15,367
	1,235,000	1,235,000	1,187,617	(47,383)
Charges for services				
Firefighters Supplemental Comp	17,280	17,280	20,364	3,084
Zoning Fees / Petitions	40,000	40,000	6,255	(33,745)
Fire Inspection Fees	50,000	50,000	28,752	(21,248)
Re-Inspection Fees	500	500	-	(500)
Emergency Medical Service Fees	200,000	200,000	204,218	4,218
Rec Ctr / Registrations/Fees	16,000	16,000	13,988	(2,012)
Rec Ctr / Memberships	3,000	3,000	2,440	(560)
Tennis Ctr / Yearly-Family/Res	59,500	68,806	68,806	-
Tennis Ctr / Yearly-Single/Res	116,500	116,534	118,355	1,821
Tennis Ctr / Script Cards	26,000	26,000	26,946	946
Tennis Ctr / Lessons	140,000	151,249	151,249	-
Tennis Ctr / Tournament/Spec Events	17,000	20,031	20,031	-
Rent / 4110 Gulf of Mexico	-	-	11,200	11,200
Misc Rev / Tennis Ctr Merch Sales	100,000	118,371	118,371	-
	785,780	827,771	790,975	(36,796)
Franchise fees				
Franchise Fees / Electricity	925,000	925,000	752,764	(172,236)
Franchise Fees / Gas	44,000	44,000	38,623	(5,377)
Franchise Fees / Solid Waste	19,000	19,000	20,639	1,639
	988,000	988,000	812,026	(175,974)

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>Fines and miscellaneous</b>				
Court Fines / Sarasota County	10,000	10,000	2,792	(7,208)
Court Fines / Manatee County	5,000	5,000	1,408	(3,592)
Violations / Fire Alarm Ordinance	3,000	3,000	200	(2,800)
Violations / Handicap Fines	300	300	100	(200)
Violations / Local Ordinances Misc	20,000	20,000	9,867	(10,133)
Other Fines / Police Parking Fines	2,500	2,500	870	(1,630)
Sale Of Fixed Assets	172,000	172,000	57,305	(114,695)
Insurance Proceeds	-	10,009	10,009	-
Copies / Maps / Ordinances / Etc	2,000	2,000	803	(1,197)
Union Administration Fee	150	150	300	150
Refund Of Prior Year Expenditures	-	-	14,964	14,964
Adm Fee / Utility Fund	-	-	-	-
Adm Fee / Building Dept Fund	-	-	-	-
Tennis Ctr / Walk-On Play	20,000	20,000	19,528	(472)
Misc Rev / Workers Comp Reimburse	6,000	6,000	23,858	17,858
Misc Rev / Police Dept	200	200	277	77
Misc Rev / Other	2,000	2,000	10,403	8,403
Misc Rev / Radon Fee Collect Allow	-	-	-	-
Misc Rev / Tree Replacement (98.06)	3,000	3,000	-	(3,000)
Misc Rev / Bldg Code Adm Coll Allow	-	-	-	-
Misc Rev / Rec Ctr/Vending Machine	-	-	-	-
Misc Rev / Rec Ctr Rental	8,000	8,000	1,898	(6,102)
Misc Rev / P-Card Rebate	9,500	9,500	13,002	3,502
Misc Rev / Tennis Ctr Vend Machine	4,000	4,000	4,087	87
Misc Rev / Tennis Ctr Miscellaneous	2,000	2,000	303	(1,697)
Misc Rev / Vending Machine	700	700	487	(213)
	<u>270,350</u>	<u>280,359</u>	<u>172,461</u>	<u>(107,898)</u>
<b>Grants</b>				
Fed Grants / FEMA	-	-	9,242	9,242
Fed Grants / Dept of Justice	-	-	2,550	2,550
Fed Grants / Sarasota/Manatee EMS	-	-	1,461	1,461
Other Grants / WCIND	157,400	157,400	135,661	(21,739)
Marine Patrol / Manatee County	30,000	30,000	-	(30,000)
	<u>187,400</u>	<u>187,400</u>	<u>148,914</u>	<u>(38,486)</u>
<b>Income on investments</b>				
Interest On Investments	125,000	125,000	23,800	(101,200)
Gain (Loss) on Sale of Investments	(15,000)	(15,000)	(12,275)	2,725
Interest / Sarasota Tax Collector	6,000	6,000	456	(5,544)
Interest / Manatee Tax Collector	1,200	1,200	-	(1,200)
	<u>117,200</u>	<u>117,200</u>	<u>11,981</u>	<u>(105,219)</u>
<b>Other financing sources</b>				
Utility Fund	997,605	997,605	997,605	-
Building Fund	265,000	265,000	265,000	-
Infrastructure Surtax Fund	888,500	888,500	718,063	170,437
Road and Bridge Fund	679,000	762,000	762,000	-
Total other financing sources	<u>2,830,105</u>	<u>2,913,105</u>	<u>2,742,668</u>	<u>170,437</u>
Total Revenues	<u>14,978,747</u>	<u>15,367,141</u>	<u>14,723,880</u>	<u>(480,011)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Expenditures:				
Current				
General government				
Legislative				
<b>Town Commission</b>				
Travel / Conference / Training	11,000	9,252	5,990	3,262
Communications	6,000	6,533	6,533	-
Postage and Freight	500	718	718	-
Rental / Building	350	394	394	-
Repairs / Maintenance - other equipment	-	-	167	(167)
Printing and Forms	400	400	-	400
Duplication Costs	2,000	2,000	-	2,000
Miscellaneous	4,850	4,850	1,692	3,158
Advertising	-	-	-	-
Office Supplies	1,500	2,285	2,285	-
Small Tools and Minor Equipment	1,000	1,167	200	967
Bks/Publications/Subscrip/Memb Dues	2,550	2,550	1,992	558
<b>Total Town Commission</b>	<u>30,150</u>	<u>30,149</u>	<u>19,971</u>	<u>10,178</u>
Executive				
<b>Town Manager</b>				
Wages / Executive	180,003	233,847	233,847	-
Wages / Supplemental Compensation	-	-	-	-
Wages / Regular	74,589	77,580	77,580	-
Wages / Temporary	2,500	967	967	-
Wages / Overtime	-	-	-	-
Fica Taxes	15,129	19,363	19,363	-
Pension	-	20,368	21,669	(1,301)
Town Contrib Salary Savings / 401K	2,238	4,790	4,790	-
Town Contrib Def Comp / ICMA 401-A	43,975	44,404	44,404	-
Insurance / Medical	23,234	24,341	24,341	-
Insurance / Life	1,476	1,834	1,834	-
Workers Compensation	514	516	449	67
Prof Services / Other	-	1,100	1,100	-
Travel / Conference / Training	3,500	4,404	4,684	(280)
Car Allowance	2,000	900	462	438
Communications	5,050	5,821	5,825	(4)
Postage and Freight	250	258	304	(46)
Rental / Building	200	200	185	15
Printing and Forms	-	105	105	-
Miscellaneous	75	75	-	75
Office Supplies	200	1,117	1,117	-
Fuel and Oil	-	157	157	-
Bks/Publications/Subscrip/Memb Dues	600	2,260	2,260	-
<b>Total Town Manager</b>	<u>355,533</u>	<u>444,407</u>	<u>445,443</u>	<u>(1,036)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>Town Clerk</b>				
Wages / Executive	83,803	90,195	90,195	-
Wages / Regular	89,211	74,615	74,615	-
Wages / Temporary	5,000	16,817	16,817	-
Wages / Overtime	750	403	403	-
Fica Taxes	13,675	13,693	13,693	-
Pension	34,134	34,672	36,888	(2,216)
Town Contrib Salary Savings / 401-K	5,209	4,841	4,841	-
Town Contrib Def Comp / ICMA 401-A	13,409	14,376	14,376	-
Insurance / Medical	17,485	15,075	15,075	-
Insurance / Life	418	477	477	-
Workers Compensation	358	313	313	-
Prof Services / Other	14,200	14,200	12,384	1,816
Travel / Conference / Training	2,124	4,124	2,164	1,960
Car Allowance	2,000	2,000	462	1,538
Communications	2,000	2,412	2,416	(4)
Postage and Freight	3,000	3,000	3,029	(29)
Rental/Building	-	12	12	-
R/M Other Equipment	200	200	-	200
Printing and Forms	7,750	8,700	8,969	(269)
Advertising	55,000	27,761	25,598	2,163
Office Supplies	1,000	1,000	920	80
Misc Operating Supplies	100	62	-	62
Small Tools and Minor Equipment	-	72	72	-
Bks/Pubs/Subscrip/Memb Dues	520	730	730	-
	<u>351,346</u>	<u>329,750</u>	<u>324,449</u>	<u>5,301</u>
<b>Financial and administrative</b>				
<b>Finance Department</b>				
Wages / Executive	98,467	71,062	69,648	1,414
Wages / Regular	261,373	311,662	311,662	-
Severance	-	23,184	23,184	-
Additional Taxable Benefits	-	198	-	198
Wages/ Temporary	200	940	940	-
Fica Taxes	27,543	31,067	30,046	1,021
Pension	100,005	101,646	108,144	(6,498)
Town Contrib Salary Savings / 401-K	8,575	9,074	8,001	1,073
Town Contrib Def Comp / ICMA 401-A	15,755	11,179	11,114	65
Insurance / Medical	56,907	53,095	52,503	592
Insurance / Life	874	888	800	88
Workers Compensation	720	731	630	101
Prof Services / Other	440	5,435	5,435	-
Travel / Conference / Training	4,000	4,000	1,399	2,601
Car Allowance	2,000	2,000	462	1,538
Communications	2,400	2,853	2,862	(9)
Postage and Freight	2,400	2,400	1,859	541
Rental / Building	150	436	436	-
R/M Other Equipment	75	75	-	75
Printing and Forms	200	617	617	-
Miscellaneous	300	300	127	173
Advertising	400	1,093	1,093	-
Office Supplies	850	1,320	1,320	-
Small Tools and Minor Equipment	-	297	297	-
Bks/Publications/Subscrip/Memb Dues	1,300	1,300	797	503
<b>Total Finance Department</b>	<u>584,934</u>	<u>636,852</u>	<u>633,376</u>	<u>3,476</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>Human Resources</b>				
Wages / Regular	69,992	71,287	71,287	-
Fica Taxes	5,354	5,495	5,495	-
Town Contrib Salary Savings / 401-K	2,100	2,131	2,131	-
Town Contrib Def Comp / ICMA 401-A	11,199	11,367	11,367	-
Insurance / Medical	5,916	-	-	-
Insurance / Life	168	193	193	-
Workers Compensation	140	122	122	-
Prof Service / Other	7,500	12,714	14,425	(1,711)
Travel / Conference / Training	200	274	274	-
Car Allowance	400	-	-	-
Communications	1,750	1,912	1,916	(4)
Insurance Opt Out Allowance	-	1,000	1,000	-
Postage and Freight	200	146	151	(5)
Rental / Building	-	79	79	-
Miscellaneous	250	252	252	-
Advertising	1,000	1,040	1,040	-
Office Supplies	350	62	62	-
Bks/Publications/Subscrip/Memb Dues	400	180	180	-
<b>Total Human Resources</b>	<b>106,919</b>	<b>108,254</b>	<b>109,974</b>	<b>(1,720)</b>
<b>Public Works</b>				
Wages / Executive	106,080	111,192	111,192	-
Wages / Regular	288,600	277,681	272,307	5,374
Additional Taxable Benefits	-	465	-	465
Wages / Temporary	-	1,646	1,646	-
Wages / Overtime	-	782	782	-
Fica Taxes	30,193	29,296	30,212	(916)
Pension	110,422	92,580	97,763	(5,183)
Town Contrib Salary Savings / 401-K	10,009	10,119	9,599	520
Town Contrib Def Comp / ICMA 401-A	16,973	17,227	17,227	-
Insurance / Medical	46,316	46,316	37,650	8,666
Insurance / Life	953	973	973	-
Workers Compensation	3,995	3,494	3,494	-
Prof Services / Other	10,000	19,965	15,000	4,965
Travel / Conference / Training	5,686	4,742	5,162	(420)
Car Allowance	-	462	462	-
Communications	4,000	3,376	3,343	33
Postage and Freight	1,100	1,361	1,367	(6)
Rental / Building	400	400	317	83
Rental / Equipment	4,000	4,000	2,962	1,038
R/M Automotive Equipment	600	9,717	9,717	-
R/M Other Equipment	300	362	362	-
Printing and Forms	100	305	305	-
Duplication Costs	1,450	1,388	1,383	5
Miscellaneous	150	150	13	137
Advertising	-	206	206	-
Office Supplies	800	800	670	130
Fuel and Oil	3,150	6,336	6,336	-
Small Tools and Minor Equipment	-	899	899	-
Bks/Publications/Subscrip/Memb Dues	1,810	1,217	1,217	-
<b>Total Public Works</b>	<b>647,087</b>	<b>647,457</b>	<b>632,566</b>	<b>14,891</b>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Legal counsel				
<b>Town Attorney</b>				
Contractual Services / Legal	282,000	243,000	242,938	62
Prof Services / Other	-	-	-	-
Misc Legal Expenses	15,000	15,000	8,332	6,668
Other Attorneys	62,500	67,500	72,292	(4,792)
Town Attorney / Litigation	47,000	47,000	42,377	4,623
Bks/Pubs/Subscrip/Memb Dues	3,000	3,000	2,100	900
<b>Total Town Attorney</b>	<u>409,500</u>	<u>375,500</u>	<u>368,039</u>	<u>7,461</u>
Comprehensive planning				
<b>Planning &amp; Zoning</b>				
Wages / Executive	93,018	97,953	97,953	-
Wages / Regular	266,322	237,605	238,548	(943)
Wages / Auto Policy	1,000	209	209	-
Severance	-	22,109	22,109	-
Additional Taxable Benefits	-	155	-	155
Fica Taxes	27,489	26,543	26,543	-
Pension	63,291	64,322	68,435	(4,113)
Town Contrib Salary Savings / 401-K	3,968	6,106	6,106	-
Town Contrib Def Comp / ICMA 401-A	14,883	15,106	15,106	-
Insurance / Medical	40,531	46,794	46,110	684
Insurance / Life	670	754	754	-
Workers Compensation	2,365	2,068	2,068	-
Prof Services / Legal	-	47	47	-
Prof Services / Other	23,200	180,036	172,582	7,454
Travel / Conference / Training	2,820	3,246	3,040	206
Car Allowance	1,000	231	231	-
Communications	4,000	3,909	4,145	(236)
Postage and Freight	2,000	581	788	(207)
Rental / Building	1,000	1,054	1,054	-
Rental / Equipment	3,000	3,000	3,289	(289)
R/M Automotive Equipment	3,000	17,950	9,945	8,005
R/M Other Equipment	100	-	-	-
Printing and Forms	450	1,217	1,217	-
Duplication Costs	750	431	431	-
Licenses and Taxes	125	-	-	-
Miscellaneous	1,450	1,250	1,216	34
Advertising	12,000	12,953	12,953	-
Code Enforcement Board Actions	500	-	-	-
Office Supplies	1,000	1,000	979	21
Uniforms	250	150	89	61
Fuel and Oil	900	1,917	1,917	-
Misc Operating Supplies	500	-	3	(3)
Small Tools and Minor Equipment	500	504	504	-
Bks/Publications/Subscrip/Memb Dues	3,500	2,355	2,355	-
<b>Total Planning &amp; Zoning</b>	<u>575,582</u>	<u>751,555</u>	<u>740,726</u>	<u>10,829</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Other general government				
<b>Information Technology</b>				
Wages / Executive	107,682	113,460	113,460	-
Wages / Regular	210,766	175,993	175,396	597
Additional Taxable Benefits	-	181	-	181
Wages / Overtime	500	500	210	290
Fica Taxes	24,345	21,868	21,855	13
Pension	55,390	56,271	59,867	(3,596)
Town Contrib Salary Savings / 401-K	9,568	9,683	7,959	1,724
Town Contrib Def Comp / ICMA 401-A	17,229	18,085	18,085	-
Insurance / Medical	35,592	32,192	31,791	401
Insurance / Life	768	777	678	99
Workers Compensation	638	646	554	92
Prof Services / Other	131,000	144,908	143,954	954
Travel / Conference / Training	2,628	3,422	3,422	-
Car Allowance	2,250	2,250	597	1,653
Communications	36,000	28,464	28,472	(8)
Postage and Freight	18	16	16	-
Rental/Building	2,000	2,000	1,061	939
R/M Other Equipment	45,000	45,565	53,680	(8,115)
Printing and Forms	4,600	4,600	4,575	25
Duplication Costs	25	25	-	25
Miscellaneous	400	400	11	389
Advertising	-	363	363	-
Office Supplies	250	250	138	112
Misc Operating Supplies	1,700	700	473	227
Small Tools and Minor Equipment	32,700	39,700	25,344	14,356
Computer Software	9,500	9,500	8,935	565
Bks/Publications/Subscrip/Memb Dues	250	250	175	75
<b>Total Information Technology</b>	<u>730,799</u>	<u>712,069</u>	<u>701,071</u>	<u>10,998</u>
<b>Municipal Buildings</b>				
Electricity	29,000	25,416	24,957	459
Water	9,150	9,150	8,453	697
R/M Buildings	24,000	24,053	25,983	(1,930)
R/M Grounds	2,500	2,500	570	1,930
R/M Other Equipment	15,525	15,525	10,698	4,827
R/M Buildings - Contractual	30,000	33,530	33,530	-
Miscellaneous	700	700	258	442
Improvements To Buildings	10,000	10,000	-	10,000
<b>Total Municipal Buildings</b>	<u>120,875</u>	<u>120,874</u>	<u>104,449</u>	<u>16,425</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>General Services</b>				
Pension	-	-	(2,888)	2,888
Wellness	-	1,529	1,529	-
Unemployment	-	13,232	15,025	(1,793)
Prof Service / Fin and Adm	37,000	28,100	29,686	(1,586)
Accounting and Auditing	19,250	23,063	21,813	1,250
Rental / Equipment	8,379	2,820	2,820	-
R/M Other Equipment	-	2,677	2,677	-
Miscellaneous	2,400	6,480	44,241	(37,761)
Office Supplies	1,500	2,937	2,937	-
Bks/Publications/Subscrip/Membersh	12,500	12,500	12,500	-
Prof Services /Other	37,000	125,600	153,466	(27,866)
Communications	600	1,931	1,931	-
Television Media	20,000	16,248	13,108	3,140
Insurance / Property	125,000	103,601	103,601	-
Insurance / Other	132,000	112,064	112,064	-
Duplication Costs	1,500	4,660	4,660	-
Miscellaneous	10,000	6,401	2,921	3,480
Misc Operating Supplies / Vend Mach	1,000	1,127	1,127	-
Prof Services / Red Tide Clean Up	50,000	50,000	-	50,000
LBK Trolley Subsidy	42,000	42,000	-	42,000
Solid Waste Recycling	1,500	3,156	3,156	-
Contingencies	400,000	220,000	-	220,000
Sarasota Bay Estuary Program	15,000	15,000	15,000	-
Economic Development Council	9,500	8,500	7,987	513
Grants	-	1,000	1,000	-
<b>Total General Services</b>	<b>926,129</b>	<b>804,626</b>	<b>550,361</b>	<b>254,265</b>
Total general government	<u>4,838,854</u>	<u>4,961,493</u>	<u>4,630,425</u>	<u>331,068</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Public safety				
Law enforcement				
<b>Police Department</b>				
Wages / Executive	83,803	91,742	91,742	-
Incentive Pay / Executive	1,560	1,564	1,564	-
Wages / Regular	1,282,039	1,303,517	1,303,517	-
Incentive Pay / Regular	29,639	28,624	28,624	-
Wages / Holiday	47,914	44,508	42,834	1,674
Shift Differential	29,177	28,058	28,058	-
Additional Taxable Benefits	-	41	-	41
Wages / Overtime	25,000	35,129	35,129	-
Fica Taxes	114,684	112,382	112,253	129
Pension	919,241	1,022,717	1,026,431	(3,714)
Town Contrib Salary Savings / 401-K	3,726	7,770	7,770	-
Town Contrib Def Comp / ICMA 401-A	-	14,303	14,303	-
Insurance / Medical	246,976	239,134	236,101	3,033
Insurance / Life	3,275	3,732	3,732	-
Workers Compensation	33,734	29,501	29,501	-
Prof Services / Other	15,100	10,528	10,528	-
Travel / Conference / Training	14,988	14,331	14,331	-
Communications	23,700	23,002	23,073	(71)
Insurance Opt Out Allowance	2,000	2,808	2,808	-
Postage and Freight	1,000	725	753	(28)
Electricity	14,050	11,758	11,758	-
Water	700	1,333	1,333	-
Rental / Building	1,800	2,675	2,675	-
Rental / Equipment	6,500	7,060	7,128	(68)
R/M Buildings	20,000	14,800	14,389	411
R/M Grounds	-	639	639	-
R/M Automotive Equipment	36,000	21,964	21,975	(11)
R/M Other Equipment	17,000	19,541	20,081	(540)
Printing and Forms	500	942	942	-
Duplication Costs	500	527	527	-
Licenses and Taxes	200	12	12	-
Miscellaneous	1,850	2,071	2,071	-
Advertising	500	599	599	-
Office Supplies	3,500	2,079	2,079	-
Cleaning and Sanitation Supplies	250	88	88	-
Uniforms	17,000	17,384	17,384	-
Fuel and Oil	50,000	77,990	77,316	674
Misc Operating Supplies	4,000	2,365	2,365	-
Small Tools and Minor Equipment	9,300	7,171	7,171	-
Laundry and Clothing Allowance	13,260	13,707	13,707	-
Property and Evidence Supplies	1,700	935	935	-
Bks/Publications/Subscrip/Memb Dues	3,500	2,524	2,524	-
<b>Total Police Department</b>	<u>3,079,666</u>	<u>3,222,280</u>	<u>3,220,750</u>	<u>1,530</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Fire control/rescue service				
<b>Fire Department</b>				
Wages / Executive	92,394	97,653	97,653	-
Incentive Pay / Executive	3,501	3,510	3,510	-
Wages / Regular	2,256,663	2,545,877	2,545,877	-
Incentive Pay / Regular	46,244	51,798	51,798	-
Wages / Holiday	95,030	97,546	97,546	-
Wages / Temporary	1,500	765	765	-
Wages / Overtime	115,762	133,048	133,048	-
State Incentive	14,641	15,587	15,587	-
Fica Taxes	200,869	219,365	219,365	-
Pension	1,458,893	1,796,466	1,924,148	(127,682)
Town Contrib Salary Savings / 401-K	2,972	3,069	3,069	-
Town Contrib Def Comp / ICMA 401-A	14,783	16,229	16,229	-
Insurance / Medical	362,459	360,178	355,987	4,191
Insurance / Life	5,681	6,420	6,420	-
Workers Compensation	89,065	77,890	77,890	-
Prof Services / Other	125,200	49,600	49,942	(342)
Travel / Conference / Training	26,880	20,015	20,051	(36)
Car Allowance	300	109	109	-
Communications	20,000	13,053	17,199	(4,146)
Postage and Freight	350	787	800	(13)
Electricity	25,000	21,716	21,716	-
Water	1,900	3,244	3,244	-
Rental / Equipment	6,400	2,732	2,932	(200)
R/M Buildings	24,000	23,237	16,256	6,981
R/M Automotive Equipment	65,050	61,014	65,393	(4,379)
R/M Other Equipment	33,750	40,511	40,210	301
Printing and Forms	2,500	2,018	2,018	-
Duplication Costs	350	633	633	-
Licenses and Taxes	3,750	3,766	3,766	-
Miscellaneous	3,000	1,585	1,599	(14)
Advertising	200	-	-	-
Office Supplies	4,000	2,512	2,512	-
Chemicals	2,500	1,117	794	323
Cleaning and Sanitation Supplies	3,300	3,303	3,598	(295)
Uniforms	15,000	14,632	15,003	(371)
Fuel and Oil	24,000	36,464	35,473	991
Rescue Supplies	33,000	40,040	40,254	(214)
Misc Operating Supplies	3,000	3,266	3,266	-
Small Tools and Minor Equipment	24,150	13,935	14,175	(240)
Laundry and Clothing Allowance	9,350	13,511	13,511	-
Uniforms - Bunker Gear	5,200	5,309	5,533	(224)
Pharmaceuticals	12,000	12,469	12,469	-
Bks/Pubs/Subscrip/Memb Dues	5,000	5,000	861	4,139
<b>Total Fire Department</b>	<u>5,239,587</u>	<u>5,820,979</u>	<u>5,942,209</u>	<u>(121,230)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Emergency and disaster relief services				
<b>Ambulance Department</b>				
Communications	1,500	7,046	10,676	(3,630)
Postage and Freight	1,100	1,100	1,124	(24)
Rental / Buildings	3,000	3,000	-	3,000
R/M Other Equipment	100	100	-	100
Printing and Forms	2,000	2,000	2,027	(27)
Miscellaneous	400	400	77	323
Misc Operating Supplies	400	400	140	260
Small Tools and Minor Equipment	-	-	-	-
Bks/Publications/Subscrip/Memb Dues	-	-	-	-
<b>Total Ambulance Department</b>	<u>8,500</u>	<u>14,046</u>	<u>14,044</u>	<u>2</u>
Total Public Safety	<u>8,327,753</u>	<u>9,057,305</u>	<u>9,177,003</u>	<u>(119,698)</u>
Transportation				
<b>Street Department</b>				
Wages / Regular	250,411	258,482	258,482	-
Wages / Overtime	4,000	2,450	2,450	-
Fica Taxes	19,462	19,598	19,598	-
Pension	95,809	97,383	103,608	(6,225)
Town Contrib Salary Savings / 401-K	4,721	4,676	4,676	-
Insurance / Medical	44,585	46,949	47,500	(551)
Insurance / Life	610	697	697	-
Workers Compensation	4,492	3,928	3,928	-
Travel / Conference / Training	1,711	1,294	1,294	-
Communications	2,400	1,767	2,028	(261)
Postage and Freight	50	384	384	-
Electricity	45,000	40,790	40,790	-
Water	400	209	209	-
Rental / Equipment	500	407	407	-
R/M Grounds	5,000	4,511	4,511	-
R/M Automotive Equipment	8,000	14,835	11,071	3,764
R/M Other Equipment	8,000	12,414	12,414	-
R/M Right Of Way	33,500	42,201	42,201	-
R/M Storm	2,000	2,888	2,888	-
R/M Street Lights	5,000	6,185	6,185	-
Licenses and Taxes	50	86	86	-
Miscellaneous	50	110	110	-
Office Supplies	300	300	41	259
Chemicals	1,000	218	218	-
Cleaning and Sanitation Supplies	150	165	165	-
Uniforms	3,000	2,241	2,241	-
Fuel and Oil	18,700	16,491	16,491	-
Misc Operating Supplies	450	728	728	-
Small Tools and Minor Equipment	3,000	4,341	4,341	-
Laundry and Clothing Allowance	1,650	1,649	1,649	-
R/M Streets	4,700	9,285	9,285	-
R/M Drainage and Culverts	10,200	6,580	6,697	(117)
R/M Signs	2,000	2,462	2,462	-
Bks/Publications/Subscrip/Memb Dues	40	-	-	-
<b>Total Street Department</b>	<u>580,941</u>	<u>606,704</u>	<u>609,835</u>	<u>(3,131)</u>
Total Transportation	<u>580,941</u>	<u>606,704</u>	<u>609,835</u>	<u>(3,131)</u>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Culture and recreation				
<b>Parks Division</b>				
Wages / Regular	75,400	76,797	76,797	-
Wages / Overtime	1,500	1,522	725	797
Fica Taxes	5,883	5,971	5,807	164
Pension	28,849	29,286	31,143	(1,857)
Town Contrib Salary Savings / 401-K	2,307	2,341	2,320	21
Insurance / Medical	16,508	16,634	16,508	126
Insurance / Disability	-	-	-	-
Insurance / Life	182	210	210	-
Workers Compensation	2,292	2,326	2,004	322
Prof Services / Other	-	-	-	-
Travel / Conference / Training	500	500	-	500
Communications	1,200	1,576	1,578	(2)
Electricity	4,000	4,000	3,345	655
Water	4,000	1,943	1,791	152
Rental / Equipment	150	150	-	150
R/M Buildings	-	146	146	-
R/M Grounds	17,000	15,350	14,251	1,099
R/M Automotive Equipment	1,000	9,717	6,715	3,002
R/M Other Equipment	2,500	2,500	2,281	219
R/M Beach Accesses	5,000	6,216	6,216	-
R/M Grounds/Contractual	34,000	10,900	10,119	781
R/M Storm	1,700	1,700	715	985
R/M Channel Markers	1,000	1,000	-	1,000
R/M Canal Clearance/Trim	-	1,650	1,650	-
Printing and Forms	-	-	2,999	(2,999)
Licenses and Taxes	-	6	6	-
Miscellaneous	100	100	-	100
Chemicals	700	700	595	105
Cleaning and Sanitation Supplies	-	-	-	-
Uniforms	600	600	297	303
Fuel and Oil	3,550	4,629	4,629	-
Misc Operating Supplies	250	250	-	250
Small Tools and Minor Equipment	2,000	2,000	622	1,378
Laundry and Clothing Allowance	550	550	550	-
R/M Signs	100	100	-	100
Bks/Publications/Subscrip/Memb Dues	150	150	-	150
<b>Total Parks Division</b>	<b>212,971</b>	<b>201,520</b>	<b>194,019</b>	<b>7,501</b>
<b>Recreation Center</b>				
Communications	750	750	715	35
Postage and Freight	25	25	1	24
Electricity	4,930	3,769	3,668	101
Water	650	1,092	1,092	-
Rental Equipment	-	-	-	-
R/M Buildings	10,000	4,400	4,035	365
R/M Grounds	4,500	4,500	2,410	2,090
R/M Other Equipment	400	1,119	1,119	-
R/M Grounds/Contractual	8,000	3,555	2,535	1,020
Duplication Cost	-	-	-	-
Miscellaneous	25	25	-	25
Office Supplies	275	275	78	197
Cleaning and Sanitation Supplies	250	250	-	250
Misc Operating Supplies	1,000	1,000	304	696
Small Tools and Minor Equipment	2,000	2,000	1,939	61
Bks/Publications/Subscrip/Memb Dues	200	200	160	40
<b>Total Recreation Center</b>	<b>33,005</b>	<b>22,960</b>	<b>18,056</b>	<b>4,904</b>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>Tennis Center</b>				
Wages / Regular	155,582	180,359	180,359	-
Wages / Holiday	3,669	3,780	3,681	99
Wages / Supplemental - Lessons	98,000	116,460	116,460	-
Wages / Supplemental - Spec Events	-	-	-	-
Wages / Temporary	-	-	-	-
Fica Taxes	19,680	22,821	19,132	3,689
Pension	62,985	64,039	68,132	(4,093)
Town Contrib Salary Savings / 401-K	3,726	3,759	3,575	184
Insurance / Medical	16,508	16,634	16,508	126
Insurance / Disability	-	-	-	-
Insurance / Life	202	232	232	-
Workers Compensation	3,658	3,677	3,199	478
Prof Services / Other	-	-	-	-
Communications	850	1,013	1,015	(2)
Postage and Freight	250	250	218	32
Electricity	3,550	3,550	2,971	579
Water	10,300	10,892	10,892	-
Gas	450	450	336	114
R/M Buildings	5,000	5,000	4,352	648
R/M Grounds	14,350	7,765	7,395	370
R/M Other Equipment	1,000	-	-	-
Printing and Forms	800	800	148	652
Licenses and Taxes	-	588	588	-
Miscellaneous	100	104	104	-
Advertising	-	-	-	-
Visa/Mastercard Fees	9,000	9,396	9,897	(501)
Costs / Vending Machines	400	2,513	2,513	-
Costs / Merchandise	64,690	65,604	80,958	(15,354)
Costs / Special Events	5,500	4,586	2,670	1,916
Costs / Start-Up / Promotion	2,000	2,152	2,152	-
Cost of Lessons	-	-	-	-
Office Supplies	600	600	524	76
Cleaning and Sanitation Supplies	50	50	-	50
Misc Operating Supplies	200	200	185	15
Small Tools and Minor Equipment	1,500	6,677	4,659	2,018
Bks/Publications/Subscrip/Memb Dues	400	498	498	-
<b>Total Tennis Center</b>	<b>485,000</b>	<b>534,449</b>	<b>543,353</b>	<b>(8,904)</b>
<b>Total Culture &amp; Recreation</b>	<b>730,976</b>	<b>758,929</b>	<b>755,428</b>	<b>3,501</b>

TOWN OF LONGBOAT KEY, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE-BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget		
Capital outlay				
Automotive Equipment	700,000	699,919	699,919	-
Automotive Equipment	108,000	94,850	32,211	62,639
Improvements other than building	10,000	-	-	-
Improvements other than building	30,000	30,000	30,000	-
Other Equipment	22,723	31,056	6,247	24,809
Other Equipment	35,000	68,946	68,635	311
Other Equipment	5,500	-	-	-
Other Equipment	9,000	8,664	8,664	-
Boat	-	15,837	15,837	-
Automotive Equipment	30,000	28,671	28,671	-
Total Capital Outlay	<u>950,223</u>	<u>977,943</u>	<u>890,184</u>	<u>87,759</u>
Total expenditures	<u>\$ 15,428,747</u>	<u>\$ 16,362,374</u>	16,062,875	<u>\$ 299,499</u>

Budgetary expenditures are different than GAAP expenditures because

Encumbrances outstanding at September 30, 2013

(96,875)

Total Expenditures and Other Financing Sources as Reported in the  
Statement of Revenues, Expenditures and Changes in Fund Balances-  
Governmental Funds = Exhibit 3

\$ 15,966,000

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes				
Local Option Gas Tax / Sarasota	\$ 76,000	\$ 76,000	\$ 63,282	\$ (12,718)
Local Option Gas Tax / Manatee	97,000	97,000	40,150	(56,850)
Local Option Gas Tax / Sarasota 5 Cents	85,000	85,000	71,653	(13,347)
Local Option Gas Tax / Manatee 5 Cents	70,000	70,000	65,738	(4,262)
2 Cent Gas Tax / Sarasota	40,000	40,000	31,641	(8,359)
2 Cent Gas Tax / Manatee	30,000	30,000	34,341	4,341
	<u>398,000</u>	<u>398,000</u>	<u>306,805</u>	<u>(91,195)</u>
Intergovernmental revenue				
8th cent Motor Fuel Tax	50,000	50,000	46,330	(3,670)
Rebate on Municipal Vehicles	5,000	5,000	4,054	(946)
9th Cent Gas Tax / Sarasota	21,000	21,000	19,705	(1,295)
9th Cent Gas Tax / Manatee	12,150	12,150	12,609	459
	<u>88,150</u>	<u>88,150</u>	<u>82,698</u>	<u>(5,452)</u>
Charges for service				
Maintenance GMD Right of Way	13,600	13,600	16,348	2,748
Maintenance Traffic Signals	26,000	26,000	57,905	31,905
	<u>39,600</u>	<u>39,600</u>	<u>74,253</u>	<u>34,653</u>
Miscellaneous Revenue				
Interest on Investments	30,000	30,000	17,495	(12,505)
Gain (Loss) on Sale of Investments	(5,000)	(5,000)	(11,484)	(6,484)
	<u>25,000</u>	<u>25,000</u>	<u>6,011</u>	<u>(18,989)</u>
 Total revenues	 <u>550,750</u>	 <u>550,750</u>	 <u>469,767</u>	 <u>(80,983)</u>
<b>EXPENDITURES</b>				
Contingencies	-	-	-	-
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>550,750</u>	 <u>550,750</u>	 <u>469,767</u>	 <u>(80,983)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds				
General Fund	(679,000)	(762,000)	(762,000)	-
Streets Capital Projects	-	(337,814)	(337,814)	-
Total other financing sources (uses)	<u>(679,000)</u>	<u>(1,099,814)</u>	<u>(1,099,814)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 (128,250)	 (549,064)	 (630,047)	 (80,983)
 FUND BALANCES, OCTOBER 1, 2012	 <u>2,748,026</u>	 <u>2,748,026</u>	 <u>2,748,026</u>	 <u>-</u>
 FUND BALANCES, SEPTEMBER 30, 2013	 <u>\$ 2,619,776</u>	 <u>\$ 2,198,962</u>	 <u>\$ 2,117,979</u>	 <u>\$ (80,983)</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)
10/1/2013	\$9,306,433	\$14,671,207	\$5,364,774	63.43%	n/a*	n/a*
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	58.94%	2,902,474	172.42%
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%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2013	\$ 986,240	\$ 986,240	\$ -	100.00%
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%

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)
10/1/2013	\$ 6,446,047	\$ 11,606,913	\$ 5,160,866	55.54%	n/a*	n/a*
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%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2013	\$ 902,207	\$ 824,909	\$ 77,298	100.00%
2012	925,246	847,546	77,700	100.00%
2011	722,020	651,125	70,893	100.00%
2010	473,165	402,718	70,446	100.00%
2009	488,225	350,424	137,801 *	100.00%
2008	353,986	353,986	- *	100.00%
2007	289,705	222,256	67,449	100.00%
2006	186,296	126,834	62,317	101.53%
2005	160,901	102,620	59,462	100.73%
2004	214,815	163,651	55,090	101.83%

\* 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)
10/1/2013	\$ 14,260,344	\$ 26,913,699	\$ 12,653,355	52.99%	n/a*	n/a*
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%
10/1/2002	6,758,308	12,501,861	5,743,553	54.06%	1,743,632	329.40%
10/1/2001	6,340,738	6,550,200	209,462	96.80%	1,689,249	12.40%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended 9/30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contribution
2013	\$ 1,812,384	\$ 1,542,566	\$ 269,818	100.00%
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%
2002	550,228	457,349	100,205 *	101.33%
2001	359,609	273,323	92,879	101.83%

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

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

# **Combining and Individual Fund Statements and Schedules**

# Nonmajor Governmental Funds

## **Special Revenue Funds**

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

### 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.

### Beach Erosion Control District A

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

### Tourist Development Tax

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

### Beach Erosion Control District B

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

### Tree Replacement Fund

To account for fees collected through permits for tree removal or relocation for which funds may only be used to plant or replace trees on public property. Funds may be used for Town or State projects that include trees.

### Police Training

To account for revenue received through the court system which may only be used for police education and training.

### Law Enforcement Fund (LETF)

To account for receipt of awards for information or assistance leading to a civil or criminal forfeiture. Funds are restricted to crime prevention, safe neighborhood, drug abuse education and prevention, other law enforcement purposes, defibrillators, matching funds for federal grants, but may not be used to meet normal operating expenses of the agency.

## **Debt Service Funds**

### General Obligation Sewer Bonds

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on bonds.

### General Obligation Facility Bonds

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on bonds.

## **Nonmajor Governmental Funds continued**

### **Capital Project Funds**

#### **Streets Capital Project Fund**

To account for the collection of County road funds and State fuel taxes and expenditures to maintain and improve the Town's roads, storm water systems and drainage.

#### **Land Acquisition Fees**

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

#### **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 grants/donations and expenditures of constructing new parks and recreational facilities.

TOWN OF LONGBOAT KEY, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>				
Cash and investments	\$ 3,325,795	\$ 45,159	\$ 2,551,746	\$ 5,922,700
Due from Counties	-	-	-	-
Due from State of Florida	47,439	-	-	47,439
Other Assets	223	-	-	223
Accrued Income on Investments	<u>4,374</u>	<u>117</u>	<u>3,781</u>	<u>8,272</u>
Total assets	<u>\$ 3,377,831</u>	<u>\$ 45,276</u>	<u>\$ 2,555,527</u>	<u>\$ 5,978,634</u>
<u>Liabilities and fund balances</u>				
<u>Liabilities</u>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,248</u>	<u>\$ 2,248</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>2,248</u>	<u>2,248</u>
<u>Fund balances</u>				
Restricted	3,377,831	45,276	2,497,200	5,920,307
Assigned	<u>-</u>	<u>-</u>	<u>56,079</u>	<u>56,079</u>
Total fund balance	<u>3,377,831</u>	<u>45,276</u>	<u>2,553,279</u>	<u>5,976,386</u>
Total liabilities and fund balances	<u>\$ 3,377,831</u>	<u>\$ 45,276</u>	<u>\$ 2,555,527</u>	<u>\$ 5,978,634</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2013

	Infrastructure Surtax	Tourist Development Tax	Beach District A	Beach District B	Tree Replacement	Police Training	Law Enforcement Trust	Total
<u>Assets</u>								
Cash and investments	\$ 1,042,849	\$ 1,893,709	\$ 103,030	\$ 1,625	\$ 42,981	\$ 62,835	\$ 178,766	\$ 3,325,795
Due from Counties	-	-	-	-	-	-	-	-
Due from State of Florida	47,439	-	-	-	-	-	-	47,439
Other assets	-	-	-	-	-	223	-	223
Accrued Income on Investments	1,690	2,548	138	(2)	-	-	-	4,374
Total assets	<u>\$ 1,091,978</u>	<u>\$ 1,896,257</u>	<u>\$ 103,168</u>	<u>\$ 1,623</u>	<u>\$ 42,981</u>	<u>\$ 63,058</u>	<u>\$ 178,766</u>	<u>\$ 3,377,831</u>
<u>Liabilities and fund balances</u>								
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balances</u>								
Restricted	<u>1,091,978</u>	<u>1,896,257</u>	<u>103,168</u>	<u>1,623</u>	<u>42,981</u>	<u>63,058</u>	<u>178,766</u>	<u>3,377,831</u>
Total fund balance	<u>1,091,978</u>	<u>1,896,257</u>	<u>103,168</u>	<u>1,623</u>	<u>42,981</u>	<u>63,058</u>	<u>178,766</u>	<u>3,377,831</u>
Total liabilities and fund balances	<u>\$ 1,091,978</u>	<u>\$ 1,896,257</u>	<u>\$ 103,168</u>	<u>\$ 1,623</u>	<u>\$ 42,981</u>	<u>\$ 63,058</u>	<u>\$ 178,766</u>	<u>\$ 3,377,831</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
 COMBINING BALANCE SHEET  
 DEBT SERVICE FUNDS  
 SEPTEMBER 30, 2013

	<u>General Obligation Sewer Bonds</u>	<u>General Obligation Facilities Bonds</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 9,305	\$ 35,854	\$ 45,159
Due from Counties	-	-	-
Due from State of Florida	-	-	-
Accrued Income on Investments	-	117	117
Total assets	<u>\$ 9,305</u>	<u>\$ 35,971</u>	<u>\$ 45,276</u>
<u>Liabilities and fund balances</u>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balances</u>			
Restricted	<u>9,305</u>	<u>35,971</u>	<u>45,276</u>
Total fund balance	<u>9,305</u>	<u>35,971</u>	<u>45,276</u>
Total liabilities and fund balances	<u>\$ 9,305</u>	<u>\$ 35,971</u>	<u>\$ 45,276</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECT FUNDS  
 SEPTEMBER 30, 2013

	Streets Capital Projects	Land Acquisition Fees	Facilities Capital Project	Canal Dredging	Parks and Recreation	Total
<u>Assets</u>						
Cash and investments	\$ 403,530	\$ 1,574,265	\$ 3,702	\$ 407,881	\$ 162,368	\$ 2,551,746
Due from Counties	-	-	-	-	-	-
Due from State of Florida	-	-	-	-	-	-
Accrued Income on Investments	714	2,159	-	559	349	3,781
Total assets	<u>\$ 404,244</u>	<u>\$ 1,576,424</u>	<u>\$ 3,702</u>	<u>\$ 408,440</u>	<u>\$ 162,717</u>	<u>\$ 2,555,527</u>
<u>Liabilities and fund balances</u>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,248	\$ 2,248
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,248</u>	<u>2,248</u>
<u>Fund balances</u>						
Restricted	348,165	1,576,424	3,702	408,440	160,469	2,497,200
Assigned	56,079	-	-	-	-	56,079
Total fund balance	<u>404,244</u>	<u>1,576,424</u>	<u>3,702</u>	<u>408,440</u>	<u>160,469</u>	<u>2,553,279</u>
Total liabilities and fund balances	<u>\$ 404,244</u>	<u>\$ 1,576,424</u>	<u>\$ 3,702</u>	<u>\$ 408,440</u>	<u>\$ 162,717</u>	<u>\$ 2,555,527</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 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 55	\$ 248,886	\$ -	\$ 248,941
Other taxes	1,052,646	-	50,507	1,103,153
Grant	-	-	40,973	40,973
Fines and Miscellaneous	517	-	-	517
Income on investments	<u>7,703</u>	<u>879</u>	<u>8,132</u>	<u>16,714</u>
Total revenues	<u>1,060,921</u>	<u>249,765</u>	<u>99,612</u>	<u>1,410,298</u>
<b>EXPENDITURES</b>				
Current				
General government	350	-	-	350
Debt Service				
Principal retirement	-	245,000	-	245,000
Interest	-	40,145	-	40,145
Capital Outlay				
Public Safety	79,487	-	-	79,487
Transportation	-	-	91,307	91,307
Culture and recreation	-	-	123,621	123,621
Total expenditures	<u>79,837</u>	<u>285,145</u>	<u>214,928</u>	<u>579,910</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>981,084</u>	<u>(35,380)</u>	<u>(115,316)</u>	<u>830,388</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	<u>(1,118,063)</u>	<u>-</u>	<u>-</u>	<u>(1,118,063)</u>
Total other financing sources (uses)	<u>(1,118,063)</u>	<u>-</u>	<u>-</u>	<u>(1,118,063)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(136,979)	(35,380)	(115,316)	(287,675)
<b>FUND BALANCES, OCTOBER 1, 2012, as restated</b>	<u>3,514,810</u>	<u>80,656</u>	<u>2,668,595</u>	<u>6,264,061</u>
<b>FUND BALANCES, SEPTEMBER 30, 2013</b>	<u>\$ 3,377,831</u>	<u>\$ 45,276</u>	<u>\$ 2,553,279</u>	<u>\$ 5,976,386</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  
 SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Infrastructure Surtax	Tourist Development Tax	Beach District A	Beach District B	Tree Replacement	Police Training	Law Enforcement Trust	Total
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ 55
Other taxes	543,276	509,370	-	-	-	-	-	1,052,646
Fines and Miscellaneous	-	-	-	-	-	517	-	517
Income on investments	3,872	3,410	321	6	-	18	76	7,703
Total revenues	<u>547,148</u>	<u>512,780</u>	<u>376</u>	<u>6</u>	<u>-</u>	<u>535</u>	<u>76</u>	<u>1,060,921</u>
<b>EXPENDITURES</b>								
Current								
General government	-	-	175	175	-	-	-	350
Capital Outlay								
Public Safety	-	-	-	-	-	-	79,487	79,487
Total expenditures	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>	<u>-</u>	<u>-</u>	<u>79,487</u>	<u>79,837</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>								
	<u>547,148</u>	<u>512,780</u>	<u>201</u>	<u>(169)</u>	<u>-</u>	<u>535</u>	<u>(79,411)</u>	<u>981,084</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers to other funds	(718,063)	(400,000)	-	-	-	-	-	(1,118,063)
Total other financing sources (uses)	<u>(718,063)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,118,063)</u>
<b>NET CHANGE IN FUND BALANCES</b>								
	(170,915)	112,780	201	(169)	-	535	(79,411)	(136,979)
<b>FUND BALANCES, OCTOBER 1, 2012, as restated</b>								
	<u>1,262,893</u>	<u>1,783,477</u>	<u>102,967</u>	<u>1,792</u>	<u>42,981</u>	<u>62,523</u>	<u>258,177</u>	<u>3,514,810</u>
<b>FUND BALANCES, SEPTEMBER 30, 2013</b>								
	<u>\$ 1,091,978</u>	<u>\$ 1,896,257</u>	<u>\$ 103,168</u>	<u>\$ 1,623</u>	<u>\$ 42,981</u>	<u>\$ 63,058</u>	<u>\$ 178,766</u>	<u>\$ 3,377,831</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  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	General Obligation Sewer Bonds	General Obligation Facilities Bonds	Total
<b>REVENUES</b>			
Property taxes	\$ -	\$ 248,886	\$ 248,886
Income on investments	<u>3</u>	<u>876</u>	<u>879</u>
Total revenues	<u>3</u>	<u>249,762</u>	<u>249,765</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	-	245,000	245,000
Interest	<u>-</u>	<u>40,145</u>	<u>40,145</u>
Total expenditures	<u>-</u>	<u>285,145</u>	<u>285,145</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>3</u>	<u>(35,383)</u>	<u>(35,380)</u>
<b>NET CHANGE IN FUND BALANCES</b>	3	(35,383)	(35,380)
<b>FUND BALANCES, OCTOBER 1, 2012</b>	<u>9,302</u>	<u>71,354</u>	<u>80,656</u>
<b>FUND BALANCES, SEPTEMBER 30, 2013</b>	<u>\$ 9,305</u>	<u>\$ 35,971</u>	<u>\$ 45,276</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  
 CAPITAL PROJECT FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Streets Capital Projects	Land Acquisition Fees	Facilities Capital Project	Canal Dredging	Parks and Recreation	Total
<b>REVENUES</b>						
Other taxes	\$ -	\$ 50,507	\$ -	\$ -	\$ -	\$ 50,507
Grant	-	-	-	-	40,973	40,973
Income on investments	<u>1,534</u>	<u>4,650</u>	<u>1</u>	<u>1,269</u>	<u>678</u>	<u>8,132</u>
Total revenues	<u>1,534</u>	<u>55,157</u>	<u>1</u>	<u>1,269</u>	<u>41,651</u>	<u>99,612</u>
<b>EXPENDITURES</b>						
Capital Outlay						
Transportation	91,307	-	-	-	-	91,307
Culture and recreation	-	-	-	-	123,621	123,621
Total expenditures	<u>91,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,621</u>	<u>214,928</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(89,773)</u>	<u>55,157</u>	<u>1</u>	<u>1,269</u>	<u>(81,970)</u>	<u>(115,316)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(89,773)	55,157	1	1,269	(81,970)	(115,316)
<b>FUND BALANCES, OCTOBER 1, 2012</b>	<u>494,017</u>	<u>1,521,267</u>	<u>3,701</u>	<u>407,171</u>	<u>242,439</u>	<u>2,668,595</u>
<b>FUND BALANCES, SEPTEMBER 30, 2013</b>	<u>\$ 404,244</u>	<u>\$ 1,576,424</u>	<u>\$ 3,702</u>	<u>\$ 408,440</u>	<u>\$ 160,469</u>	<u>\$ 2,553,279</u>

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes				
Infrastructure Surtax / Sarasota	\$ 550,000	\$ 550,000	\$ 543,276	\$ (6,724)
Miscellaneous Revenue				
Income on Investments	15,000	12,000	9,183	(2,817)
Gain (Loss) on Sale of Investments	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,311)</u>	<u>(311)</u>
	<u>10,000</u>	<u>7,000</u>	<u>3,872</u>	<u>(3,128)</u>
Total Revenues	<u>560,000</u>	<u>557,000</u>	<u>547,148</u>	<u>(9,852)</u>
<b>EXPENDITURES</b>				
Current				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>560,000</u>	<u>557,000</u>	<u>547,148</u>	<u>(9,852)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds				
General Fund	(888,500)	(888,500)	(718,063)	170,437
Total other financing sources (uses)	<u>(888,500)</u>	<u>(888,500)</u>	<u>(718,063)</u>	<u>170,437</u>
<b>NET CHANGE IN FUND BALANCES</b>	(328,500)	(331,500)	(170,915)	160,585
<b>FUND BALANCES, OCTOBER 1, 2012</b>	<u>1,262,893</u>	<u>1,262,893</u>	<u>1,262,893</u>	<u>-</u>
<b>FUND BALANCES, SEPTEMBER 30, 2013</b>	<u>\$ 934,393</u>	<u>\$ 931,393</u>	<u>\$ 1,091,978</u>	<u>\$ 160,585</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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Tourist Development Tax / Sarasota	\$ 380,000	\$ 380,000	\$ 271,288	\$ (108,712)
Tourist Development Tax / Manatee	<u>228,000</u>	<u>228,000</u>	<u>238,082</u>	<u>10,082</u>
	<u>608,000</u>	<u>608,000</u>	<u>509,370</u>	<u>(98,630)</u>
Miscellaneous Revenue				
Interest on Investments	24,500	24,500	10,509	(13,991)
Gain (Loss) on Sale of Investments	<u>(1,500)</u>	<u>(1,500)</u>	<u>(7,099)</u>	<u>(5,599)</u>
	<u>23,000</u>	<u>23,000</u>	<u>3,410</u>	<u>(19,590)</u>
Total Revenues	<u>631,000</u>	<u>631,000</u>	<u>512,780</u>	<u>(118,220)</u>
EXPENDITURES				
Current				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>631,000</u>	<u>631,000</u>	<u>512,780</u>	<u>(118,220)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
G.O. Beach Bond	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	231,000	231,000	112,780	(118,220)
FUND BALANCES, OCTOBER 1, 2012	<u>1,783,477</u>	<u>1,783,477</u>	<u>1,783,477</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2013	<u>\$ 2,014,477</u>	<u>\$ 2,014,477</u>	<u>\$ 1,896,257</u>	<u>\$ (118,220)</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes				
Taxes / Sarasota 2004 Bonds	\$ -	\$ -	\$ 55	\$ 55
Taxes / Manatee 2004 Bonds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>55</u>	<u>55</u>
Miscellaneous Revenue				
Interest on Investments	-	-	647	647
Gain (Loss) on Sale of Investments	-	-	(326)	(326)
	<u>-</u>	<u>-</u>	<u>321</u>	<u>321</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>376</u>	<u>376</u>
EXPENDITURES				
Current				
Miscellaneous	-	-	175	(175)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>201</u>	<u>551</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
G.O. Beach Bond	-	-	-	(175)
NET CHANGE IN FUND BALANCES	-	-	201	201
FUND BALANCES, OCTOBER 1, 2012	<u>102,967</u>	<u>102,967</u>	<u>102,967</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2013	<u>\$ 102,967</u>	<u>\$ 102,967</u>	<u>\$ 103,168</u>	<u>\$ 201</u>

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 SEPTEMBER 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue				
Interest on Investments	-	-	9	9
Gain (Loss) on Sale of Investments	-	-	(3)	(3)
	-	-	6	6
Total Revenues	-	-	6	6
EXPENDITURES				
Current				
Miscellaneous	-	-	175	(175)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(169)	181
OTHER FINANCING SOURCES (USES)				
Transfers to other funds				
G.O. Beach Bond	-	-	-	(175)
NET CHANGE IN FUND BALANCES	-	-	(169)	(169)
FUND BALANCES, OCTOBER 1, 2012	1,792	1,792	1,792	-
FUND BALANCES, SEPTEMBER 30, 2013	\$ 1,792	\$ 1,792	\$ 1,623	\$ (169)

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

TOWN OF LONGBOAT KEY, FLORIDA  
TREE REPLACEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General government	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Capital Outlay				
Public Safety	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, OCTOBER 1, 2012, as restated	<u>42,981</u>	<u>42,981</u>	<u>42,981</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2013	<u>\$ 42,981</u>	<u>\$ 42,981</u>	<u>\$ 42,981</u>	<u>\$ -</u>

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

TOWN OF LONGBOAT KEY, FLORIDA  
POLICE TRAINING SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Fines and Miscellaneous	\$ -	\$ -	\$ 517	\$ 517
Income on investments	-	-	18	18
Total revenues	-	-	535	535
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Capital Outlay				
Public Safety	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	-	-	535	535
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	535	535
<b>FUND BALANCES, OCTOBER 1, 2012, as restated</b>	-	-	62,523	-
<b>FUND BALANCES, SEPTEMBER 30, 2013</b>	\$ -	\$ -	\$ 63,058	\$ 535

Note - No official budget was adopted for FY2013 due to reclassification from an agency fund to a special revenue fund during FY2013.

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

TOWN OF LONGBOAT KEY, FLORIDA  
LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Income on investments	\$ -	\$ -	\$ 76	\$ 76
Total revenues	<u>-</u>	<u>-</u>	<u>76</u>	<u>76</u>
<b>EXPENDITURES</b>				
Capital Outlay				
Public Safety	-	-	79,487	(79,487)
Total expenditures	<u>-</u>	<u>-</u>	<u>79,487</u>	<u>(79,487)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(79,411)</u>	<u>79,563</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(79,411)	(79,563)
<b>FUND BALANCES, OCTOBER 1, 2012, as restated</b>	<u>258,177</u>	<u>258,177</u>	<u>258,177</u>	<u>-</u>
<b>FUND BALANCES, SEPTEMBER 30, 2013</b>	<u>\$ 258,177</u>	<u>\$ 258,177</u>	<u>\$ 178,766</u>	<u>\$ (79,563)</u>

Note - No official budget was adopted for FY2013 due to reclassification from an agency fund to a special revenue fund during FY2013.

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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Interest on Investments	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
EXPENDITURES				
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	3	3
NET CHANGE IN FUND BALANCES	-	-	3	3
FUND BALANCES, OCTOBER 1, 2012	9,302	9,302	9,302	-
FUND BALANCES, SEPTEMBER 30, 2013	\$ 9,302	\$ 9,302	\$ 9,305	\$ 3

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 250,462	\$ 250,462	\$ 248,886	\$ (1,576)
Income on investments	<u>1,500</u>	<u>1,500</u>	<u>876</u>	<u>(624)</u>
Total revenues	<u>251,962</u>	<u>251,962</u>	<u>249,762</u>	<u>(2,200)</u>
EXPENDITURES				
Debt Service				
Principal retirement	245,000	245,000	245,000	-
Interest	45,462	45,462	40,145	5,317
Fiscal agent fees	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>290,962</u>	<u>290,962</u>	<u>285,145</u>	<u>5,817</u>
NET CHANGE IN FUND BALANCES	(39,000)	(39,000)	(35,383)	3,617
FUND BALANCES, OCTOBER 1, 2012	<u>71,354</u>	<u>71,354</u>	<u>71,354</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30, 2013	<u>\$ 32,354</u>	<u>\$ 32,354</u>	<u>\$ 35,971</u>	<u>\$ 3,617</u>

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

# Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

## **Pension Trust Funds**

To account for the Town's single employer defined benefit pension plans which provides pension benefits for full-time personnel.

## **Agency Funds**

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

## **Code Enforcement Bond Fund**

The Town holds bond money as security for changes which need to remedy violations of the Town Code.

## **Solid Waste Fund**

The Town bills and collects solid waste and recycling fees through its water and sewer billing system and remits fees to the Town's contracted hauler.

## **Police Donation Fund**

The Town allows the Police Department to accept contributions in lieu of gratuities and provide a general use and benefit to the members of the Police Department.

## **Fire Donation Fund**

The Town allows the Fire Department to accept contributions in lieu of gratuities and provide a general use and benefit to the members of the Fire Department.

TOWN OF LONGBOAT KEY, FLORIDA  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS - ALL AGENCY FUNDS  
 SEPTEMBER 30, 2013

	<u>Code Enforcement</u>	<u>Solid Waste</u>	<u>Police Donations</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 63,637	\$ 50,677	\$ 18,536	\$ 132,850
Other assets	<u>-</u>	<u>69,163</u>	<u>-</u>	<u>69,163</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 63,637</u></u>	<u><u>\$ 119,840</u></u>	<u><u>\$ 18,536</u></u>	<u><u>\$ 202,013</u></u>
<b>LIABILITIES</b>				
Code enforcement bonds	\$ -	\$ -	\$ -	\$ -
Amounts held as agent for others	<u>63,637</u>	<u>119,840</u>	<u>18,536</u>	<u>202,013</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 63,637</u></u>	<u><u>\$ 119,840</u></u>	<u><u>\$ 18,536</u></u>	<u><u>\$ 202,013</u></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, 2013

	Balance 10/1/12	Additions	Reductions	Balance 09/30/13
<u>CODE ENFORCEMENT FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 41,125	\$ 50,012	\$ 27,500	\$ 63,637
LIABILITIES				
Amounts held as agent for others	\$ 41,125	\$ 50,012	\$ 27,500	\$ 63,637
<u>SOLID WASTE FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 48,942	\$ 643,851	\$ 642,116	\$ 50,677
Other assets	65,172	599,444	595,453	69,163
	\$ 114,114	\$ 1,243,295	\$ 1,237,569	\$ 119,840
LIABILITIES				
Amounts held as agent for others	\$ 114,114	\$ 1,243,295	\$ 1,237,569	\$ 119,840
<u>POLICE DONATIONS FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 18,260	\$ 3,634	\$ 3,358	\$ 18,536
LIABILITIES				
Amounts held as agent for others	\$ 18,260	\$ 3,634	\$ 3,358	\$ 18,536
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 108,327	\$ 697,497	\$ 672,974	\$ 132,850
Other assets	-	-	-	-
	\$ 108,327	\$ 697,497	\$ 672,974	\$ 132,850
LIABILITIES				
Code enforcement bonds	\$ -	\$ -	\$ -	\$ -
Amounts held as agent for others	173,499	1,296,941	1,268,427	202,013
	\$ 173,499	\$ 1,296,941	\$ 1,268,427	\$ 202,013

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

# 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**

### **Financial Trends (Tables 1 - 4)**

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

### **Revenue Capacity (Tables 5 – 8)**

These schedules contain information to help the reader assess the Town's most significant sources of revenue.

### **Debt Capacity (Tables 9 – 12)**

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.

### **Demographics and Economic Information (Tables 13 – 14)**

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

### **Operating Information (Tables 15 – 17)**

These schedules contain information regarding the number of employees, the operating indicators, and the capital assets used in the various functions and programs

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

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

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 47,891,475
Unrestricted	<u>32,433,353</u>	<u>30,981,666</u>	<u>21,372,081</u>	<u>25,708,253</u>	<u>25,995,939</u>	<u>25,556,164</u>	<u>23,223,474</u>	<u>16,439,938</u>	<u>17,433,460</u>	<u>2,764,712</u>
Total governmental activities net assets	<u>\$ 53,207,741</u>	<u>\$ 56,197,497</u>	<u>\$ 63,254,265</u>	<u>\$ 67,998,491</u>	<u>\$ 68,890,691</u>	<u>\$ 69,521,068</u>	<u>\$ 70,468,474</u>	<u>\$ 68,777,831</u>	<u>\$ 67,611,933</u>	<u>\$ 50,656,187</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 5,444,030	\$ 5,461,454	\$ 5,467,196	\$ 10,781,157	\$ 12,873,521	\$ 6,703,052	\$ 13,979,979	\$ 16,834,998	\$ 14,945,148	\$ 13,353,674
Restricted										
Debt Service	973,296	976,562	977,158	549,531	439,625	439,625	439,625	439,625	439,625	1,067,550
Renewal and Replacement	-	-	-	484,332	597,497	9,933,478	10,078,892	5,735,449	3,672,943	-
Connection fees	2,787,185	2,815,148	2,864,492	2,924,435	2,962,633	2,988,697	3,012,774	3,026,870	3,036,737	1,294,486
Water and sewer revenue reserve	-	-	-	-	108,500	108,138	-	-	-	-
Unrestricted	<u>3,556,875</u>	<u>6,052,515</u>	<u>9,751,124</u>	<u>7,949,484</u>	<u>8,522,334</u>	<u>8,034,429</u>	<u>2,540,724</u>	<u>5,609,562</u>	<u>10,100,635</u>	<u>16,672,366</u>
Total business-type activities net assets	<u>\$ 12,761,386</u>	<u>\$ 15,305,679</u>	<u>\$ 19,059,970</u>	<u>\$ 22,688,939</u>	<u>\$ 25,504,110</u>	<u>\$ 28,207,419</u>	<u>\$ 30,051,994</u>	<u>\$ 31,646,504</u>	<u>\$ 32,195,088</u>	<u>\$ 32,388,076</u>
Primary government										
Invested in capital assets, net of related debt	\$ 26,218,418	\$ 30,677,285	\$ 47,349,380	\$ 53,071,395	\$ 55,768,273	50,667,956	\$ 61,224,979	\$ 69,172,891	\$ 65,123,621	\$ 61,245,149
Restricted										
Debt Service	973,296	976,562	977,158	549,531	439,625	439,625	439,625	439,625	439,625	1,067,550
Renewal and Replacement	-	-	-	484,332	597,497	9,933,478	10,078,892	5,735,449	3,672,943	-
Connection fees	2,787,185	2,815,148	2,864,492	2,924,435	2,962,633	2,988,697	3,012,774	3,026,870	3,036,737	1,294,486
Water and sewer revenue reserve	-	-	-	-	108,500	108,138	-	-	-	-
Unrestricted	<u>35,990,228</u>	<u>37,034,181</u>	<u>31,196,347</u>	<u>33,657,737</u>	<u>34,518,273</u>	<u>33,590,593</u>	<u>25,764,198</u>	<u>22,049,500</u>	<u>27,534,095</u>	<u>19,437,078</u>
Total primary government net assets	<u>\$ 65,969,127</u>	<u>\$ 71,503,176</u>	<u>\$ 82,387,377</u>	<u>\$ 90,687,430</u>	<u>\$ 94,394,801</u>	<u>\$ 97,728,487</u>	<u>\$ 100,520,468</u>	<u>\$ 100,424,335</u>	<u>\$ 99,807,021</u>	<u>\$ 83,044,263</u>

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

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 5,108,696	\$ 5,629,984	\$ 6,025,745	\$ 5,908,741	\$ 5,994,425	\$ 6,492,935	\$ 6,053,957	\$ 7,467,428	\$ 7,296,613	\$ 4,794,174
Physical environment	323,729	-	-	-	-	-	-	-	-	-
Public safety	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	9,648,821
Transportation	730,092	918,564	471,559	601,173	800,339	735,368	779,937	507,134	735,024	837,858
Economic Environment	-	-	-	-	-	27,477	-	69,300	8,990	10,262
Culture & recreation	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	3,960,972
Interest on long-term debt	265,697	666,031	673,380	583,349	477,593	377,878	281,042	92,512	70,462	40,145
Total governmental activities expenses	<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>	<u>19,292,232</u>
Business-type activities:										
Water and sewer	5,758,182	4,671,948	4,608,751	4,947,613	4,650,462	4,704,066	5,042,936	5,533,338	5,926,342	6,196,380
Building Department	-	-	-	-	897,275	694,992	482,307	533,565	522,213	578,350
Total business-type activities	<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>6,448,555</u>	<u>6,774,730</u>
Total primary government expenses	<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>\$ 25,096,691</u>	<u>\$ 26,066,962</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 2,218,127	\$ 2,777,242	\$ 2,458,102	\$ 2,198,335	\$ 104,807	\$ 67,916	\$ 133,174	\$ 62,779	\$ 132,563	\$ 194,057
Public safety	362,564	252,380	255,789	36,349	298,350	314,869	320,239	322,745	243,276	232,970
Transportation	-	-	-	39,681	45,393	80,525	40,491	44,385	14,050	74,253
Culture & recreation	317,895	350,686	361,290	2,733	340,423	415,772	420,025	469,975	493,120	442,788
Operating grants and contributions	700,963	959,225	1,447,422	43,062	-	153,441	146,878	130,882	342,084	199,421
Capital grants and contributions	395,198	91,846	2,223,624	3,484,766	177,248	462,453	424,792	571,183	1,837,074	8,236
Total governmental activities program revenues	<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>	<u>1,151,725</u>
Business type activities:										
Charges for services:										
Water and sewer	5,531,288	7,011,875	7,884,422	8,106,980	8,114,443	8,161,663	7,498,653	7,262,114	7,128,657	7,284,125
Building Department	-	-	-	-	980,050	821,342	975,460	933,697	1,083,741	866,011
Operating grants and contributions	-	4,551	4,357	5,307	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	613,668	-	31,022
Total business-type activities program revenues	<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>8,212,398</u>	<u>8,181,158</u>
Total primary government program revenues	<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>\$ 11,274,565</u>	<u>\$ 9,332,883</u>
Net (Expense)/Revenue										
Government activities	\$ (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)	\$ (18,140,507)
Business-type activities	(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	1,406,428
Total primary government net expense	<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>	<u>\$ (16,734,079)</u>

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

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 8,576,215
Gasoline taxes	526,870	552,259	540,676	522,613	507,807	489,367	490,026	487,002	515,847	389,503
Sales taxes	730,939	815,625	830,079	1,413,737	1,256,289	1,100,986	1,082,606	1,127,784	1,128,388	1,160,767
State revenue sharing	547,930	574,902	572,877	598,886	603,664	680,595	602,486	591,914	612,738	570,126
Business Tax	-	-	-	112,016	175,361	198,083	158,263	166,731	503,673	502,206
Tourist tax	572,536	633,270	571,529	583,205	599,800	635,662	614,800	542,761	496,733	509,370
Franchise tax	904,343	948,406	1,090,604	1,112,370	1,088,276	1,118,650	1,020,208	980,723	896,715	812,026
Licenses and Permits	-	-	-	-	39,785	-	-	-	-	-
Income on Investments	257,100	937,899	1,122,929	1,726,767	838,643	133,952	550,321	181,250	134,982	51,128
Miscellaneous	45,550	40,864	40,021	38,064	43,189	75,191	106,746	413,975	101,035	162,869
Net Transfers	-	-	-	-	990,748	924,470	1,284,605	1,262,605	1,264,805	1,262,605
Total governmental activities	<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>	<u>13,996,815</u>
Business-type activities:										
Income on Investments	72,703	199,815	474,263	461,167	259,163	153,267	180,310	114,539	49,546	35,522
Gain on disposal of capital assets	-	-	-	3,128	-	(115,305)	-	-	-	-
Miscellaneous	-	-	-	-	-	5,870	-	-	-	13,644
Net Transfers	-	-	-	-	(990,748)	(924,470)	(1,284,605)	(1,262,605)	(1,264,805)	(1,262,605)
Total business-type activities	<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>	<u>(1,213,439)</u>
Total primary government	<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>	<u>12,783,376</u>
<b>Change in Net Assets</b>										
Governmental activities	\$ 3,516,224	\$ 2,989,756	\$ 7,129,910	\$ 4,671,084	\$ 892,200	\$ 630,377	\$ 947,406	\$ (1,702,055)	\$ (1,154,486)	\$ (4,143,692)
Business-type activities	(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	192,989
Total primary government	<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>	<u>\$ (3,950,703)</u>

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

	FISCAL YEAR				
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ 191,136	\$ 502,669	\$ 235,837	\$ 267,232	\$ 166,392
Building Division	-	-	-	695,019	-
Unreserved	<u>5,224,394</u>	<u>5,555,601</u>	<u>6,267,721</u>	<u>4,819,326</u>	<u>5,098,242</u>
Total general fund	<u>\$ 5,415,530</u>	<u>\$ 6,058,270</u>	<u>\$ 6,503,558</u>	<u>\$ 5,781,577</u>	<u>\$ 5,264,634</u>
All Other Governmental Funds					
Reserved	\$ 388,436	\$11,892,695	\$ 436,225	\$ 147,430	\$ 257,877
Unreserved, reported in:					
Special revenue funds	4,907,314	5,824,404	6,664,778	8,016,575	9,378,505
Debt service funds	4,950	2,409	2,440	13,552	24,391
Capital projects funds	<u>21,365,999</u>	<u>7,427,452</u>	<u>8,061,199</u>	<u>12,256,600</u>	<u>11,496,487</u>
Total all other governmental funds	<u>\$26,666,699</u>	<u>\$25,146,960</u>	<u>\$15,164,642</u>	<u>\$ 20,434,157</u>	<u>\$ 21,157,260</u>

	FISCAL YEAR				
	2009	2010	2011	2012	2013
General Fund					
Reserved	\$ 335,340	\$ 1,381,392	N/A	N/A	N/A
Building Division	-	-	N/A	N/A	N/A
Unreserved	<u>5,166,748</u>	<u>3,986,168</u>	N/A	N/A	N/A
Total general fund	<u>\$ 5,502,088</u>	<u>\$ 5,367,560</u>	N/A	N/A	N/A
Nonspendable	N/A	N/A	154,260	116,818	159,043
Committed	N/A	N/A	1,000,000	1,000,000	-
Assigned	N/A	N/A	486,253	393,857	1,706,941
Unassigned	N/A	N/A	<u>3,369,650</u>	<u>2,953,482</u>	<u>1,313,072</u>
Total general fund	<u>N/A</u>	<u>N/A</u>	<u>\$ 5,010,163</u>	<u>\$ 4,464,157</u>	<u>\$ 3,179,056</u>
All Other Governmental Funds					
Reserved	\$ 2,118,714	\$ 461,414	N/A	N/A	N/A
Unreserved, reported in:					
Special revenue funds	8,888,713	7,847,267	N/A	N/A	N/A
Debt service funds	32,534	41,372	N/A	N/A	N/A
Capital projects funds	<u>9,481,773</u>	<u>10,012,269</u>	N/A	N/A	N/A
Total all other governmental funds	<u>\$20,521,734</u>	<u>\$18,362,322</u>	N/A	N/A	N/A
Restricted					
Special Revenue	N/A	N/A	\$ 5,297,690	\$ 5,899,155	\$ 5,495,810
Debt Service	N/A	N/A	65,718	80,656	45,276
Capital Projects	N/A	N/A	6,061,009	7,380,539	7,591,668
Assigned	N/A	N/A	<u>560,440</u>	<u>197,275</u>	<u>238,102</u>
Total all other governmental funds	N/A	N/A	<u>\$11,984,857</u>	<u>\$ 13,557,625</u>	<u>\$ 13,370,856</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				
	2004	2005	2006	2007	2008
<b>Revenues</b>					
Property taxes	\$ 10,957,144	\$ 10,153,257	\$ 10,903,316	\$ 11,704,884	\$ 11,856,511
Licenses and permits	-	1,337,523	1,272,972	1,236,895	1,185,498
Intergovernmental	1,381,146	1,987,559	1,509,921	1,078,428	181,301
Charges for services	1,907,473	2,216,737	2,771,012	2,130,367	1,865,298
Franchise	692,421	627,584	573,300	587,447	705,915
Fines/miscellaneous/interest	904,343	948,406	1,090,604	1,112,370	1,088,276
Other taxes	1,440,931	1,832,452	4,183,162	6,038,473	1,092,743
Grants	1,190,936	-	-	-	-
Land acquisition	62,765	42,909	220,163	-	-
<b>Total revenues</b>	<u>18,537,159</u>	<u>19,146,427</u>	<u>22,524,450</u>	<u>23,888,864</u>	<u>17,975,542</u>
<b>Expenditures</b>					
General government	4,937,228	4,986,832	5,734,955	6,219,824	5,687,372
Physical environment	323,729	5,821,758	14,245,986	6,213	-
Public safety	5,526,124	5,674,612	5,888,579	6,942,090	6,866,816
Transportation	480,528	676,201	881,001	637,096	555,889
Economic Environment	-	-	-	-	-
Culture and recreation	718,522	766,940	724,365	1,508,115	762,602
Debt service					
Principal retirement	545,000	575,000	2,885,000	2,960,000	3,055,000
Interest	264,056	651,460	671,899	570,148	467,621
Fiscal charges	1,641	14,571	1,481	13,201	9,972
Capital outlay	<u>1,865,603</u>	<u>856,053</u>	<u>992,761</u>	<u>484,644</u>	<u>1,354,858</u>
<b>Total expenditures</b>	<u>14,662,431</u>	<u>20,023,427</u>	<u>32,026,027</u>	<u>19,341,331</u>	<u>18,760,130</u>
Excess of revenues over (under) expenditures	3,874,728	(877,000)	(9,501,577)	4,547,533	(784,588)
<b>Other Financing Sources (uses)</b>					
Bond proceeds	15,493,312	-	-	-	-
Transfers in	5,266,290	3,638,176	3,640,545	4,303,693	4,627,985
Transfers out	<u>(5,266,290)</u>	<u>(3,638,176)</u>	<u>(3,640,545)</u>	<u>(4,303,693)</u>	<u>(3,637,237)</u>
<b>Total other financing sources (uses)</b>	<u>15,493,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>990,748</u>
<b>Net change in fund balances</b>	<u>\$ 19,368,040</u>	<u>\$ (877,000)</u>	<u>\$ (9,501,577)</u>	<u>\$ 4,547,533</u>	<u>\$ 206,160</u>
Debt service as a percentage of noncapital expenditures	6%	6%	11%	19%	20%

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

	FISCAL YEAR				
	2009	2010	2011	2012	2013
<b>Revenues</b>					
Property taxes	\$ 11,714,672	\$ 10,257,437	\$ 9,247,176	\$ 8,776,567	\$ 8,576,215
Other taxes	1,323,112	1,698,975	1,646,303	1,995,198	1,912,164
Licenses and permits	26,683	25,324	23,795	31,971	27,758
Intergovernmental	1,271,219	1,274,719	1,286,117	1,295,746	1,270,315
Charges for services	814,835	863,614	869,432	817,473	865,228
Franchise fees	1,118,650	1,020,128	980,723	896,715	812,026
Fines/miscellaneous/interest	613,151	657,380	585,654	236,017	224,106
Grants	615,894	571,670	702,065	2,179,158	198,123
Land acquisition	-	-	-	-	-
<b>Total revenues</b>	<u>17,498,216</u>	<u>16,369,247</u>	<u>15,341,265</u>	<u>16,228,845</u>	<u>13,885,935</u>
<b>Expenditures</b>					
General government	6,229,730	5,705,494	7,156,191	7,037,417	4,528,112
Physical environment	-	-	-	-	-
Public safety	6,481,483	6,134,442	6,277,819	6,175,591	9,173,803
Transportation	477,998	507,587	507,134	507,735	609,835
Economic Environment	27,477	27,381	69,300	8,990	8,987
Culture and recreation	722,927	702,745	765,943	688,400	755,428
Debt service					
Principal retirement	3,059,454	2,920,000	5,425,000	220,000	245,000
Interest	142,993	276,233	89,916	70,462	40,145
Fiscal charges	431	4,809	2,596	-	-
Capital outlay	<u>1,678,265</u>	<u>3,669,101</u>	<u>5,386,179</u>	<u>1,758,293</u>	<u>1,579,802</u>
<b>Total expenditures</b>	<u>18,820,758</u>	<u>19,947,792</u>	<u>25,680,078</u>	<u>16,466,888</u>	<u>16,941,112</u>
Excess of revenues over (under) expenditures	(1,322,542)	(3,578,545)	(10,338,813)	(238,043)	(3,055,177)
<b>Other Financing Sources (uses)</b>					
Bond proceeds	-	-	2,355,000	-	-
Payment to escrow agent	-	-	(13,654)	-	-
Transfers in	5,971,869	6,422,389	5,452,360	2,292,605	3,480,482
Transfers out	<u>(5,047,399)</u>	<u>(5,137,784)</u>	<u>(4,189,755)</u>	<u>(1,027,800)</u>	<u>(2,217,877)</u>
<b>Total other financing sources (uses)</b>	<u>924,470</u>	<u>1,284,605</u>	<u>3,603,951</u>	<u>1,264,805</u>	<u>1,262,605</u>
<b>Net change in fund balances</b>	<u>\$ (398,072)</u>	<u>\$ (2,293,940)</u>	<u>\$ (6,734,862)</u>	<u>\$ 1,026,762</u>	<u>\$ (1,792,572)</u>
Debt service as a percentage of noncapital expenditures	11%	19%	20%	2%	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 <sup>(1)</sup>	Total Direct Tax Rate	Ratio Of Total Assessed To Total Estimated Actual Value
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%
2013	3,301,413,064	1,276,173,127	4,577,586,191	4,577,586,191	1.9436	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 2013 Sarasota County valuation of \$3,301,413,064 represents valuations as of January 1, 2012. Taxes were collected during 2012/2013

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

(1) 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	<sup>(1)</sup> Beach Erosion Control District A	District B	Manatee County	Sarasota County
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
2013	1.8872	0.0564	1.9436	0.0000	0.0000	14.5824	12.7257

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, 2013 direct tax rate of 1.9436 applies to valuations as of January 1, 2012.

<sup>(1)</sup> 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 TAXPAYERS  
SEPTEMBER 30, 2013

Taxpayer	2013			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Avenue of the Flowers LLC	\$ 22,238,700	1	0.49%			
OPROCK Longboat (Hilton)	19,468,130	2	0.43%			
LB 500 LLC (3000 Harbourside D	14,908,100	3	0.33%			
Veranda Beach Club	11,605,000	4	0.25%			
P & W Charters	11,484,990	5	0.25%			
BBC Key LLC	10,453,200	6	0.23%			
Mike & Michele McKee	10,352,927	7	0.23%			
Pleasant Real Estate LLC	9,818,100	8	0.21%			
Sun and Sea	7,367,938	9	0.16%			
LB 500 LLC (361 Longboat club)	6,637,900	10	0.15%			
Positano				\$ 18,000,000	1	0.39%
Key Club Associates				16,333,700	2	0.35%
Veranda Beach Club				13,946,963	3	0.30%
Hilton				13,379,099	4	0.29%
Harbourside Golf Course				11,538,800	5	0.25%
Tramonto Estates				7,185,626	6	0.16%
Town Plaza				7,120,000	7	0.15%
Worldwide Properties of America				6,570,300	8	0.14%
Four Winds I				6,491,030	9	0.14%
Francis E. O'Donnell				6,430,200	10	0.14%
<b>Total</b>	<b>\$ 124,334,985</b>		<b>2.73%</b>	<b>\$ 106,995,718</b>		<b>2.31%</b>

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 <sup>(3)</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Collections	Percentage of Levy
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%	15	8,771,898	96.5%
2013	8,896,997	8,327,260	93.6%	-	8,327,260	93.6%

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, 2013.
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 <sup>(1)</sup>	Percentage of Personal Income <sup>(1)</sup>	Per Capita	Percentage of Actual Estimated Value of Property <sup>(2)</sup>
	General		General					
	Obligation Bonds	Loans Payable	Obligation Bonds	Revenue Bonds				
2004	20,210,000	150,000	-	2,175,000	22,535,000	N/A	2,940	0.49%
2005	19,785,000	-	-	1,860,000	21,645,000	N/A	2,825	0.43%
2006	19,340,000	-	-	1,525,000	20,865,000	2.99%	2,722	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%	1,518	0.18%
2009	8,060,000	-	9,250,000	410,000	17,720,000	2.49%	2,302	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%	2,219	0.29%
2012	1,850,000	-	8,464,300	4,380,815	14,695,115	2.48%	2,137	0.30%
2013	1,605,000	-	8,142,400	4,197,523	13,944,923	2.10%	2,026	0.30%

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

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

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

TOWN OF LONGBOAT KEY, FLORIDA  
 SCHEDULE 10 - RATIO OF GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Business- Type Activities	Less: Amounts Available in Debt Service		Percentage of Actual Taxable Value of	
	General Obligation Bonds	General Obligation Bonds	Fund	Total	Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
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	9,250,000	32,534	17,277,466	0.13%	1,053
2010	5,140,000	9,061,100	41,372	14,159,728	0.11%	667
2011	2,070,000	8,789,018	65,718	10,793,300	0.22%	1,568
2012	1,850,000	8,464,300	71,354	10,242,946	0.22%	1,489
2013	1,605,000	8,142,400	35,972	9,711,428	0.21%	1,411

NOTE:

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

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

TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE 11 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2013

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Longboat Key <sup>(1)</sup></u>	<u>Amount Applicable to Longboat Key</u>
Town of Longboat Key	\$ 1,605,000	100.00%	\$ 1,605,000
<b>Overlapping Bonded Debt:</b>			
Sarasota County	-		-
Manatee County	7,120,000	5.29%	\$ 376,648
Total Overlapping Bonded Debt	7,120,000		376,648
Total net direct and net overlapping bonded debt	<u>\$ 8,725,000</u>		<u>\$ 1,981,648</u>

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

Sources: Sarasota and Manatee Counties Finance Division

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

General Obligation Bonds (Beach and Facilities)

Fiscal Year	Pledged Revenues <sup>(1)</sup>	Debt Service		Coverage
		Principal	Interest	
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
2013	650,002	245,000	40,145	2.3

General Obligation Bonds (Water and Sewer)

Fiscal Year	Ad Valorem Taxes	Debt Service		Coverage
		Principal	Interest	
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	-	-	-	-
2013	-	-	-	-

Water and Sewer

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

Fiscal Year	Utility Service	Less: Operating	Net Available	Debt Service		Coverage
	Charges	Expenses	Revenue	Principal	Interest	
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
2013	7,284,125	5,015,625	2,268,500	505,189	554,029	2.1

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

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

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

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

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

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

Year	Population <sup>(1)</sup>	Personal Income	Per Capita Personal Income <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
2004	7,665	N/A	N/A	4.4%
2005	7,662	N/A	N/A	3.2%
2006	7,665	\$ 698,716,728	\$ 91,157	3.0%
2007	7,691	\$ 745,027,170	\$ 96,870	4.5%
2008	7,697	\$ 711,853,644	\$ 92,485	6.6%
2009	7,699	\$ 623,334,137	\$ 80,963	11.7%
2010	7,641	\$ 618,638,283	\$ 80,963	11.6%
2011	6,882	\$ 591,812,892	\$ 81,573	10.9%
2012	6,878	\$ 654,015,264	\$ 95,088	8.9%
2013	6,884	\$ 665,056,356	\$ 96,609	6.5%

Sources:

- (1) Office of Economic & Demographic Research
- (2) Office of Economic & Demographic Research
- (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, 2013  
CURRENT YEAR AND TEN YEARS AGO

Employer	<u>2013</u>			<u>2004</u>		
	Employees	Rank	Percentage of Total Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total Employment <sup>(2)</sup>
Longboat Key Club	480	1	25.09%	N/A	N/A	N/A
Publix Super Market #1432	160	2	8.36%	N/A	N/A	N/A
Town of Longboat Key	127	3	6.64%	N/A	N/A	N/A
Valleycrest Landscape Maintenance	75	4	3.92%	N/A	N/A	N/A
Longboat Key Hilton	68	5	3.55%	N/A	N/A	N/A
Chart House Restaurant	50	6	2.61%	N/A	N/A	N/A
Euphemia Haye	49	7	2.56%	N/A	N/A	N/A
Grants Gardens Inc	40	8	2.09%	N/A	N/A	N/A
Moore's Stone Crab Restaurant	37	9	1.93%	N/A	N/A	N/A
Mar Vista Dockside Resturant & Pub	34	10	1.78%	N/A	N/A	N/A
<b>Total</b>	<u>1,120</u>		<u>58.53%</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>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>	<u>2013</u>
<b>Function</b>										
General government	35	34	34	34	34	29	32	32	25	25
Public safety	65	65	65	65	64	64	63	65	67	67
Transportation	7	8	8	8	7	7	6	6	6	6
Culture & recreation	6	7	7	7	6	5	6	5	5	5
Water and sewer	7	7	7	7	8	8	7	7	7	7
Total	<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>	<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

<b>Function/Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Fire</b>										
Fire calls	637	559	491	478	483	382	390	423	412	401
Rescue calls	1,010	931	927	1,025	960	973	991	1,073	1,003	1,093
Inspections	1,224	892	854	1,744	1,582	376	388	804	805	559
<b>Police</b>										
Law Violations	1,022	952	1,131	857	846	567	353	354	200	683
Law Arrests	134	253	278	221	215	135	110	101	46	65
<b>Water system</b>										
Number of users or consumers	10,804	10,871	10,738	10,775	10,770	10,733	10,723	10,723	16,802	10,802
Daily average finished flow in gallons	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	1,569,241
<b>Sewer system</b>										
Daily average treatment in gallons	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	1,647,711

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public Safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	6	6	6	6	6	6	6	6	6	5
Marine Units	1	1	1	1	1	1	1	1	1	2
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	1	1	2
<b>Highways and Streets</b>										
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
<b>Culture and Recreation</b>										
Parks acreage (in excess of)	140	140	140	140	140	140	140	141	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	12	12	12	12	12	12	12	12	12	12
<b>Water</b>										
Water Mains (miles) <sup>(1)</sup>	56	56	56	56	56	56	46	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	209	209	209	209	209	209	209	209	212	212
<b>Wastewater</b>										
Sanitary Sewers (miles)	46.0	46.0	46.0	46.0	46.0	46.0	44.0	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

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

Sources: various Town of Longboat Key departments

## **Other Auditors' Reports**

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

To the Honorable Members of the Board of Town Commissioners

Town of Longboat Key, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Longboat Key, Florida (the "Town"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 27, 2014.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness, which is identified as Finding 2013-001.

**Compliance and Other Matters**

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

**Town of Longboat Key, Florida's Response to Findings**

The Town's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

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

**CARR, RIGGS & INGRAM, LLC**

Certified Public Accountants

March 27, 2014

**TOWN OF LONGBOAT KEY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2013**

***Finding – Financial Statement Audit***

**Material Weakness**

**Finding 2013-001**

**Criteria**

The Town is responsible for maintaining internal controls over the proper presentation and reporting of financial activity and fund designations.

**Condition**

During our audit, we noted two agency funds (Police Training and Law Enforcement Forfeiture) that did not meet the definition of agency funds.

**Cause**

Agency funds are defined as a type of fiduciary fund that reports assets held in an agency capacity that cannot be used to support the government's own programs. Many years ago the Town misapplied this definition of agency funds in the following circumstances:

- Accumulation and use of fines and fees that can only be used for police training programs
- Accumulation and use of proceeds from contraband recovered by the police department

In both of these circumstances, the use of these moneys is to the benefit of the general government; therefore, making the use of agency funds incorrect.

**Effect**

Due to findings noted above, the impact of the reporting changes are an increase to net position - beginning of the year by \$320,700 and reclassifying the Police Training and Law Enforcement Forfeiture agency funds as nonmajor special revenue funds. This reclassification resulted in opening fund balance of \$62,523 and \$258,177 for the Police Training and Law Enforcement Forfeiture special revenue funds, respectively.

**Recommendation**

We recommend that management continue to review the operations of the Town to appropriately classify and report all funds of the Town.

**Town of Longboat Key, Florida's Response**

The Town concurs with the reclassification of these two funds to special revenue funds and the new Finance Director has reviewed all funds for proper classification in the financial statements.

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, 2013, and have issued our report thereon dated March 27, 2014.

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*, and Schedule of Findings and Responses. Disclosures in those reports and schedule, which are dated March 27, 2014, 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)6.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)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.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 same. The assessment was done as of the fiscal year ended September 30, 2013.

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

March 27, 2014