

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



## **Comprehensive Annual Financial Report**

**Fiscal Year Ended September 30, 2015**



**TOWN OF LONGBOAT KEY, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2015**

Prepared by:  
Susan Smith, Finance Director  
Finance Department

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**TOWN OF LONGBOAT KEY, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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# **Introductory Section**

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# 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)

April 21, 2016

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

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, 2015.

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, 2015, 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 Mauldin & Jenkins, LLC. The scope of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year end September 30, 2015, 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, 2015 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 2007. 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 6,845 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 almost 800 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. 2014 was the first year that assessed values for property values reflected an increase since 2008.

**Employment Types and Trends.** The major employers on Longboat Key include the Longboat Key Club, the Hilton Resort (though it is currently closed for renovation and expansion), 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 the late winter and early spring months over the last few years, when northern states experienced record cold temperatures and extended snow. Many part-time residents delayed their departure from the area, which resulted in record numbers of tourists to the area. 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.

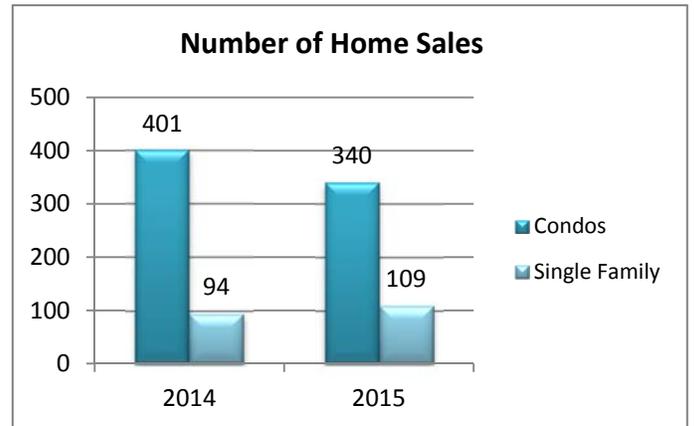
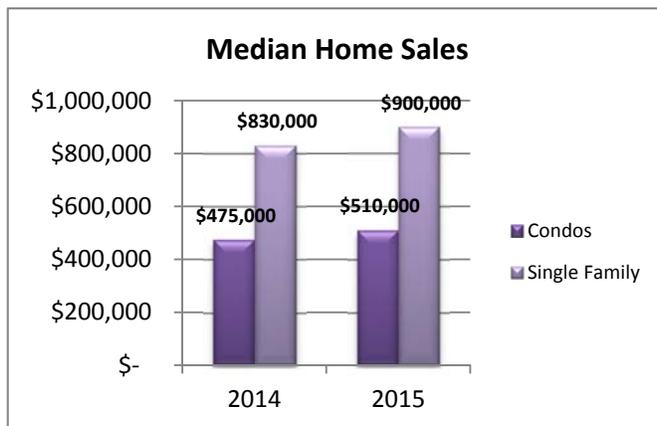
Contractors and maintenance crews make up the majority of commuters who travel to the island on a daily basis. Most of these workers are employed by companies with offices on the mainland.

As mentioned previously, a major renovation and expansion is underway for The Hilton Resort. The resort is currently closed during construction. Upon reopening, they anticipate hiring an additional 20 full-time employees, though the resort may not utilize the Hilton flagship brand.

**Redevelopment.** Longboat Key is currently experiencing a renewed interest in development and redevelopment in both the residential, tourism, and commercial sectors. Projects underway and/or planned in the near future include the following:

- Zota Beach Resort: 85-room expansion of the former beachfront Hilton Resort (currently under construction);
- Infinity Condominiums: 11-unit luxury beachfront condominium complex with unit sales prices ranging from \$3.5 to \$5.5 million (currently under construction);
- Aria Condominiums: 16-unit luxury beachfront condominium complex with prices ranging from \$2.5 to \$5.5 million (currently under construction);
- Bonaire: Single-family beachfront subdivision with nine (9) upscale residential homes, with prices ranging from \$3 to 7 million (currently under construction);
- The Shore Restaurant: Redevelopment of an existing Bayfront restaurant building on north end of the island (construction anticipated in 2016);
- Bayfront Park: Redevelopment of existing park, to include a dog park, playground, tennis courts, basketball court, pickle ball, kayak launch and storage, and other recreational amenities (construction anticipated in May 2016);
- Cultural Center: Multi-use cultural and arts center in the Bay Isles shopping area near Town Hall (currently in early planning stages);
- Longboat Key Club: Referendum recently approved to allow potential approval of a 300-room resort with conference space on the south end of the island (anticipate plans in 2016);
- Whitney Plaza: Recent \$1 million refurbishment of shopping center and new tenants, including a restaurant and various retail establishments;
- Amore's Restaurant: Remodeling of a restaurant building in the Bay Isles shopping center that had been vacant for several years; opened in 2015;
- Numerous individual single-family homes under construction on scattered lots island-wide, including tear-down of older homes to facilitate construction of new and larger homes.

**Housing.** According to realtor, Janelle Malrick, Coldwell Banker, Longboat Key's housing market showed a modest decrease in the number of condominium sales from 401 in 2014 to 340 in 2015 while single family homes showed a small increase from 94 in 2014 to 109 in 2015 as shown below. While home prices on Longboat Key can range from \$250,000 into the millions, the median single family home and condo prices showed a growth rate of about 7%. The average sale price for a single family home and condominium for 2015 was \$900,000 and \$510,000, 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. 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. The Town is currently undergoing a major rewrite to its Land Development Codes, with the intent to create streamline processes, update all zoning districts, incorporate strong graphic illustrations and to develop a document that is easier to read and interpret, all while maintaining the economic vitality and the quality of life in the Town and improving its sustainability.

### **Major initiatives and Capital Projects**

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. The Town's five-year annual capital planning process provides the mechanism to compile, rate and prioritize capital needs and also determine funding sources available. Some of our major projects are listed below:

- Longboat Key draws residents and visitors from all over the world to live in this well planned community and play on our beaches and parks. The Town's ongoing beach nourishment program is underway with a \$16,000,000 bond authorization in place. The Town expects to issue bonds in May 2016. The Town has completed construction of two permeable adjustable groins for the north end of the island and is starting a major sand truck haul in early 2016. Some areas will receive sand dredged from Longboat Pass and New Pass in the fall of 2016.
- The Town has entered into a joint project interlocal agreement with Sarasota County for a \$3.1 million expansion and redevelopment of Bayfront Park. The County will contribute an amount not to exceed \$2 million or 67% of the project, whichever is less. The Town will cover the remaining costs utilizing Infrastructure surtax funds and other grants. Improvements to Bayfront Park are expected to start in mid to late 2016.
- The Public Works Department continues its lift station rehabilitation program to provide uninterrupted wastewater treatment services to the residents. Public works is also methodically sliplining the Town's wastewater lines to eliminate problems associated with inflow and infiltration. The Town is studying whether to undergo the replacement of a 40 year old subaqueous wastewater pipeline which pumps wastewater to the Manatee County Southwest Regional Treatment Facility. If the Town moves forward with its replacement, it will be executed via a design-build delivery method for allowing collaborative solutions between the engineer and contractor. Planning level construction estimates of this major project range from \$17 to \$25 million.
- The Town is undertaking a major initiative to underground all of its overhead utility lines island wide. The initiative will be divided into two referendum, one for Gulf of Mexico Drive and one for the remaining neighborhoods and side streets and will be paid for with non-ad valorem assessments. Once approved, the Town will take advantage of this opportunity to build a state of the art network at a significant savings and run fiber optic cable island wide, including areas already undergrounded. This will provide efficiencies in government, healthcare and enhance economic development opportunities.
- The idea of a cohesive Town Center returned to the forefront of the community's planning efforts, due in part to the opportunity to purchase a large tract of undeveloped land at the heart of the Town Center area. The community recognized the potential to use this land to bring additional civic spaces to the area, such as a cultural center, park, and other community gathering spaces. With the purchase of the property completed, the Town is moving forward to bring to fruition the community's vision of a true Town Center concept. The goal of the Town and the consultant team is to create a more walkable, mixed-use environment to serve as the heart of the Longboat Key community.

### **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.

## **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.

Internal Controls. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Process. The Town's budget is a detailed operating plan, which identifies estimated costs and revenues to fund program initiatives. The budget includes: (1) the programs, projects, services, and activities to be carried on during the fiscal year; (2) the estimated revenue available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The budget represents a process where policy decisions by the Mayor, Town Commission and Town Manager are made, implemented, and controlled. Note 1(N) to the basic financial statements summarizes the budgetary roles of various Town officials and the timetable for their various budgetary actions according to the Town Charter.

Cash Management. The Town's pooled deposits and investments are conservatively invested pursuant to policy established by Resolution working with the Town's Investment Advisory Oversight Committee and financial advisor. The Town's investment policy seeks the preservation of capital, liquidity and yield, in that order of priority. The policy addresses soundness of financial institutions holding our assets and the types of investments permitted by the Florida State Statutes. The earned yield for the fiscal year 2015 was 1.04%. The Employees' Consolidated Retirement System deposits and investments follow policies established by their respective governing boards.

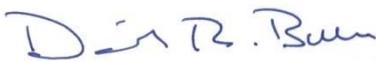
**Awards.** The Government Finance Officers Association and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Longboat Key, Florida for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014. This was the 34rd 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 Mauldin & Jenkins, 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,



---

David R. Bullock  
Town Manager



---

Susan L. Smith  
Finance Director

# TOWN OF LONGBOAT KEY, FLORIDA

## LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2015

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### TOWN COMMISSION

Mayor Jack Duncan  
Vice-Mayor Terry Ganz

District 1 – Lynn Larson  
District 2 – Jack Duncan  
District 3 – Terry Ganz  
District 4 – Jack Daly  
District 5 – Pat Zunz  
At Large – Phill Younger  
At Large – Irwin Pastor

### TOWN DEPARTMENTS

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

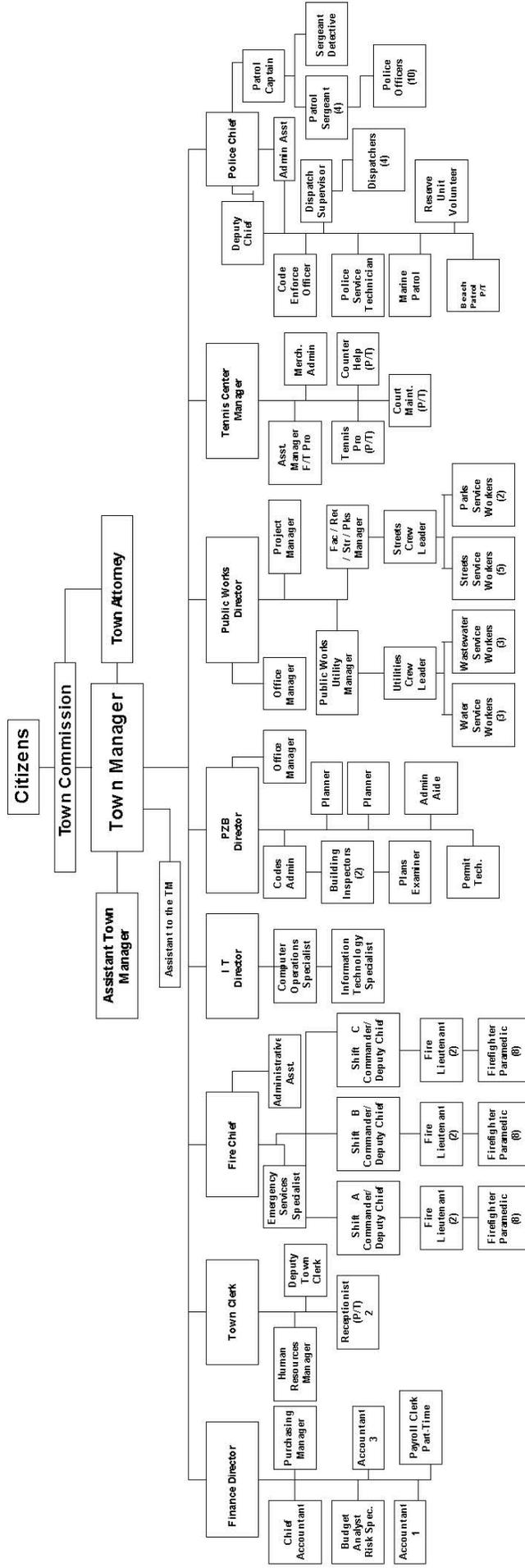
### AUDITORS

Mauldin & Jenkins, LLC

# TOWN OF LONGBOAT KEY, FLORIDA

## ORGANIZATIONAL CHART

### SEPTEMBER 30, 2015



September 2015



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, 2014**

Executive Director/CEO

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# **Financial Section**

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## INDEPENDENT AUDITOR'S REPORT

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Honorable Mayor and Members of  
the Town Commission,  
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, 2015, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2015, 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.

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***Emphasis of Matter***

As discussed in Note 1 and 14, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014. These standards significantly changed the accounting for the Town's net pension liability and the related disclosures. 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 on pages 4 through 20 and the budgetary comparison information and schedules of net pension liability and related ratios, schedules of contributions, schedule of pension investment returns, and schedule of funding progress on pages 70 through 94 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 schedules, the Schedule of Expenditures of State Financial Assistance, the Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, and the Schedule of Expenditures of State Financial Assistance, and the Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of State Financial Assistance, and the Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill, 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.

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
April 21, 2016

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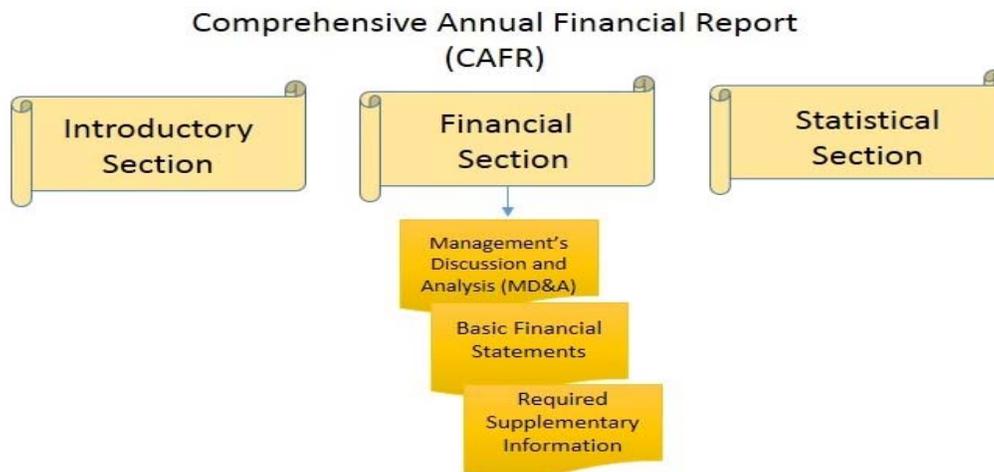
## Management's Discussion and Analysis

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, 2015. 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.

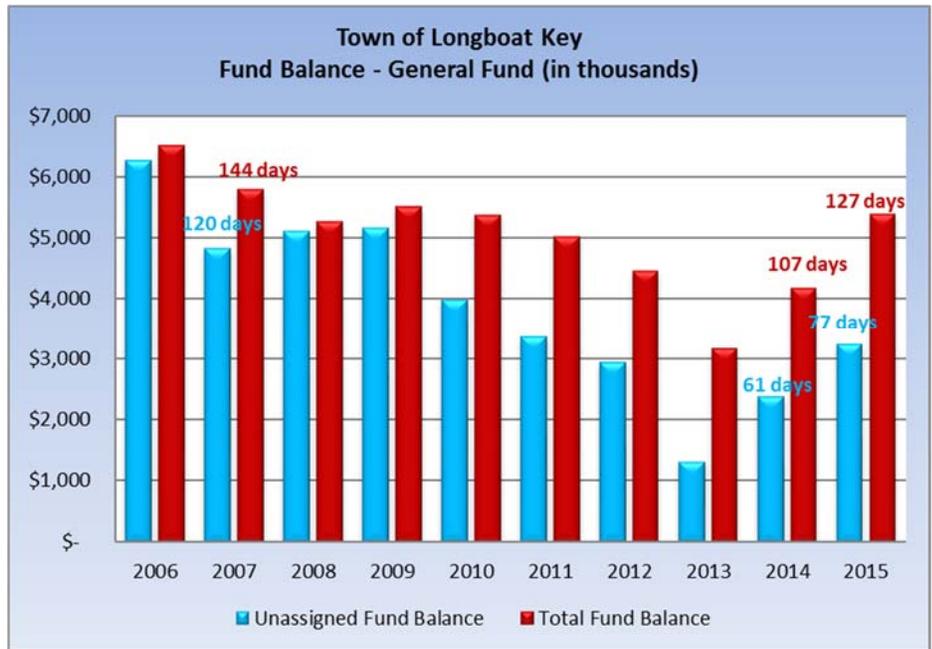


### Financial Highlights

- The Governmental Accounting Standards Boards (GASB) has issued Statement No. 68, "Accounting and Financial Reporting for Pension Plans" (GASB 68) and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date: An amendment of GASB Statement No. 68" (GASB 71) which were adopted by the Town for the year ended September 30, 2015. These new pronouncements require governments that provide defined benefit pension plans to recognize the long-term obligation for pension benefits as a liability and to more comprehensively and comparably measure the annual cost of pension benefits. The Town has always disclosed the liability in the Notes to the financial Statements, but now we are showing it on the Statement of Net Position for the first time. In addition, the impact of implementing this statement resulted in a restatement of the beginning net position for governmental and business type activities to adjust for the pension benefit liability that would have been reported in previous years. The restatement decreased beginning total net position by \$19.3 million for Governmental Activities and \$1.1 million for Business-type Activities. The additional liability impact of this new GASB for September 30, 2015 is \$23.4 million for Governmental Activities and \$1.1 million for Business-type Activities.
- The Fire Department negotiated to enroll into the Florida Retirement System "FRS" when the Town froze the defined benefit pension plans. As a result, the Town is now required to report its share of the State's pension liability, currently calculated at \$1.9 million, related to the Town's enrolled firefighters. An additional liability of \$674,468 is also recorded for the Town's proportionate share of the FRS Health Insurance Subsidy (HIS) Plan. Please refer to Note 12 on pages 59-66 for additional information related to FRS.

**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2015

- The Town of Longboat Key's net position for governmental activities at the close of the fiscal year September 30, 2015, is \$49.0 million, which is an increase of \$6.1 million (21.4%) from the previous year (restated). Of the Town's total net position, \$14.4 million is restricted to specific purposes leaving a negative -\$11.9 million in unrestricted net position. Because we are now reporting the pension liability it looks as though we have no net position available to meet the Town's ongoing obligations to citizens and creditors, however the pension liabilities are not likely to be paid out in the short term. Pension liabilities are normally paid over the lifetime of the retirees and funded over 20 to 30 years.
- The Town's total net position for business-type activities is \$33.1 million, which is an increase of \$1.1 million or 3.4%. Of this amount, \$14.6 million or 44% is considered unrestricted. Unrestricted net position decreased by \$854,000 (using restated 2014 balances).
- At September 30, 2015 the Town of Longboat Key's governmental fund statements, which includes the General Fund, Road and Bridge Fund, General Obligation Beach Bonds Fund, Beach Nourishment Fund and all non-major funds, reported combined ending fund balances of \$20.5 million, an increase of \$4.5 million from the previous fiscal year. \$2.9 million of this increase is due to the tax levy imposed to the Beach Erosion Control District A and Beach Erosion Control District B for a major beach nourishment project. Out of \$20.5 million of fund balance, \$3.2 million is unassigned, which is equivalent to 16% of total expenditures.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$5.4 million, which is an increase of \$1.2 million from the prior fiscal year. This increase was due to three major factors: (1) the Town received a payment of \$967,932 (net of legal fees) from BP Oil for a settlement related to the Deep Horizon Oil Spill event; (2) the Town had other additional revenues of \$231,120 more than anticipated; (3) the Town departments underspent their appropriated budgets by \$781,465. 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, 2015, the General Fund *unassigned* fund balance is \$3.2 million which is an increase of \$842,000 from the prior year. The unassigned fund balance represents approximately 21.0% of total General Fund expenditures, (excluding capital outlay), which is the equivalent of 77 operating days. The *assigned* fund balance includes \$1,310,075 for future pension liabilities; \$622,240 to offset expenditures in the FY2016 budget; and encumbrances of \$201,887.
- 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 127 operating days or 33.2%. The Town has done an excellent job rebuilding fund balance since 2013. 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:

1. *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, the General Obligation Beach Bonds 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.
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 26 to 29 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 30 and 31 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 21) 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 22) 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).

**Town of Longboat Key, Florida**  
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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.

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

**Major Features of the Basic Financial Statements**

<u>Type of Statements</u>	<u>Government-wide Financial Statements</u>	<u>Fund Financial Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
<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.

**Town of Longboat Key, Florida**  
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**Government-Wide Financial Analysis**

Comparative data for fiscal years ending September 30, 2015 and 2014 are shown below.

**Town of Longboat Key Net Position (in thousands)**

	Governmental Activities		Business-type Activities		Total	
	Restated 2014	2015	Restated 2014	2015	Restated 2014	2015
Current/other assets	\$ 16,700	\$ 21,267	\$ 20,111	\$ 19,078	\$ 36,811	\$ 40,345
Capital assets, net	<u>48,255</u>	<u>47,857</u>	<u>26,007</u>	<u>27,913</u>	<u>74,262</u>	<u>75,770</u>
Total assets	<u>64,955</u>	<u>69,124</u>	<u>46,118</u>	<u>46,991</u>	<u>111,073</u>	<u>116,115</u>
Deferred Outflow of Resources	<u>2,713</u>	<u>7,891</u>	<u>142</u>	<u>167</u>	<u>2,855</u>	<u>8,058</u>
Current liabilities	1,316	755	1,795	1,197	3,111	1,952
Long-term liabilities	<u>23,462</u>	<u>25,615</u>	<u>12,479</u>	<u>12,825</u>	<u>35,941</u>	<u>38,440</u>
Total liabilities	<u>24,778</u>	<u>26,370</u>	<u>14,274</u>	<u>14,022</u>	<u>39,052</u>	<u>40,392</u>
Deferred Inflows of Resources	<u>-</u>	<u>1,639</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>1,684</u>
Net investment in capital assets	46,906	46,507	14,194	16,234	61,100	62,741
Restricted	11,408	14,450	2,368	2,287	13,776	16,737
Unrestricted	<u>(15,424)</u>	<u>(11,951)</u>	<u>15,424</u>	<u>14,570</u>	<u>-</u>	<u>2,619</u>
Total net position	<u>\$ 42,890</u>	<u>\$ 49,006</u>	<u>\$ 31,986</u>	<u>\$ 33,091</u>	<u>\$ 74,876</u>	<u>\$ 82,097</u>

*Governmental activities.* The largest portion of the Town's net position (76.5%) 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, 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.

*Unrestricted* net position increased \$3.5 million for Governmental Activities. The *unrestricted* balance, which is showing a negative -\$11.9 million may be used to meet the government's on-going obligations to citizens and creditors, however now that we have introduced pension liabilities into the equation, it somewhat muddies the waters as pension liabilities are normally paid out over a long period of time. *Restricted* net position increased by \$3.0 million due to the Town's collection of taxes for the beach renourishment project.

The overall financial position of the Town increased by \$6.1 million in fiscal year 2015 as compared to a decline of \$1 million in the prior year. The new item, Deferred Outflow of Resources, represents the required deferral of FY2015's Annual Required Contribution to the pension and applicable changes in actuarial assumptions. This deferral of the contribution was necessary because it occurred before year end but subsequent to the measurement date of the Town's net pension liability, which is September 30, 2014. 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. The Town's fiscal outlook remains positive due to the stabilization of a declining tax base, which saw an increase in taxable property values for fiscal year 2015 of 5.01%.

**Town of Longboat Key, Florida**  
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**Business-type activities.** The Town's business-type activities (water and sewer and building departments) net position at September 30, 2015 increased by \$1.1 million over 2014. Current *unrestricted* assets decreased a total of \$854,000 from the previous year. 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.

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

The ratio for both years is as follows:

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>Fiscal year ending September 30, 2015</b>		
Current unrestricted assets	\$ 21,266	\$ 19,077
Current unrestricted liabilities	\$ 1,436	\$ 1,807
Ratio of current assets to current liabilities	14.81	10.56
<b>Fiscal year ending September 30, 2014</b>		
Current unrestricted assets	\$ 16,762	\$ 18,700
Current unrestricted liabilities	\$ 1,316	\$ 1,452
Ratio of current assets to current liabilities	12.74	12.88

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 position as discussed above.

As presented in the summary below, Governmental Activity expenses exceeded program revenues by \$14.3 million in FY 2015. 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 22.2% of governmental activity expenses were paid for with program revenue compared to 8.3% in the prior year.

The adopted budget was prepared based on a 5.01% increase in property values. This in combination with an operating mill rate increase of .1003 increased property tax revenue by \$910,350. In addition, a beach nourishment tax levy was imposed for Beach Erosion Control District A of .8500 mills and Beach Erosion Control District B of .2125 mills producing \$2.8 million in taxes. The increase in operating grants and contributions is due to the fees charged to the Hilton as required by the land acquisition and preservation program. Miscellaneous receipts increased by \$1 million largely due to the BP Oil settlement received by the Town. The total settlement of \$1,232,726 was reduced by \$264,794 for legal fees.

Total business-type activity revenues exceeded program expenses by \$2.4 million. Business-type activities expenses are typically paid for with user fees, because these services are provided on a cost reimbursement basis. The utility and building funds are required to reimburse the general fund for indirect costs incurred by the general fund, shown as net transfers.

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

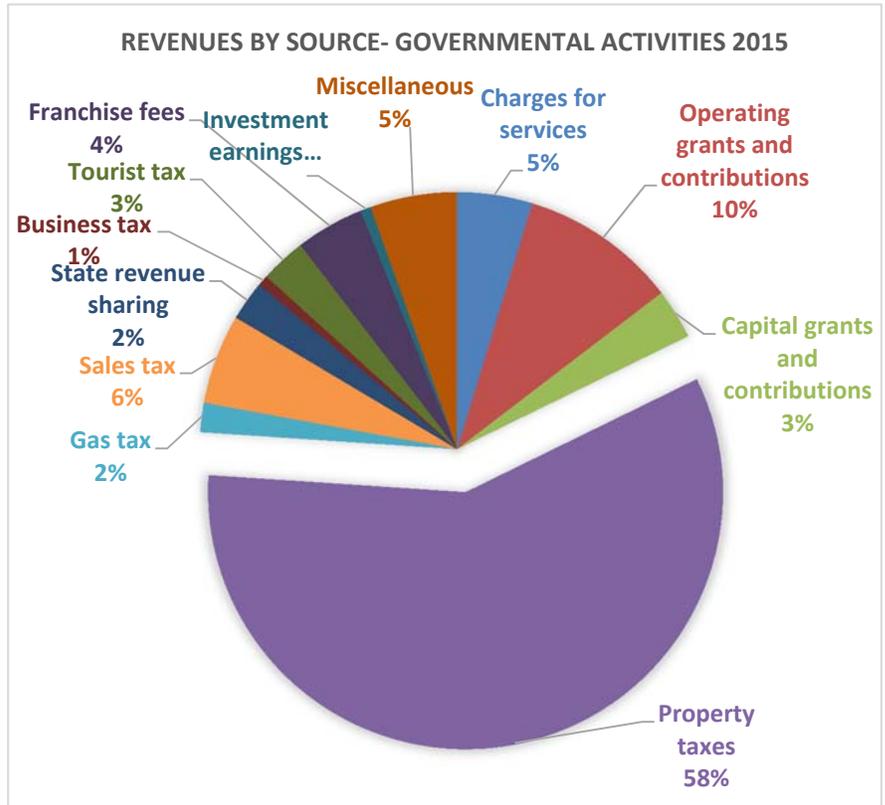
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>Restated</u>		<u>Restated</u>		<u>Restated</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
<b>Program Revenues:</b>						
Charges for services	\$ 1,003	\$ 1,088	\$ 8,935	\$ 9,333	\$ 9,938	\$ 10,421
Operating grants and contributions	506	2,273	-	-	506	2,273
Capital grants and contributions	49	727	-	-	49	727
Total program revenue	<u>1,558</u>	<u>4,088</u>	<u>8,935</u>	<u>9,333</u>	<u>10,493</u>	<u>13,421</u>
<b>Expenses:</b>						
General government	4,413	4,330	-	-	4,413	4,330
Public safety	9,276	8,978	-	-	9,276	8,978
Transportation	882	885	-	-	882	885
Economic environment	-	-	-	-	-	-
Culture and recreation	4,069	4,118	-	-	4,069	4,118
Interest on long-term debt	34	29	-	-	34	29
Water and sewer	-	-	6,234	6,284	6,234	6,284
Building department	-	-	720	643	720	643
Total expenses	<u>18,674</u>	<u>18,340</u>	<u>6,954</u>	<u>6,927</u>	<u>25,628</u>	<u>25,267</u>
Net expense	<u>(17,116)</u>	<u>(14,252)</u>	<u>1,981</u>	<u>2,406</u>	<u>(15,135)</u>	<u>(11,846)</u>
<b>General Revenues:</b>						
Property taxes	9,708	13,426	-	-	9,708	13,426
Gasoline taxes	412	424	-	-	412	424
Sales taxes	1,224	1,302	-	-	1,224	1,302
Unrestricted State revenue sharing	588	577	-	-	588	577
Business tax	295	153	-	-	295	153
Tourist tax	575	661	-	-	575	661
Franchise tax	958	989	-	-	958	989
Interest income	121	151	(15)	83	106	234
Miscellaneous	272	1,257	-	-	272	1,257
Gain on sale of capital assets	-	44	-	-	-	44
Total general revenue	<u>14,153</u>	<u>18,984</u>	<u>(15)</u>	<u>83</u>	<u>14,138</u>	<u>19,067</u>
Increase (decrease) in net position before transfers	(2,963)	4,732	1,966	2,489	(997)	7,221
Net transfers	<u>1,383</u>	<u>1,384</u>	<u>(1,383)</u>	<u>(1,383)</u>	<u>-</u>	<u>1</u>
Change in net position	(1,580)	6,116	583	1,106	(997)	7,222
Net position - beginning, as restated	<u>44,470</u>	<u>42,890</u>	<u>31,403</u>	<u>31,986</u>	<u>75,873</u>	<u>74,876</u>
Net position - ending	<u>\$ 42,890</u>	<u>\$49,006</u>	<u>\$31,986</u>	<u>\$33,092</u>	<u>\$ 74,876</u>	<u>\$ 82,098</u>

**Town of Longboat Key, Florida**  
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**Revenues:**

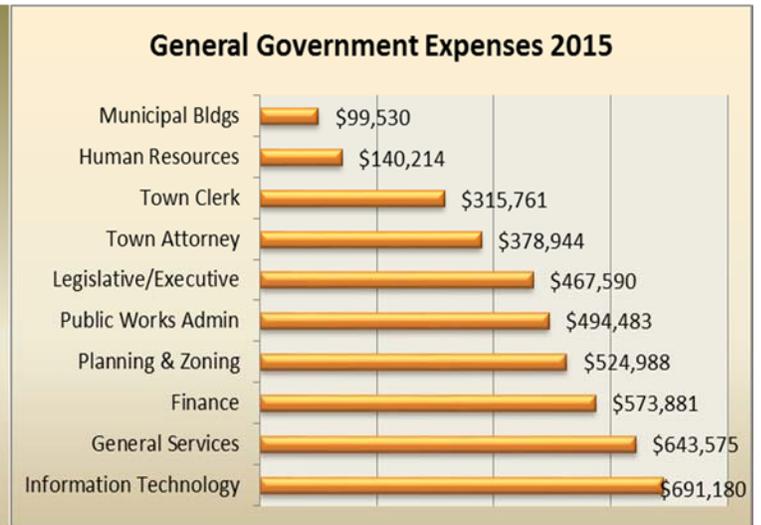
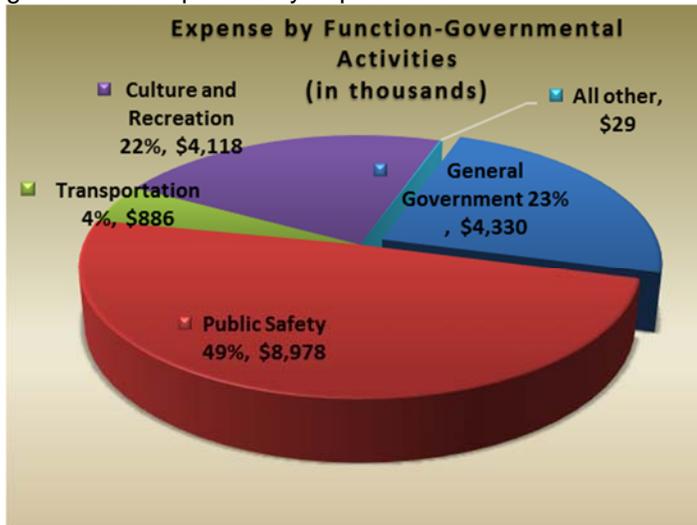
The chart below reveals the Town's revenue sources by type. Approximately 58% of the revenues were derived from property taxes, 18% were generated from State and local option taxes such as business tax, tourist development tax, sales tax and gas taxes, and the remaining revenue comes from state revenue sharing and charges for services.

- Property tax receipts increased \$3,718,529 or 38% largely due to the debt millage assessed to Beach Districts A and B for a major beach renourishment project. The Town increased the mill rate by .1003 and home values increased 5.01%.
- Capital grants and contributions increased \$678,007 due to State beach nourishment grants. Capital grants fluctuate between fiscal years depending on the availability of grant funding and the need for capital improvements.
- Miscellaneous Income increased \$1,111,718 largely due to the Town receiving a settlement payment from BP Oil.
- The Town collected \$2.2 million in fees charged to developers to secure and preserve open spaces and/or improve parks. These land acquisition fees are included in Charges for Services.



**Expenses:**

The display shown below left shows that within governmental activities public safety makes up 49% of the expenses followed by General Government 23%, Culture and Recreation 22% 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 by department.



**Town of Longboat Key, Florida**  
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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 (72.4% of total spending). The following provides an additional perspective on pension expense:

- The Town's combined required pension contribution in FY2015 for all three plans was \$4.23 million (approximately 31.7% of total payroll).
- The \$23.4 million unfunded pension liability is nearly one and half times the General Fund budget.
- The unfunded liability is \$3,418 per capita (based on 6845 residents).
- Annual pension contributions make up 27.3% of the total General Fund expenditures and 31.5% of ad valorem taxes.

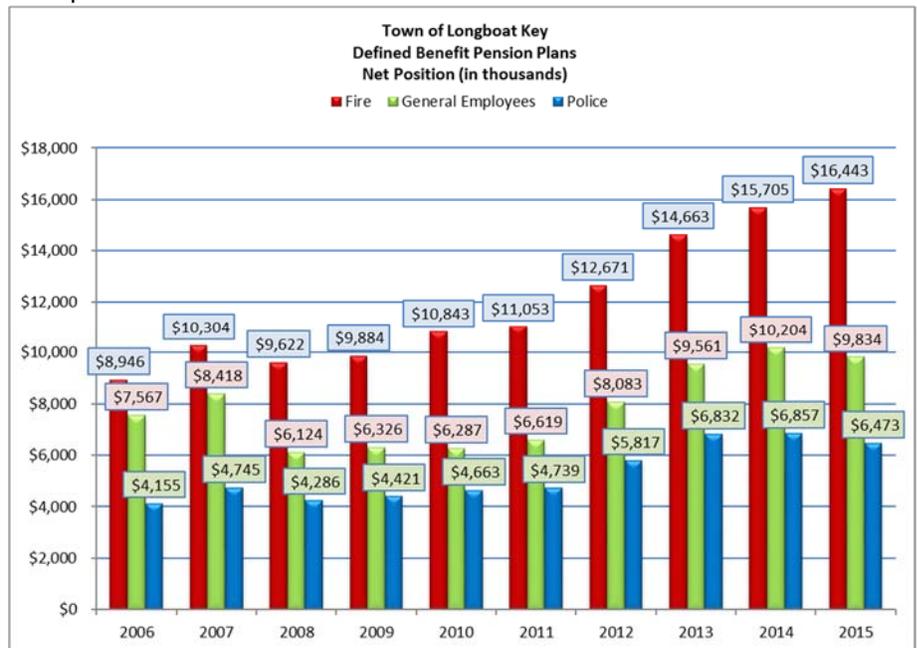
The new provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* became effective in FY2015 requiring the inclusion of unfunded pension liabilities to be recorded in the Town's financial statements for the first time. The implementation will not cause contributions to increase but has a major negative effect on the Town's financial net position.

**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 30 and 31 of this report.

The Town of Longboat Key has three individual pension plans; police officers firefighters, and general employees that were combined into one Consolidated Plan effective October 1, 2014. The Town is still transitioning the consolidation of the assets. The combined pension plan net position restricted for pension benefits at September 30, 2015 are \$32.8 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 implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement no. 25*, which significantly changed the disclosures required related to the plans. What used to be referred to as the funding ratio is now called *Plan fiduciary net position as a percentage of Total Pension Liability*.



The Town's net position is showing steady growth since the financial crisis of 2008 and the plans are currently 54.82% funded for firefighters, 61.41% funded for police officers and 68.62% funded for general employees, (based on 10/1/2014 valuation) which are below the average of 70.7% to 75.0% on a market value of assets basis (top 100 public plans). The Town historically funds 100% of its annual required contribution.

**Town of Longboat Key, Florida**  
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The Town successfully negotiated the plan freeze for all pension plans during FY2014. Freezing the plan means that employees will no longer accrue years of service after the date of freeze, which is used to calculate their monthly retirement benefit. The accrued benefits they have earned prior to this date will remain and the pension plans will continue to exist until the final benefit payments are made.

In lieu of the defined benefit plan, the police officers and general employees opted for a Town sponsored defined contribution (401a) plan and the firefighters opted to join the Florida Retirement System (FRS).

As a result of the freeze in FY2014, employees no longer make contributions to the Plan and State premium revenue sharing money ceased. The new Consolidated Board of Trustees has chosen a new investment advisor, have analyzed the proper asset allocation mix and chose to lower the rate of return assumption to 7% over the remaining life of the Plans. 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.

**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 \$20,479,556 for 2015 and \$15,972,890 for 2014 (an increase of \$4,506,666). Of the total fund balance, \$74,009 is nonspendable, \$14,681,121 is restricted, \$2,491,657 is assigned and \$3,232,769 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>2014</b>	<b>2015</b>	<b>Increase (Decrease)</b>
General Fund	\$ 4,180,165	\$ 5,380,623	\$ 1,200,458
Road and Bridge Fund	1,771,428	1,509,842	(261,586)
General Obligation Beach Bonds Fund	-	2,926,564	2,926,564
Beach Nourishment Capital Project Fund	4,766,564	4,691,484	(75,080)
Other Governmental Funds	5,254,733	5,971,043	716,310
	<u>\$15,972,890</u>	<u>\$20,479,556</u>	<u>\$ 4,506,666</u>

**Major Governmental Funds**

The Town of Longboat Key reports three major funds: General Fund, Road and Bridge Fund, General Obligation Beach Bonds Fund and the Beach Nourishment 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, 2015, total fund balance in the General Fund was \$5,380,623 of which \$3,240,217 was unassigned. As a measure of the General Fund's liquidity, fund balance as a percentage of total expenditures (excluding capital outlay) is calculated. Total and unassigned fund balances shows percentages of 34.7 % and 21.0%, respectively, for fiscal year 2015 as compared to 29.4% and 16.9% for the prior fiscal year. Property values increased by 5.01% and the mill rate increase from 2.0760 to 2.1763 resulting in an increase in tax revenues to the Town of \$910,350.

**Town of Longboat Key, Florida**  
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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 \$1,509,842 decreased by \$261,586 due to the annual transfer to the General Fund for road related expenditures.

General Obligation Beach Bonds Fund. The General Obligation Beach Bonds fund accounts for the property tax collections to pay an annual debt service payment on bonds, however due to permitting issues, the project was postponed and the money was never borrowed. The Town began collecting payments in fiscal year 2015. The mill rate imposed was .8500 for Beach Erosion Control District A and .2125 Beach Erosion Control District B.

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 construction of groins at the north end of the island has been completed, beach engineering continues, and permits have been secured for sand truck haul at various locations throughout the Key. The beach nourishment projects are scheduled to continue through 2016. 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 the project.

The *Non-spendable* portion of fund balance, \$74,009, represents an amount that cannot be spent, such as inventory and prepaid expenses.

*Restricted* fund balances of \$14,681,121, 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 \$2,491,657 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. \$1,310,075 has been assigned for future pension liabilities, \$622,240 has been assigned for future appropriations related to fiscal year 2016, and the remaining amounts of \$201,887 are for open purchase orders outstanding at fiscal year end.

*Unassigned* fund balance is the residual classification for the general fund. The balance of \$3,232,769 represents the Town's cash balance available for any other purpose.

**General Fund Budgetary Highlights**

The detailed line item budget can be found on page 70 to 81 of the Required Supplementary Information (RSI) section which provides the original budget, the final budget after amendments, and the actual revenues received and expenditures incurred.

	<b>Budget Amendments</b>		
	<u>Original</u>	<u>Final</u>	<u>Increase (Decrease)</u>
Revenue	\$ 15,493,791	\$ 15,493,791	\$ -
Expenditures	<u>\$ 15,058,716</u>	<u>\$ 16,326,716</u>	<u>\$ 1,268,000</u>
Fund Balance	\$ 435,075	\$ (832,925)	\$ (1,268,000)

During the year, the Town Commission approved the transfer of \$300,000 of pension reserves, plus all the BP Oil Settlement money to the Pension Trust Fund. This increased the pension expense in the Fire Department by \$1,268,000 over and above the annual required contribution (ARC). Ordinance 2015-27 authorized the appropriation from fund balance and reduced the assignment of fund balance to pensions by the \$300,000 down to \$1,310,075.

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

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The Town annually budgets a Contingency line item in the budget. This is a budgetary form of emergency money, 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 throughout the fiscal year. 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 \$212,000 for contingency and \$50,000 for Red Tide cleanup.

Transfers from contingency of \$211,944 were made during the year as follows:

- \$ 167,000 to General Services for Underground Utility study
- \$ 25,000 to cover Police Department overtime
- \$ 19,944 to cover costs for the hiring of a new purchasing manager

During the year, revenues exceeded budgetary estimates \$366,129 primarily due to these factors:

- BP Oil Settlement: The Town Commission approved the settlement in the amount of \$1,232,726 (\$967,932 net of legal fees), which was later earmarked to fund pension liabilities.
- Emergency Medical Service Fees: The Town exceeded budgetary amount of EMS fees by \$87,835 due to stepped up internal billing and collection efforts. In addition, the Town contracted with a 3<sup>rd</sup> party billing and collection services company to handle the billing and collection of emergency medical services provided by the Town.
- Franchise Fees: collections for electricity bottomed out in 2013 and are back on the rise, as seen in 2015 where the Town collected \$99,891 more than budgeted amount in 2015. This may be due to the hot summer and the associated increasing electricity consumption.
- Miscellaneous Receipts: The Town received a payment from the State of Florida Board of Administration in the amount of \$43,332 related to refunding the Town's portion of funds that were recouped from the Local Government Surplus Fund (LGIP).
- Sale of Fixed Assets: In 2015, the Town upgraded vehicles throughout various departments. The Town had \$50,730 in receipts related to the sale of the vehicles that were replaced.

During the year, expenditures were below budgetary estimates by \$794,012 primarily due to these factors:

In an attempt to build up fund balance, a directive was given to departments to curb spending where possible during the year.

- Planning and Zoning. \$151,604 surplus. The Town began to update its' Comprehensive Plan during 2015 and while \$235,000 was budgeted, only \$100,896 was spent due to the suspension of the work to be performed. This resulted in a \$134,104 in savings.
- General Services. \$159,317 surplus. The Town bid out liability, auto, and property insurance resulting in savings of \$66,617. The Town also did not spend all the pre-referendum costs associated with the GMD Undergrounding project anticipated, providing for a surplus of \$69,479. All of the expenses are deemed reimbursable under the bond in addition to any costs incurred within the legal lines of the budget upon passing of the referendum.
- Police. \$125,092 surplus. The Police Department had vacancies in dispatch personnel and were filled with the use of Police Officers and other dispatchers in an overtime capacity. The Department experienced favorable outcome in wages and health benefits due to the long duration of the vacancies. In addition, there was savings of \$18,938 in fuel and oil due to the decrease in fuel prices.
- Fire. Surplus \$173,711. The Fire Department did exceptionally well in curbing spending, but the bulk of savings was in salaries and benefits along with fuel and oil costs.

**Town of Longboat Key, Florida**  
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Below is a comparison between the two fiscal years.

<b>Town of Longboat Key General Fund Budgetary Basis</b>			
	<u>2014</u>	<u>2015</u>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Property taxes, interest and lien fees	\$ 9,452,685	\$ 10,363,035	\$ 910,350
Other taxes	294,611	152,704	(141,907)
Licenses, fees and permits	36,586	43,949	7,363
Intergovernmental	1,244,597	1,274,666	30,069
Charges for services	839,020	396,839	(442,181)
Franchise fees	958,116	989,043	30,927
Fines and miscellaneous	284,087	1,319,472	1,035,385
Grants	94,417	64,697	(29,720)
Income on investments	66,216	21,933	(44,283)
Transfers from other funds	2,190,164	2,066,507	(123,657)
<b>Total Revenues</b>	<u>15,460,499</u>	<u>16,692,845</u>	<u>1,232,346</u>
<b>Expenditures:</b>			
General government	4,173,554	4,445,649	272,095
Public safety	8,716,741	10,237,832	1,521,091
Transportation	619,875	611,092	(8,783)
Culture and Recreation	764,679	152,487	(612,192)
Capital Outlay	207,464	85,642	(121,822)
Transfer to other funds	52,340	-	(52,340)
<b>Total Expenditures</b>	<u>14,534,653</u>	<u>15,532,702</u>	<u>998,049</u>
<b>Net Change in Fund Balance</b>	<u>\$ 925,846</u>	<u>\$ 1,160,143</u>	<u>\$ 234,297</u>

**Capital Assets**

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

The Town of Longboat Key's investment in capital assets for both governmental and business-type activities, net of accumulated depreciation at September 30, 2015 totaled \$75.8 million while September 30, 2014 totaled \$74.3 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 \$676,060 in new capital assets and \$3.2 million in Construction in Progress for Governmental activities. The Town invested an additional \$680,079 in new capital assets and \$2.7 million in Construction in Progress for Business-type Activities.

Major capital asset events, excluding construction in progress, during the current fiscal year include the following projects:

- Self Contained Breathing Apparatus Packs \$ 179,868
- Police Portable Radios 105,337
- Town Wide Phone System 77,124
- Fire Vehicle 69,805
- Server Replacement 53,251
- Streets Vehicles (2) 58,315
- Building Dept. Vehicles (2) 39,972
- Public Works Vehicles (2) 82,678

**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2015

Below is a summary of the change in capital assets, net of depreciation for fiscal year 2015:

<b>Capital Assets Net of Accumulated Depreciation (in thousands)</b>				
Governmental Activities				
	2014	2015	Increase (Decrease)	Percent
Land	\$ 25,280	\$ 25,288	\$ 8	0.0%
Buildings	5,391	5,105	(286)	-5.3%
Streets and roadways	2,026	1,814	(212)	-10.5%
Improvements other than buildings	9,671	6,479	(3,192)	-33.0%
Vehicles and other equipment	2,105	2,267	162	7.7%
Construction in progress	3,783	6,905	3,122	82.5%
<b>Total</b>	<b>\$ 48,256</b>	<b>\$ 47,858</b>	<b>\$ (398)</b>	<b>-0.8%</b>
Business Activities				
	2014	2015	Increase (Decrease)	Percent
Land	\$ 1,794	\$ 1,794	\$ -	0.0%
Buildings	211	188	(23)	-10.9%
Improvements other than buildings	20,278	21,172	894	4.4%
Vehicles and other equipment	543	1,719	1,176	216.6%
Construction in progress	3,181	3,041	(140)	-4.4%
<b>Total</b>	<b>\$ 26,007</b>	<b>\$ 27,914</b>	<b>\$ 1,907</b>	<b>7.3%</b>

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

**Long Term Debt**

On October 1, 2014, the Town issued General Obligation Revenue Refunding Bonds, Series 2014 in the amount of \$4,680,000. These bonds were used to advance refund a portion of the outstanding General Obligation Note, Series 2009. Due to the reduced interest rate, the Town is anticipated to save \$1,136,498 of future debt service costs within the Water and Sewer Fund. The net present value of these savings is \$904,645. The cost of issuance related to this transaction, \$60,500, was financed thereby increasing our General Obligation Debt from one year to the next.

At September 30, 2015 the Town of Longboat Key had total bonded debt outstanding of \$13,029,484 of which \$1,350,000 is for the G.O. Facilities Bonds, \$3,184,300 is for the G.O. Note Series 2009, \$4,680,000 is for G.O. Partial Refunding Bonds 2014 and \$3,815,184 is for the Water and Sewer State Revolving Fund Loans.

<b>Outstanding Debt</b>			
	2014	2015	Increase (Decrease)
General Obligation Bonds	\$ 9,153,800	\$ 9,214,300	\$ 60,500
Notes Payable	4,009,032	3,815,184	(193,848)
<b>Total</b>	<b>\$ 13,162,832</b>	<b>\$ 13,029,484</b>	<b>\$ (133,348)</b>

The Town's current general obligation rating, with Standard & Poor's continues as AA-. Moody's Investor Services has given a rating of A1 for the Town of Longboat Key. The ratings reflect the strength of the Town of Longboat Key and its management staff.

**Town of Longboat Key, Florida**  
**Management’s Discussion and Analysis**  
September 30, 2015

Other obligations include implicit rate subsidies for retiree medical costs, accrued vacation pay and sick leave, net pension liability 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.

**Undergrounding Utilities.** The Town is in the early stages of undergrounding electrical, communications, fiber optics, and other utilities including the installation of street lighting island wide. The Town split the undergrounding project into two separate referendums. On November 3, 2015, the Town’s electors voted to authorize the Town’s borrowing of up to \$25,250,000 for undergrounding Gulf of Mexico Drive including Binnacle Point in Spanish Main and on Broadway Street. The second referendum held March 15, 2016 authorized the borrowing of and additional \$23,850,000 to underground the remaining neighborhood side streets and install fiber optics in already undergrounded areas. The Town plans to fund the debt with Non Ad valorem assessments over thirty years after giving citizens an opportunity to prepay.

**Beach Renourishment.** The Town electors authorized the borrowing of up to \$16,000,000 to finance the estimated cost of rebuilding, restoring, and sand placement of the Town’s beaches. The Town has contracts in place for a major sand truck haul island wide and will be bidding out dredging for both Longboat Pass at the north end of the Key and New Pass at the south end during 2016. The Town is expected to borrow an estimated \$10,665,000 in May 2016 and amortize the payments over a four-year payment plan. The aforementioned Beach Erosion Control Districts are expected to sunset after the pay-down of all debt service payments. The Town has considered and modeled a long term beach nourishment plan with both millage and pay as you go elements.

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 30 years.

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 is encumbered by debt.

<b>Equity in Net Capital Assets</b>			
	<b>(In thousands)</b>		
	<b>Governmental Activities</b>	<b>Business-type activities</b>	<b>Total Activities</b>
Net Capital asset	\$ 47,857	\$ 27,913	\$ 75,770
Less related debt payable	(25,614)	(12,825)	(38,439)
Equity in net capital assets	<u>\$ 22,243</u>	<u>\$ 15,088</u>	<u>\$ 37,331</u>
Percentage of capital assets financed	<u>54%</u>	<u>46%</u>	<u>51%</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. Florida still leads the nation in home foreclosures, however, foreclosures are trending downward significantly and experts predict home prices in Southwest Florida will continue rising.

**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
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Sarasota County retail and development activity is picking up. Close to \$700,000,000 in construction projects are changing the face of Downtown Sarasota. Hotel, office, residential and mixed use projects that offer a variety of urban amenities and price points are attracting new residents and businesses, along with increasing visitor opportunities. The 880,000-sq.-ft. Mall at University Town Center opened up in October 2014. In the immediate vicinity are some 500 hotel rooms, 1,750 residential units and a \$39.5-million world-class rowing facility at Nathan Benderson Park.

The unemployment rate for the Sarasota-Bradenton-Northport combined area has decreased to 5.0% for 2015 as compared to 11.7% rate at its peak in 2009. The State of Florida overall rate was 5.1% for the same time period.

The Town did not add any major new programs or initiatives to the 2015-2016 budget, however there will be an increased focus on major capital projects, such as beach nourishment, the Bayfront Park expansion and development and canal dredging study projects. Long term debt strategies will be developed for fiscal year 2016 and beyond with an 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 appropriated the use of \$622,240 from fund balance for the 2015-2016 budget.

Factors considered in preparing The Town of Longboat Key's budget for the 2016 fiscal year included:

- No increase in millage.
- Maintain minimum 90 operating days of fund balance.
- Maintaining publicly visible service levels while keeping department expenditures flat.
- Maintain support for five-year capital improvement plan for scheduled vehicle replacement and infrastructure improvements.
- Police contract provides for 2% wage increase.
- Firefighters' contract under negotiation.
- General Employees - New performance based system for determining wage increases
  
- The total assessed value for real and personal property had increased 5.33% percent for the fiscal 2015-16 budget. These values are used to determine the ad valorem tax revenue to be received.

Fiscal Year	Taxable Value	Percent Change
2003	4,022,050,972	18.44%
2004	4,618,875,625	14.84%
2005	5,014,504,388	8.57%
2006	5,695,624,611	13.58%
2007	6,555,048,538	15.09%
2008	6,606,809,366	0.79%
2009	5,954,878,099	(9.87%)
2010	5,350,393,405	(10.15%)
2011	4,868,600,933	(9.00%)
2012	4,647,670,792	(4.54%)
2013	4,577,586,191	(1.51%)
2014	4,698,192,293	2.63%
2015	4,933,697,920	5.01%
2016	5,196,470,815	5.33%

All of these factors were considered in preparing the Town's budget for the 2016 fiscal year. The Town has decreased its operating millage rate to 2.1763 from 2.1300 from fiscal year 2015 to fiscal year 2016 and added a new beach millage for the first of several capital projects.

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**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2015

**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) 316-6882. We also recommend that you visit our website at [www.longboatkey.org](http://www.longboatkey.org) for further information.

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# **Basic Financial Statements**

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**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 16,762	\$ 11,463,613	\$ 11,480,375
Investments	20,078,527	5,780,716	25,859,243
Accounts receivables, net	73,600	781,854	855,454
Accrued income	39,449	17,075	56,524
Due from other governments	984,270	-	984,270
Prepaid items	223	-	223
Inventory	73,786	52,401	126,187
Restricted asset, cash and cash equivalents	-	982,210	982,210
Capital assets			
Non-depreciable	32,194,749	4,835,052	37,029,801
Depreciable, net	15,662,765	23,078,740	38,741,505
<b>Total assets</b>	<u>69,124,131</u>	<u>46,991,661</u>	<u>116,115,792</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pensions	7,891,489	167,731	8,059,220
<b>Liabilities</b>			
Accounts payable	340,075	617,906	957,981
Accrued liabilities	415,221	194,971	610,192
Due to other governments	90	12,831	12,921
Customer deposits payable	-	371,985	371,985
Noncurrent liabilities			
Due within one year	681,052	609,866	1,290,918
Due in more than one year	24,933,366	12,215,163	37,148,529
Total liabilities	<u>26,369,804</u>	<u>14,022,722</u>	<u>40,392,526</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pensions	1,639,340	45,023	1,684,363
<b>Net position</b>			
Net investment in capital assets	46,507,514	16,234,308	62,741,822
Restricted for			
Capital projects	11,241,249	-	11,241,249
Debt service	3,208,276	982,210	4,190,486
Connection fees	-	1,305,039	1,305,039
Unrestricted	(11,950,563)	14,570,090	2,619,527
Total net position	<u>\$ 49,006,476</u>	<u>\$ 33,091,647</u>	<u>\$ 82,098,123</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	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>Functions/programs</b>							
<b>Governmental activities</b>							
General government	\$ 4,330,147	\$ 70,588	-	\$ 727,425	\$ (3,532,134)	\$ -	\$ (3,532,134)
Public safety	8,978,316	947,282	64,697	-	(7,966,337)	-	(7,966,337)
Transportation	885,495	48,422	-	-	(837,073)	-	(837,073)
Culture/recreation	4,118,326	22,326	2,208,837	-	(1,887,163)	-	(1,887,163)
Interest on long-term debt	29,295	-	-	-	(29,295)	-	(29,295)
<b>Total governmental activities</b>	<u>18,341,579</u>	<u>1,088,618</u>	<u>2,273,534</u>	<u>727,425</u>	<u>(14,252,002)</u>	<u>-</u>	<u>(14,252,002)</u>
<b>Business-type activities</b>							
Water and sewer	6,284,460	7,644,027	-	-	-	1,359,567	1,359,567
Building department	642,798	1,689,287	-	-	-	1,046,489	1,046,489
Total business-type activities	<u>6,927,258</u>	<u>9,333,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,406,056</u>	<u>2,406,056</u>
<b>Total primary government</b>	<u>\$ 25,268,837</u>	<u>\$ 10,421,932</u>	<u>\$ 2,273,534</u>	<u>\$ 727,425</u>	<u>(14,252,002)</u>	<u>2,406,056</u>	<u>(11,845,946)</u>
<b>General revenues</b>							
Property taxes					13,426,484	-	13,426,484
Gas taxes					423,578	-	423,578
Sales taxes					1,302,442	-	1,302,442
Unrestricted state revenue sharing					576,628	-	576,628
Franchise fees					989,043	-	989,043
Business tax					152,704	-	152,704
Tourist tax					661,694	-	661,694
Investment earnings					150,753	83,412	234,165
Miscellaneous					1,257,455	-	1,257,455
Gain on sale of capital asset					43,753	-	43,753
<b>Transfers</b>					1,383,855	(1,383,855)	-
Total general revenues and transfers					20,368,389	(1,300,443)	19,067,946
<b>Change in net position</b>					6,116,387	1,105,613	7,222,000
<b>Net position, beginning of year, as restated</b>					42,890,089	31,986,034	74,876,123
<b>Net position, end of year</b>					<u>\$ 49,006,476</u>	<u>\$ 33,091,647</u>	<u>\$ 82,098,123</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LONGBOAT KEY, FLORIDA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	General Fund	Road and Bridge Fund	General Obligation Beach Bonds Fund	Beach Nourishment Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 2,100	\$ -	\$ -	\$ -	\$ 14,662	\$ 16,762
Investments	5,869,029	1,504,318	2,924,637	4,201,502	5,579,041	20,078,527
Accounts receivable, net	72,849	-	-	-	751	73,600
Accrued income	8,873	5,524	1,835	9,755	13,462	39,449
Due from other governments	48,840	-	92	500,149	435,189	984,270
Inventory	6,204	-	-	-	67,582	73,786
Prepaid items	-	-	-	-	223	223
Total assets	<u>\$ 6,007,895</u>	<u>\$ 1,509,842</u>	<u>\$ 2,926,564</u>	<u>\$ 4,711,406</u>	<u>\$ 6,110,910</u>	<u>\$ 21,266,617</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 192,461	\$ -	\$ -	\$ 19,922	\$ 127,692	\$ 340,075
Accrued liabilities	388,399	-	-	-	12,175	400,574
Due to other governments	90	-	-	-	-	90
Total liabilities	<u>580,950</u>	<u>-</u>	<u>-</u>	<u>19,922</u>	<u>139,867</u>	<u>740,739</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue	46,322	-	-	-	-	46,322
<b>Fund balances</b>						
Nonspendable	6,204	-	-	-	67,805	74,009
Restricted	-	1,509,842	2,926,564	4,359,769	5,884,946	14,681,121
Assigned	2,134,202	-	-	331,715	25,740	2,491,657
Unassigned	3,240,217	-	-	-	(7,448)	3,232,769
Total fund balances	<u>5,380,623</u>	<u>1,509,842</u>	<u>2,926,564</u>	<u>4,691,484</u>	<u>5,971,043</u>	<u>20,479,556</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,007,895</u>	<u>\$ 1,509,842</u>	<u>\$ 2,926,564</u>	<u>\$ 4,711,406</u>	<u>\$ 6,110,910</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						
Governmental capital assets					102,665,701	
Accumulated depreciation					(54,808,187)	47,857,514
Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.						
						46,322
Deferred outflows, deferred inflows, and the net pension liability related to the Town's pension plans are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.						
Deferred outflows - pensions					7,891,489	
Deferred inflows - pensions					(1,639,340)	
Net pension liability					(23,400,948)	(17,148,799)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.						
Accrued interest payable					(14,647)	
Compensated absences					(561,403)	
OPEB payable					(302,067)	
Bonds payable					(1,350,000)	(2,228,117)
Net position of governmental activities						<u>\$ 49,006,476</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LONGBOAT KEY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Road and Bridge Fund	General Obligation Beach Bonds Fund	Beach Nourishment Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 10,363,035	\$ -	\$ 2,803,565	\$ -	\$ 288,095	\$ 13,454,695
Other taxes	152,704	345,890	-	-	3,474,935	3,973,529
Licenses and permits	43,949	-	-	-	-	43,949
Intergovernmental revenues	1,274,666	77,688	-	-	-	1,352,354
Charges for services	396,689	48,422	-	-	575,185	1,020,296
Franchise fees	989,043	-	-	-	-	989,043
Fines and forfeitures	11,437	-	-	-	12,936	24,373
Grant revenues	64,697	-	-	727,425	-	792,122
Investment earnings	21,933	17,820	20,399	40,291	50,310	150,753
Miscellaneous revenues	1,308,185	-	-	-	-	1,308,185
Total revenues	<u>14,626,338</u>	<u>489,820</u>	<u>2,823,964</u>	<u>767,716</u>	<u>4,401,461</u>	<u>23,109,299</u>
<b>Expenditures</b>						
Current						
General government	4,405,334	-	1,930	-	3,380	4,410,644
Public safety	10,237,832	-	-	-	14,715	10,252,547
Transportation	611,092	68,754	-	-	-	679,846
Culture/recreation	152,487	-	-	67,754	567,391	787,632
Debt service						
Interest	-	-	-	-	14,648	14,648
Capital outlay						
General government	-	-	-	-	9,374	9,374
Public safety	85,642	-	-	-	505,793	591,435
Transportation	-	-	-	-	31,254	31,254
Culture/recreation	-	-	-	3,090,996	118,112	3,209,108
Total expenditures	<u>15,492,387</u>	<u>68,754</u>	<u>1,930</u>	<u>3,158,750</u>	<u>1,264,667</u>	<u>19,986,488</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(866,049)</u>	<u>421,066</u>	<u>2,822,034</u>	<u>(2,391,034)</u>	<u>3,136,794</u>	<u>3,122,811</u>
<b>Other financing sources (uses)</b>						
Transfers in	2,066,507	-	104,530	2,315,954	-	4,486,991
Transfers out	-	(682,652)	-	-	(2,420,484)	(3,103,136)
Total other financing sources (uses)	<u>2,066,507</u>	<u>(682,652)</u>	<u>104,530</u>	<u>2,315,954</u>	<u>(2,420,484)</u>	<u>1,383,855</u>
<b>Change in fund balances</b>	1,200,458	(261,586)	2,926,564	(75,080)	716,310	4,506,666
<b>Fund balances, beginning of year, as restated</b>	<u>4,180,165</u>	<u>1,771,428</u>	<u>-</u>	<u>4,766,564</u>	<u>5,254,733</u>	<u>15,972,890</u>
<b>Fund balances, end of year</b>	<u>\$ 5,380,623</u>	<u>\$ 1,509,842</u>	<u>\$ 2,926,564</u>	<u>\$ 4,691,484</u>	<u>\$ 5,971,043</u>	<u>\$ 20,479,556</u>

The accompanying notes to financial statements are an integral part of this statement.

**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 YEAR ENDED SEPTEMBER 30, 2015**

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<b>Net Change in Fund Balances – Total Governmental Funds</b>		\$ 4,506,666
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$ 3,914,023	
Less current year depreciation	<u>(4,305,659)</u>	(391,636)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.</p>		
		(6,977)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(28,211)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Pension expense	2,120,658	
Change in OPEB payable	(48,389)	
Change in accrued interest	(14,647)	
Change in compensated absences	<u>(21,077)</u>	<u>2,036,545</u>
<b>Change in net position of governmental activities</b>		<u><u>\$ 6,116,387</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2015**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 10,336,424	\$ 1,127,189	\$ 11,463,613
Restricted cash and cash equivalents	982,210	-	982,210
Accounts receivable, net	781,854	-	781,854
Investments	4,906,692	874,024	5,780,716
Accrued income	15,095	1,980	17,075
Inventory	52,401	-	52,401
Total current assets	<u>17,074,676</u>	<u>2,003,193</u>	<u>19,077,869</u>
Noncurrent assets			
Capital assets, non-depreciable	4,830,814	4,238	4,835,052
Capital assets, net	23,032,511	46,229	23,078,740
Total noncurrent assets	<u>27,863,325</u>	<u>50,467</u>	<u>27,913,792</u>
<b>Total assets</b>	<u>44,938,001</u>	<u>2,053,660</u>	<u>46,991,661</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pensions	76,233	91,498	167,731
<b>Liabilities</b>			
Current liabilities			
Accounts payable	585,915	31,991	617,906
Bonds payable	376,036	-	376,036
Notes payable	199,353	-	199,353
Accrued liabilities	181,990	12,981	194,971
Compensated absences	17,814	16,663	34,477
Liabilities payable from restricted assets			
Due to other governments	-	12,831	12,831
Customer deposits payable	371,985	-	371,985
Total current liabilities	<u>1,733,093</u>	<u>74,466</u>	<u>1,807,559</u>
Noncurrent liabilities			
Bonds payable, net of current portion	7,488,264	-	7,488,264
Notes payable, net of current portion	3,615,831	-	3,615,831
Net pension liability	504,976	606,092	1,111,068
Total non-current liabilities	<u>11,609,071</u>	<u>606,092</u>	<u>12,215,163</u>
Total liabilities	<u>13,342,164</u>	<u>680,558</u>	<u>14,022,722</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pensions	20,463	24,560	45,023
<b>Net position</b>			
Net investment in capital assets	16,183,841	50,467	16,234,308
Restricted for			
Debt service	982,210	-	982,210
Accumulated earnings on connection fees	1,305,039	-	1,305,039
Unrestricted	13,180,517	1,389,573	14,570,090
Total net position	<u>\$ 31,651,607</u>	<u>\$ 1,440,040</u>	<u>\$ 33,091,647</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 7,596,975	\$ 1,680,584	\$ 9,277,559
Late charges	25,193	-	25,193
Rentals and miscellaneous	21,859	8,703	30,562
Total operating revenues	<u>7,644,027</u>	<u>1,689,287</u>	<u>9,333,314</u>
<b>Operating expenses</b>			
Personnel services and benefits	594,613	541,564	1,136,177
Professional services	159,901	49,567	209,468
General and administrative	11,719	35,053	46,772
Materials and supplies	51,372	12,792	64,164
Utility services	125,710	-	125,710
Insurance	132,012	-	132,012
Repairs and maintenance	267,719	899	268,618
Water purchased for resale	1,262,727	-	1,262,727
Wastewater treatment	1,724,171	-	1,724,171
Miscellaneous	1,404	-	1,404
Depreciation	1,489,259	2,923	1,492,182
Total operating expenses	<u>5,820,607</u>	<u>642,798</u>	<u>6,463,405</u>
<b>Operating income</b>	<u>1,823,420</u>	<u>1,046,489</u>	<u>2,869,909</u>
<b>Nonoperating revenues (expenses)</b>			
Investment earnings	75,350	8,062	83,412
Gain on disposal of capital assets	15,522	-	15,522
Interest expense	(479,375)	-	(479,375)
Total nonoperating revenues (expenses)	<u>(388,503)</u>	<u>8,062</u>	<u>(380,441)</u>
Income before transfers	1,434,917	1,054,551	2,489,468
<b>Transfers out</b>	<u>(1,018,855)</u>	<u>(365,000)</u>	<u>(1,383,855)</u>
<b>Change in net position</b>	416,062	689,551	1,105,613
<b>Total net position, beginning of year, as restated</b>	31,235,545	750,489	31,986,034
<b>Total net position, end of year</b>	<u>\$ 31,651,607</u>	<u>\$ 1,440,040</u>	<u>\$ 33,091,647</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 7,632,897	\$ 1,689,287	\$ 9,322,184
Cash paid to suppliers for goods and services	(3,947,957)	(85,095)	(4,033,052)
Cash paid to employees for services and benefits	(661,294)	(583,221)	(1,244,515)
Net cash provided by operating activities	<u>3,023,646</u>	<u>1,020,971</u>	<u>4,044,617</u>
<b>Cash flows from noncapital financing activities</b>			
Transfer to other funds	<u>(1,018,855)</u>	<u>(365,000)</u>	<u>(1,383,855)</u>
Net cash used by noncapital financing activities	<u>(1,018,855)</u>	<u>(365,000)</u>	<u>(1,383,855)</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(3,345,285)	(53,390)	(3,398,675)
Cash received from sale of capital assets	15,522	-	15,522
Principal paid on bonds payable	(4,680,000)	-	(4,680,000)
Proceeds from issuance of bonds payable	4,740,500	-	4,740,500
Principal paid on notes payable	(193,848)	-	(193,848)
Interest paid	(296,696)	-	(296,696)
Net cash used in capital and related financing activities	<u>(3,759,807)</u>	<u>(53,390)</u>	<u>(3,813,197)</u>
<b>Cash flows from investing activities</b>			
Sale of investments	6,033,040	581,487	6,614,527
Purchase of investments	(1,950,435)	(589,088)	(2,539,523)
Interest received	70,119	7,601	77,720
Net cash provided by investing activities	<u>4,152,724</u>	<u>-</u>	<u>4,152,724</u>
<b>Net change in cash and cash equivalents</b>	2,397,708	602,581	3,000,289
<b>Cash and cash equivalents, beginning of year</b>	<u>8,920,926</u>	<u>524,608</u>	<u>9,445,534</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 11,318,634</u>	<u>\$ 1,127,189</u>	<u>\$ 12,445,823</u>
<b>Cash and cash equivalents classified as</b>			
Cash and cash equivalents	\$ 10,336,424	\$ 1,127,189	\$ 11,463,613
Restricted cash and cash equivalents	982,210	-	982,210
Total cash and cash equivalents	<u>\$ 11,318,634</u>	<u>\$ 1,127,189</u>	<u>\$ 12,445,823</u>

(Continued)

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	\$ 1,823,420	\$ 1,046,489	\$ 2,869,909
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,489,259	2,923	1,492,182
Change in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(40,195)	-	(40,195)
Inventory	3,801	-	3,801
Deferred outflows - pension	(11,584)	(13,904)	(25,488)
Increase (decrease) in liabilities:			
Accounts payable	(215,023)	18,703	(196,320)
Accrued liabilities	(27,271)	1,631	(25,640)
Due to other governments	-	(5,487)	(5,487)
Compensated absences payable	(342)	3,605	3,263
Customer deposits	29,065	-	29,065
Deferred inflows - pension	20,463	24,560	45,023
Net pension liability	(47,947)	(57,549)	(105,496)
Net cash provided by operating activities	<u>\$ 3,023,646</u>	<u>\$ 1,020,971</u>	<u>\$ 4,044,617</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2015**

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 221,556
Receivables / prepaids		
Employer contributions	91	-
Prepaid items	131,207	-
Interest receivable	73,971	-
Due from broker	6,843	-
Total receivables	<u>212,112</u>	<u>-</u>
Investments, at fair value		
U.S. Government and agency securities	5,993,006	-
Corporate bonds	3,468,736	-
Foreign bonds	33,412	-
Mortgage backed securities	332,018	-
Equity securities	22,745,510	-
Total investments	<u>32,572,682</u>	<u>-</u>
Other assets	<u>-</u>	<u>45,582</u>
Total assets	<u>\$ 32,784,794</u>	<u>\$ 267,138</u>
<b>Liabilities</b>		
Accounts payable	\$ 35,079	\$ -
Amounts held as agent for others	<u>-</u>	<u>267,138</u>
Total liabilities	<u>35,079</u>	<u>267,138</u>
<b>Net Position</b>		
Restricted for pension benefits - active and retired members' benefits	<u>32,749,715</u>	<u>-</u>
Total liabilities and net position	<u>\$ 32,784,794</u>	<u>\$ 267,138</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u><b>Pension Trust Funds</b></u>
<b>Additions</b>	
Contributions	
Town	\$ 4,232,985
Total contributions	<u>4,232,985</u>
Investment income	
Income (loss) on investments	(647,823)
Less investment expense	<u>(192,409)</u>
Net investment income	<u>(840,232)</u>
Total additions	<u>3,392,753</u>
<b>Deductions</b>	
Pension benefits	2,955,325
Termination payments	307,013
Administrative expenses	146,837
Total deductions	<u>3,409,175</u>
Change in net position	<u>(16,422)</u>
Net position, restricted for pension benefits	
Beginning of year	<u>32,766,137</u>
End of year	<u>\$ 32,749,715</u>

The accompanying notes to financial statements are an integral part of this statement.

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**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**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 Financial 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, and culture / recreation. The business-type activities of the Town include the water and sewer system and building permits.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**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 the 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 the pension trust 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 but do use the accrual basis of accounting for reporting assets and liabilities.

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, 2015**

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**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 *General Obligation Beach Bonds Fund* was created to account for the property tax collections from Sarasota and Manatee County and to pay annual debt service payment on bonds.

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 proprietary funds:

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

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.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

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.

*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.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Cash and Investments - Continued**

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.

The following summarizes the Town's cash and investments, excluding Pension Trust Funds, at September 30, 2015 which are recorded at fair value:

Cash and Equivalents	Rating (Moody's)	Fair Value
Petty Cash	N/A	\$ 2,300
Public Depository accounts		
Checking	N/A	12,681,828
Money Market	N/A	591,122
Total cash and cash equivalents		13,275,250
<b>Investments</b>		
U.S. Government and Agency Obligations		
Less than 1 year maturities	Aaa	6,360,301
1 to 5 year maturities	Aaa	18,907,833
Total investments		25,268,134
Total cash and cash equivalents and investments		\$ 38,543,384
Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents		\$ 11,480,375
Investments		25,859,243
Restricted cash and cash equivalents		982,210
Amounts as presented on the fiduciary statement of net position:		
Cash and cash equivalents - Agency Funds		221,556
Total cash and cash equivalents and investments		\$ 38,543,384

*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.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Cash and Investments - Continued**

*Custodial credit risk – investments:* Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town requires its investments to be held in the Town's name to negate this risk.

*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.

**F. Inventories and Prepaid Items**

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.

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

**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 \$982,210 and cash collected from water and sewer connection fees in the amount of \$1,305,039.

**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. No interest expense was capitalized during the year ended September 30, 2015.

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.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**H. Capital Assets (continued)**

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 Threshold</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 - 40	\$ 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.

**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.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**K. Net Position / Fund Balance Classification (Continued)**

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 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.

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.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**K. Net Position / Fund Balance Classification – Continued**

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, 2015. No accrual for the property tax levy becoming due in November of 2015 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 \$424,197 has been accrued for vacation leave and \$171,683 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.

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.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**N. Budgets and Budgetary Data (Continued)**

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.

The Town Commission approved an additional appropriation in the amount of \$1,268,000 to the Public Safety Fire Department budget in order to make an additional contribution to the Fire pension plan. This amount was over and above the annual required contribution already paid into the Pension Fund with the purpose of further reducing pension liabilities. The Town utilized \$968,000 of BP Oil settlement monies and \$300,000 of fund balance assigned to pensions. The remaining fund balance after the transfer which is assigned to pensions is \$1,310,075.

**O. Deferred Outflows / Inflows of Resources**

The Town has deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Town's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. The changes in proportion and differences between Town contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the Town to the pension plan before year end but subsequent to the measurement date of the Town's net pension liability are reported as deferred outflows of resources.

**P. Pension**

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

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Q. 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.

**R. Implementation of Governmental Accounting Standards Statements**

Effective October 1, 2014, the Town implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014. These standards significantly changed the accounting for the Town's net pension liability and the related disclosures

**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. A Consolidated Board of Trustees was formed in October 2014 with a goal to consolidate the three plans by October 1, 2015. 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. During 2013, the Town adopted several Ordinances which provide for a Plan freeze as of September 30, 2013 for the Fire Fighters 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 freezes, employees cease contributing to the Plans 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 Plans. There is no assumption for future salary increases on any of the Plans. For the Police Officers' plan, 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.

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

In conjunction with the October 1, 2015 valuation, the investment return assumption was lowered from 7.5% net-of-fees to 7.0% net-of-fees for both Police Officers' and Firefighters' Plans. Mortality rates for General Employees' Plan are based on the RP-2000 Combined Healthy Table, projected to 2015 with Schedule AA.

In conjunction with the October 1, 2014 valuation, the investment return assumption was lowered from 8.0% net-of-fees to 7.5% net-of-fees for Firefighters. Mortality rates for General Employees' Plan are based on the RP-2000 Combined Healthy Table, projected to 2014 with Schedule AA.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED**

Employee membership data as of September 30, 2015 follows:

	General Employees'	Police Officers'	Fire Fighters'	Total
Number of participants:				
Active	24	9	10	43
Retirees and terminated employees with vested benefits	56	21	42	119
Total	80	30	52	162

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

**Benefit Provisions**

Effective Date

General Employees, Police Officers, and Fire Fighters – 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

Fire Fighters – 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

Fire Fighters – 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

Fire Fighters – 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 Fire Fighters – 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, 2015**

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**NOTE 2 – DEFINED BENEFIT PENSION PLANS - 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.

**Contributions and Reserves**

Contributions – Employees

General Employees – None (previously 6% of compensation)

Police Officers – 10% of compensation until February 1, 2015 (none thereafter)

Fire Fighters – 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 Fire Fighters’ 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 freezes, contributions from the State ceased in 2014.

Concentrations

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

There are no investments in, loans to, or leases with, any Town official, government employer official, party related to a Town 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, 2015**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED**

The following summarizes the investments of the Town's Pension Trust Funds at September 30, 2015 which are recorded at fair value:

Investment Type	Credit Rating (Moody's)	Fair Market	Investment Maturity (in Years)			
			Less Than 1	1 - 5	6 - 10	More Than 10
Money market funds	Not rated	\$ 2,971,141	\$ 2,971,141	\$ -	\$ -	\$ -
U.S. Government and agency securities	Aaa	5,993,006	415,317	4,178,775	1,299,571	99,343
Corporate obligations	A1	898,000	201,800	271,079	358,290	66,831
Corporate obligations	A2	691,262	-	254,432	427,414	9,416
Corporate obligations	A3	1,067,103	-	453,511	584,166	29,426
Corporate obligations	Aa1	88,363	-	40,526	47,837	-
Corporate obligations	Aa2	93,278	-	93,278	-	-
Corporate obligations	Aa3	157,850	20,034	137,816	-	-
Corporate obligations	Baa1	270,814	-	97,586	45,351	127,877
Corporate obligations	Baa2	202,066	-	59,927	142,139	-
Mortgage backed	Not rated	332,018	-	-	-	332,018
Foreign obligations	A1	33,412	-	33,412	-	-
		<u>12,798,313</u>	<u>\$ 3,608,292</u>	<u>\$ 5,620,342</u>	<u>\$ 2,904,768</u>	<u>\$ 664,911</u>
Equity securities	Not rated	<u>19,774,369</u>				
Total investments		<u>\$ 32,572,682</u>				

**Rate of return** - For the year ended September 30, 2015, the annual money-weighted rate of return on the Town's pension plan investments, net of pension plan investment expense, was as follows: -3.67% for the Police Officers' pension, -3.28% for the Fire Fighters' pension, and -1.01% for the General Employees' pension. For the net pension liability measurement year ended September 30, 2014, the annual money-weighted rate of return was as follows: 9.94% for the Police Officers' pension, 9.60% for the Fire Fighters' pension, and 9.53% for the General Employees' pension. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that in the event of a bank failure, the Plan may not be able to recover its deposits.

**Deferred Retirement Option Program (DROP)** - The Town has a DROP for the Police Officers' Pension plan. A participant may join when he/she has satisfied normal retirement requirements. Participation in the DROP cannot exceed 36 months. DROP benefits at the participant's election include a) actual net rate of investment return credited for each fiscal quarter, or b) a fixed rate money market account. The DROP balance as of September 30, 2015, is \$146,164.

The Town has a DROP for the Fire Fighters' Pension plan. A participant may join when he/she has satisfied normal retirement requirements. New DROP participants are not permitted after September 30, 2013. Participation in the DROP cannot exceed 36 months. DROP benefits at the participant's election include a) actual net rate of investment return credited for each fiscal quarter, or b) a fixed rate money market account. The DROP balance as of September 30, 2015 is \$885,677.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED**

The Town has a DROP for the General Employees' Pension plan. A participant may join within 12 months following satisfaction of normal retirement requirements. New DROP participants are not allowed after September 30, 2013. Participation in the DROP cannot exceed 60 months. DROP benefits at the participant's election (may change once during the DROP period) include a) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), or b) 6.5% fixed rate. Earnings are credited each fiscal quarter. The DROP balance as of September 30, 2015 is \$477,915.

**Net Pension Liability of the Town**

The Town's net pension liability for the three plans was measured as of September 30, 2014. The components of the net pension liability of the Town at September 30, 2015, were as follows:

	General Employees'	Police Officers'	Fire Fighters'	Total
Total pension liability	\$ 14,870,522	\$ 11,167,348	\$ 28,652,782	\$ 54,690,652
Plan fiduciary net position	(10,203,724)	(6,857,206)	(15,705,207)	(32,766,137)
Town's net pension liability	<u>\$ 4,666,798</u>	<u>\$ 4,310,142</u>	<u>\$ 12,947,575</u>	<u>\$ 21,924,515</u>
Plan fiduciary net position as a percentage of Total pension liability	68.62%	61.40%	54.81%	59.91%

The net pension liability for the three plans measured as of September 30, 2015 are as follows:

	General Employees'	Police Officers'	Fire Fighters'	Total
Total pension liability	\$ 14,987,164	\$ 11,856,522	\$ 30,799,125	\$ 57,642,811
Plan fiduciary net position	(9,834,102)	(6,472,965)	(16,442,648)	(32,749,715)
Town's net pension liability	<u>\$ 5,153,062</u>	<u>\$ 5,383,557</u>	<u>\$ 14,356,477</u>	<u>\$ 24,893,096</u>
Plan fiduciary net position as a percentage of Total pension liability	65.62%	54.59%	53.39%	56.81%

For the year ended September 30, 2015, the Town recognized pension expense of \$2,642,415 for the three plans combined. At September 30, 2015, the Town reported deferred outflows of resources and deferred inflows related to its three pension plans from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 413,219	\$ -
Net difference between projected and actual earnings on investments	-	508,368
Town pension plan contributions subsequent to the measurement date	4,232,985	-
Total	<u>\$ 4,646,204</u>	<u>\$ 508,368</u>

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED**

The deferred outflows of resources related to the Pension Plan, totaling \$4,232,985 resulting from Town contributions to the plans subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plans will be recognized in pension expense as follows:

Year ended September 30,	
2016	\$ 286,127
2017	(127,092)
2018	(127,092)
2019	(127,092)
2020	-
Total	<u>\$ (95,149)</u>

The required schedule of changes in the Town's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2015 using the following actuarial assumptions applied to all periods included in the measurement:

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Fire Fighters'</u>
Inflation	3.0%	3.0%	3.0%
Salary increases	0.0%	0.0%	0.0%
Discount rate	7.0%	7.0%	7.0%
Investment rate of return	7.0%	7.0%	7.0%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>		
	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Fire Fighters'</u>
Domestic equity	7.50%	7.65%	7.80%
International equity	8.50%	7.72%	7.70%
Fixed income	2.50%	2.37%	2.30%

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED**

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liabilities of the Town using the measurement date of September 30, 2014, calculated using the discount rates noted, as well as what the Town's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees:	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 6,279,913	\$ 4,666,798	\$ 3,314,135
Police Officers:	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	5,445,079	4,310,142	3,356,507
Fire Fighters:	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	16,287,340	12,947,575	10,170,601
Total:	<u>\$ 28,012,332</u>	<u>\$ 21,924,515</u>	<u>\$ 16,841,243</u>

The following presents the net pension liabilities of the Town using the measurement date of September 30, 2015, calculated using the discount rates noted, as well as what the Town's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Sponsor's Net Pension Liability	6.00%	7.00%	8.00%
General Employees:	\$ 6,726,318	\$ 5,153,062	\$ 3,829,708
Police Officers:	6,692,727	5,383,557	4,287,164
Fire Fighters:	17,989,540	14,356,477	11,344,799
Total:	<u>\$ 31,408,585</u>	<u>\$ 24,893,096</u>	<u>\$ 19,461,671</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2015 and the current sharing pattern of costs between employer and employee.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED**

The assumptions used in the October 1, 2014 actuarial valuation are as follows.

	General Employees'	Police Officers'	Fire Fighters'
Valuation date	10/1/2014	10/1/2014	10/1/2014
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	29 years	29 years	29 years
Actuarial asset valuation method	4 year smooth	4 year smooth	4 year smooth
Actuarial assumptions:			
Investment rate of return	7.00%	7.00%	7.00%
Projected salary increases	None	None	None

The defined benefit pension plans do not issue stand-alone financial reports. The Town is presenting the statement of fiduciary net position and the statement of changes in fiduciary net position below and on the subsequent page for all three pension funds of the Town.

	General Employees Pension	Police Officers' Pension	Firefighters' Pension	Total
<b>ASSETS</b>				
Receivables / prepaids				
Town contributions	\$ -	\$ 91	\$ -	\$ 91
Prepaid items	821	821	129,565	131,207
Interest receivable	15,978	15,365	42,628	73,971
Due from broker	-	-	6,843	6,843
Total receivables	<u>16,799</u>	<u>16,277</u>	<u>179,036</u>	<u>212,112</u>
Investments, at fair value				
U.S. Government and agency securities	978,243	1,287,777	3,726,986	5,993,006
Corporate bonds	1,947,468	698,259	823,009	3,468,736
Foreign bonds	-	33,412	-	33,412
Mortgage backed securities	332,018	-	-	332,018
Equity securities	6,569,809	4,450,148	11,725,553	22,745,510
Total investments	<u>9,827,538</u>	<u>6,469,596</u>	<u>16,275,548</u>	<u>32,572,682</u>
Total Assets	<u>\$ 9,844,337</u>	<u>\$ 6,485,873</u>	<u>\$ 16,454,584</u>	<u>\$ 32,784,794</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 10,235	\$ 12,908	\$ 11,936	\$ 35,079
Total liabilities	<u>10,235</u>	<u>12,908</u>	<u>11,936</u>	<u>35,079</u>
<b>NET POSITION</b>				
Restricted for pension benefits	9,834,102	6,472,965	16,442,648	32,749,715
Total Liabilities and Net Position	<u>\$ 9,844,337</u>	<u>\$ 6,485,873</u>	<u>\$ 16,454,584</u>	<u>\$ 32,784,794</u>

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS - CONTINUED**

	General Employees Pension	Police Officers' Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>				
Contributions				
Town	\$ 704,515	\$ 621,921	\$ 2,906,549	\$ 4,232,985
Total contributions	<u>704,515</u>	<u>621,921</u>	<u>2,906,549</u>	<u>4,232,985</u>
Investment income				
Net appreciation in fair value of investments	(392,861)	(324,466)	(722,634)	(1,439,961)
Interest and dividends	321,214	124,465	346,459	792,138
	<u>(71,647)</u>	<u>(200,001)</u>	<u>(376,175)</u>	<u>(647,823)</u>
Investment expense	(14,686)	(46,651)	(131,072)	(192,409)
Net investment income	<u>(86,333)</u>	<u>(246,652)</u>	<u>(507,247)</u>	<u>(840,232)</u>
Total Additions	<u>618,182</u>	<u>375,269</u>	<u>2,399,302</u>	<u>3,392,753</u>
<b>DEDUCTIONS</b>				
Pension benefits	748,844	712,072	1,494,409	2,955,325
Termination payments	179,355	5,885	121,773	307,013
Administrative expenses	59,605	41,553	45,679	146,837
Total Deductions	<u>987,804</u>	<u>759,510</u>	<u>1,661,861</u>	<u>3,409,175</u>
Net change in plan net position	(369,622)	(384,241)	737,441	(16,422)
Plan net position, restricted for pension benefits:				
Beginning of year	10,203,724	6,857,206	15,705,207	32,766,137
End of year	<u>\$ 9,834,102</u>	<u>\$ 6,472,965</u>	<u>\$ 16,442,648</u>	<u>\$ 32,749,715</u>

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 3 – CAPITAL ASSETS**

	<b>Balance October 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance September 30</b>
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 25,279,600	\$ 9,374	\$ -	\$ -	\$ 25,288,974
Construction in progress	3,677,186	3,228,589	-	-	6,905,775
Total capital assets, not being depreciated	<u>28,956,786</u>	<u>3,237,963</u>	<u>-</u>	<u>-</u>	<u>32,194,749</u>
Capital assets, being depreciated					
Buildings	9,617,881	14,993	-	-	9,632,874
Streets and roadways	6,715,125	5,274	-	-	6,720,399
Improvements other than buildings	48,010,370	105,828	-	-	48,116,198
Vehicles and other equipment	5,718,500	549,965	(266,984)	-	6,001,481
Total capital assets, being depreciated	<u>70,061,876</u>	<u>676,060</u>	<u>(266,984)</u>	<u>-</u>	<u>70,470,952</u>
Less accumulated depreciation for					
Buildings	(4,226,961)	(301,865)	-	-	(4,528,826)
Streets and roadways	(4,689,193)	(218,713)	-	-	(4,907,906)
Improvements other than buildings	(38,339,441)	(3,297,791)	-	-	(41,637,232)
Vehicles and other equipment	(3,506,940)	(487,290)	260,007	-	(3,734,223)
Total accumulated depreciation	<u>(50,762,535)</u>	<u>(4,305,659)</u>	<u>260,007</u>	<u>-</u>	<u>(54,808,187)</u>
Total capital assets, being depreciated, net	<u>19,299,341</u>	<u>(3,629,599)</u>	<u>(6,977)</u>	<u>-</u>	<u>15,662,765</u>
Governmental activities capital assets, net	<u>\$ 48,256,127</u>	<u>\$ (391,636)</u>	<u>\$ (6,977)</u>	<u>\$ -</u>	<u>\$ 47,857,514</u>
	<b>Balance October 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance September 30</b>
<b>Business-type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 1,794,235	\$ -	\$ -	\$ -	\$ 1,794,235
Construction in progress	1,982,334	2,718,596	-	(1,660,113)	3,040,817
Total capital assets, not being depreciated	<u>3,776,569</u>	<u>2,718,596</u>	<u>-</u>	<u>(1,660,113)</u>	<u>4,835,052</u>
Capital assets, being depreciated					
Buildings	1,983,464	-	-	-	1,983,464
Improvements other than buildings	32,958,001	467,365	-	1,660,113	35,085,479
Vehicles and other equipment	2,570,802	212,714	(58,915)	-	2,724,601
Total capital assets, being depreciated	<u>37,512,267</u>	<u>680,079</u>	<u>(58,915)</u>	<u>1,660,113</u>	<u>39,793,544</u>
Less accumulated depreciation for					
Buildings	(1,772,234)	(22,740)	-	-	(1,794,974)
Improvements other than buildings	(12,680,287)	(1,232,649)	-	-	(13,912,936)
Vehicles and other equipment	(829,016)	(236,793)	58,915	-	(1,006,894)
Total accumulated depreciation	<u>(15,281,537)</u>	<u>(1,492,182)</u>	<u>58,915</u>	<u>-</u>	<u>(16,714,804)</u>
Total capital assets, being depreciated, net	<u>22,230,730</u>	<u>(812,103)</u>	<u>-</u>	<u>1,660,113</u>	<u>23,078,740</u>
Business-type activities capital assets, net	<u>\$ 26,007,299</u>	<u>\$ 1,906,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,913,792</u>

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 3 – CAPITAL ASSETS – CONTINUED**

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

<b>Governmental Activities</b>	
General government	\$ 215,642
Public safety	514,829
Transportation	251,889
Culture and recreation	3,323,299
Total depreciation expense, governmental activities	<u>\$ 4,305,659</u>
<b>Business-type activities</b>	
Water and sewer	\$ 1,489,259
Building department	2,923
Total depreciation expense, business-type activities	<u>\$ 1,492,182</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, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
General obligation bonds	\$ 1,350,000	\$ -	\$ -	\$ 1,350,000	\$ 260,000
Net OPEB obligation	253,678	145,529	(97,140)	302,067	-
Compensated absences	540,326	631,145	(610,068)	561,403	421,052
Net pension liability	21,982,717	6,466,460	(5,048,229)	23,400,948	-
Total governmental activities	<u>\$ 24,126,721</u>	<u>\$ 7,243,134</u>	<u>\$ (5,755,437)</u>	<u>\$ 25,614,418</u>	<u>\$ 681,052</u>
<b>Business-type activities</b>					
General obligation notes	\$ 7,803,800	\$ 4,740,500	\$ (4,680,000)	\$ 7,864,300	\$ 376,036
Notes payable	4,009,032	-	(193,848)	3,815,184	199,353
Compensated absences	31,214	59,512	(56,249)	34,477	34,477
Net pension liability	1,216,564	182,102	(287,598)	1,111,068	-
Total business-type activities	<u>\$ 13,060,610</u>	<u>\$ 4,982,114</u>	<u>\$ (5,217,695)</u>	<u>\$ 12,825,029</u>	<u>\$ 609,866</u>

Compensated absences are reported in governmental funds only if they have matured. For governmental activities, compensated absences and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences and net pension liability are liquidated by the Water and Sewer Fund and the Building Department Fund.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 4 – LONG TERM DEBT – CONTINUED**

Long-term debt payable as of September 30, 2015 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. \$1,350,000

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 a rate of 5.2%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system. 3,184,300

General Obligation Note, Series 2014, due in annual installments through October 1, 2030 in amounts ranging from \$19,836 to \$665,731, plus interest at a rate of 3.09%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system. 4,680,000  
 Total bonds payable \$9,214,300

**Notes Payable**

Water and Sewer State Revolving Fund Loans, due in annual installments of \$305,545 including interest at the rate of 2.82% on various maturities; collateralized by revenues of the Water and Sewer Fund. \$3,815,184  
 Total notes payable \$3,815,184

The annual debt service payments required on outstanding debt at September 30, 2015 are as follows:

Fiscal Year	General Obligation - 2010 Bank Loan			State Revolving Fund Loans		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 260,000	\$ 26,475	\$ 286,475	\$ 199,353	\$ 106,192	\$ 305,545
2017	265,000	20,778	285,778	205,014	100,531	305,545
2018	270,000	14,973	284,973	210,837	94,709	305,546
2019	275,000	9,059	284,059	216,824	88,722	305,546
2020	280,000	3,038	283,038	222,982	82,564	305,546
2021-2025	-	-	-	1,213,568	314,160	1,527,728
2026-2030	-	-	-	1,395,957	131,771	1,527,728
2031	-	-	-	150,649	2,124	152,773
	<u>\$ 1,350,000</u>	<u>\$ 74,323</u>	<u>\$ 1,424,323</u>	<u>\$ 3,815,184</u>	<u>\$ 920,773</u>	<u>\$ 4,735,957</u>

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 4 – LONG TERM DEBT – CONTINUED**

The annual debt service payments required on outstanding debt at September 30, 2015 are as follow (continued):

Fiscal Year	General Obligation - Series 2009			General Obligation - Series 2014		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 356,200	\$ 156,322	\$ 512,522	\$ 19,836	\$ 144,306	\$ 164,142
2017	374,800	137,316	512,116	20,448	143,683	164,131
2018	394,200	117,322	511,522	21,080	143,042	164,122
2019	414,700	96,291	510,991	21,732	142,380	164,112
2020	436,300	74,165	510,465	22,403	141,698	164,101
2021-2025	1,208,100	84,206	1,292,306	1,439,600	645,860	2,085,460
2026-2030	-	-	-	3,134,901	248,068	3,382,969
2031	-	-	-	-	-	-
	<u>\$ 3,184,300</u>	<u>\$ 665,622</u>	<u>\$ 3,849,922</u>	<u>\$ 4,680,000</u>	<u>\$ 1,609,037</u>	<u>\$ 6,289,037</u>

Fiscal Year	Total		
	Principal	Interest	Total
2016	\$ 835,389	\$ 433,295	\$ 1,268,684
2017	865,262	402,308	1,267,570
2018	896,117	370,046	1,266,163
2019	928,256	336,452	1,264,708
2020	961,685	301,465	1,263,150
2021-2025	3,861,268	1,044,226	4,905,494
2026-2030	4,530,858	379,839	4,910,697
2031	150,649	2,124	152,773
	<u>\$ 13,029,484</u>	<u>\$ 3,269,755</u>	<u>\$ 16,299,239</u>

**Authorized but Unissued Debt**

The total of authorized but unissued bonds at September 30, 2015 is \$29,130,426.

Project	Bonding Authorization	Previously Bounded	Authorized But Unissued
Water and Sewer Improvements	\$ 27,000,000	\$ 13,869,574	\$ 13,130,426
Beach Nourishment	16,000,000	-	16,000,000

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 expenses 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 \$16,000,000 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 Longboat Key Beach Erosion Control Districts' northerly Gulf of Mexico beaches.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 5 – RESTRICTIONS ON NET POSITION/FUND BALANCES**

The net position of the Water and Sewer Fund is restricted in the amount of \$982,210 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 \$1,305,039 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. Governmental fund balances are classified as follows:

<b>General Fund</b>		
Nonspendable:	Inventory	\$ 6,204
Assigned:	Offset future pension costs	1,310,075
	Next years budget	622,240
	Encumbrances	201,887
	Unassigned	3,240,217
Total General Fund fund balance		<u><u>\$ 5,380,623</u></u>
<b>Road and Bridge</b>		
Restricted:	Highway maintenance and road improvements	<u><u>\$ 1,509,842</u></u>
<b>G.O. Beach Bonds Fund</b>		
Restricted:	Debt service	<u><u>\$ 2,926,564</u></u>
<b>Beach Nourishment Capital Project Fund</b>		
Restricted:	Beach nourishment and projects	\$ 4,359,769
Assigned:	Encumbrances	331,715
Total Beach Nourishment Capital Project Fund fund balance		<u><u>\$ 4,691,484</u></u>
<b>Nonmajor Governmental Funds</b>		
Nonspendable:	Inventory	\$ 223
	Prepaid items	67,582
Restricted:	Infrastructure Surtax	1,454,520
	Tourist Development Tax	427,889
	Tree Replacement	43,486
	Police Training	50,731
	Law Enforcement	180,865
	General Obligation Facility Bonds	281,712
	Streets Capital Projects	295,050
	Land Acquisition Fees	2,681,520
	Canal Dredging	413,342
	Parks and Recreation	55,831
Assigned:	Infrastructure Surtax - encumbrances	7,530
	Streets Capital Projects - encumbrances	18,210
Unassigned:	Tennis Center	(7,448)
Total Nonmajor Governmental Funds fund balance		<u><u>\$ 5,971,043</u></u>
<b>Total governmental funds fund balance</b>		<u><u>\$ 20,479,556</u></u>

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 6 – INTERFUND TRANSFERS**

	Transfers In			Total Transfers
	General Fund	Beach Nourishment	G.O. Beach Bonds Fund	
Transfers Out				
(1) Water and Sewer Fund	\$ 1,018,855	\$ -	\$ -	\$ 1,018,855
(2) Building Department Fund	365,000	-	-	365,000
(3) Road & Bridge Fund	682,652	-	-	682,652
(4)(5) Non Major Governmental Funds	-	2,315,954	104,530	2,420,484
Total Transfers	\$ 2,066,507	\$ 2,315,954	\$ 104,530	\$ 4,486,991

- (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) Transfer of accumulated Tourist Development Taxes to fund current year beach nourishment projects
- (5) Transfer of accumulated Beach District A and B funds to new Beach Fund for future projects

**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 \$804,000 for various capital outlay projects.

**NOTE 9 – RISK MANAGEMENT**

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

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

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015:

Retirees and beneficiaries receiving benefits	25
Active plan members	<u>103</u>
Total	128

Separate financial statements for the Town’s OPEB plan are not available. Funds from the General Fund are 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.

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 and Post-Medicare: 6.5% in fiscal 2015; (grading down to 5% per year to 4.5% in fiscal 2019)
<b>Payroll Growth</b>	2.0%
<b>Inflation Assumption</b>	3.0%
<b>Amortization of UAAL</b>	Level Percentage of Payroll (Closed Amortization over 30 Years)

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED**

The schedule of funding progress for the post-employment 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.

Valuation Date	10/1/2013	10/1/2013
Applicable for Fiscal Year Ending	<u>9/30/2014</u>	<u>9/30/2015</u>
Annual required contribution (ARC)	\$ 145,066	\$ 146,818
Interest on the Net OPEB Obligation	9,254	11,416
Adjustment to the ARC	<u>(10,133)</u>	<u>(12,705)</u>
Total Annual OPEB Cost	144,187	145,529
Estimated Employer Contributions	<u>(96,163)</u>	<u>(97,140)</u>
Increase in the Net OPEB Obligation	48,024	48,389
Net OPEB Obligation (beginning of year)	<u>205,654</u>	<u>253,678</u>
Net OPEB Obligation (end of year)	<u><u>\$ 253,678</u></u>	<u><u>\$ 302,067</u></u>
Funded status as of:	<u>10/1/2013</u>	<u>10/1/2013</u>
Actuarial Accrued Liability (AAL)	\$ 1,523,000	\$ 1,523,000
Actuarial Value of Assets (AVA)	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 1,523,000</u></u>	<u><u>\$ 1,523,000</u></u>
Funded ratio	<u>0.0%</u>	<u>0.0%</u>
Covered Payroll	<u><u>\$ 6,356,552</u></u>	<u><u>\$ 6,356,552</u></u>
Ratio of UAAL to Covered Payroll	<u>24.0%</u>	<u>24.0%</u>

**Three Year Trend Information**

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
9/30/2015	\$ 145,529	66.7%	\$ 302,067
9/30/2014	144,187	66.7%	253,678
9/30/2013	120,231	73.1%	205,654

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED**

As of the most recent valuation date, October 1, 2014, the funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2014	N/A	N/A	N/A	N/A	N/A	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence 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 continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Calculations are based on the substantive plan in effect as of October 1, 2014.

**NOTE 11 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The Town had no significant amounts of expenditures in excess of appropriations as of September 30, 2015.

**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS**

Florida Retirement System:

General Information – Substantially all of the Town’s fire fighter employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating Town or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS - CONTINUED**

Florida Retirement System – Pension Plan (Continued):

**Pension Plan**

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of- living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS - CONTINUED**

Florida Retirement System – Pension Plan (Continued):

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015, and from July 1, 2015 through September 30, 2015, respectively, were as follows: Regular—7.37% and 7.26%; Special Risk Administrative Support—42.07% and 32.95%; Special Risk—19.82% and 22.04%; Senior Management Service—21.14% and 21.43%; Elected Officers’—43.24% and 42.27%; and DROP participants—12.28% and 18.75%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively.

The Town’s contributions, including employee contributions, to the Pension Plan totaled \$361,104 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Town reported a liability of \$1,913,034 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Town’s proportionate share of the net pension liability was based on the Town’s 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Town’s proportionate share was 0.014810957 percent, which was an increase of 0.004381266 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Town recognized pension expense of \$530,250. In addition the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 201,960	\$ 45,371
Change of assumptions	126,974	-
Net difference between projected and actual earnings on Pension Plan investments	673,823	1,130,624
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	1,800,454	-
Town Pension Plan contributions subsequent to the measurement date	101,907	-
Total	<u>\$ 2,905,118</u>	<u>\$ 1,175,995</u>

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS - CONTINUED**

Florida Retirement System – Pension Plan (Continued):

The deferred outflows of resources related to the Pension Plan, totaling \$101,907 resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2016	\$ 325,444
2017	325,443
2018	325,443
2019	325,443
2020	325,443
Thereafter	-

Actuarial Assumptions – The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS - CONTINUED**

Florida Retirement System – Pension Plan (Continued):

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Entities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds/Absolute Return	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	12.00%	7.11%	6.35%	13.00%
Total	<u>100.00%</u>			
Assumed Inflation - Mean		2.60%		2.00%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.65%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
Town's proportionate share of the net pension liability	\$ 4,957,103	\$ 1,913,034	\$ (620,132)

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2015, the Town reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2015.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS - CONTINUED**

Florida Retirement System (Continued):

**HIS Plan**

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 was 1.20% and 1.26%, respectively. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town’s contributions to the HIS Plan totaled \$25,281 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Town reported a liability of \$674,468 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Town’s proportionate share of the net pension liability was based on the Town’s 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Town’s proportionate share was 0.006613455 percent, which was an increase of 0.002014723 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Town recognized pension expense of \$131,077. In addition the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS - CONTINUED**

Florida Retirement System – HIS Plan (Continued):

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	53,063	-
Net difference between projected and actual earnings on HIS Plan investments	365	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	445,531	-
Town HIS Plan contributions subsequent to the measurement date	8,939	-
Total	<u>\$ 507,898</u>	<u>\$ -</u>

The deferred outflows of resources related to the HIS Plan, totaling \$8,939 resulting from Town contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	<u>Amount</u>
2016	\$ 99,792
2017	99,792
2018	99,792
2019	99,792
2020	99,791
Thereafter	-

Actuarial Assumptions – The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	4.29 %

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 4.29%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS - CONTINUED**

Florida Retirement System – HIS Plan (Continued):

Sensitivity of the Town’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Town’s proportionate share of the net pension liability calculated using the discount rate of 4.29%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.29%) or one percentage point higher (5.29%) than the current rate:

	1% Decrease (3.29%)	Current Discount Rate (4.29%)	1% Increase (5.29%)
Town's proportionate share of the net pension liability	\$ 768,525	\$ 674,468	\$ 596,039

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2015, the Town reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2015.

**Investment Plan**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2014-15 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and Elected Officers class 11.34%.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 12 – OTHER EMPLOYEES’ PENSION PLANS - CONTINUED**

Florida Retirement System – Investment Plan (Continued):

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Town.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

**NOTE 13 – DEFINED CONTRIBUTION PLANS**

The Town adopted and maintains several salary savings plans available to various employee groups. The Town has a 401(a), a 401(k) and a Roth Salary Savings Plan. The plans are administered by the ICMA Retirement Corporation an unrelated financial institution on behalf of the Town.

**Plan Description**

The Town’s 401(a) plan is a pre-tax defined contribution governmental money purchase plan in which participants may contribute a percentage of their base pay to the plan each pay period and receive a matching contribution from the Town as outlined in the plan. Participants are not taxed on the contributions until the funds are withdrawn, usually at retirement. The Plan applies to all regular, full-time employees, who are not firefighters. The normal retirement age is 59.5 to 62 based on employee group.

The 401(k) plan is a voluntary pre-tax defined contribution profit sharing plan and trust, with a normal retirement date of 59.5 applicable to the General Employees, At Will, Managers, Police Deputy Chiefs and Police Captains.

**Town Matching**

Due to the freezing of the defined benefit plan, the Town makes a base contribution to the employee’s 401 (a) plan as shown below. In addition, the Town has various voluntary matching programs based on employee groups as shown below:

Employee Group	Town Contribution	Additional Matching Program	
		Employee Contribution	Town Match
General Employees	6%	0 - 6%	50% up to 3%
Police Officers	10%	0 - 3%	100% up to 3%
At Will	16%	Not Available	Not Available
Town Manager	17.80%	Not Available	Not Available

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 13 – DEFINED CONTRIBUTION PLANS - CONTINUED**

The 401(k) plan provides for an elective deferral of up to 6% of earnings with an employer match based on the Participant's years of service: from 1 to 5 years of service a 25% match; for 5 or more years of service a 50% match.

The Town's contributions to the 401(a) and 401(k) Plans for the years ended September 30, 2015 and 2014 were \$593,040 and \$562,589, respectively.

**Forfeitures**

A participant who separates from service prior to obtaining full vesting shall forfeit that percentage of his/her employer contribution account balance which has not vested as of the date such participant incurs a break in service of five (5) consecutive years or, if earlier, the date such participant receives, or is deemed to have received, distribution of the entire non-forfeitable interest in his/her employer contribution account.

All amounts forfeited by terminated participants shall be allocated to a suspense account and used to reduce dollar for dollar employer contributions otherwise required under the Plan for the current plan year and succeeding plan years, if necessary. Forfeitures may first be used to pay the reasonable administrative expenses of the Plan, with any remainder being applied to reduce employer contributions. There are no forfeitures reflected in pension expense for the fiscal year 2015.

**Rollover Contributions by Participants**

Participants may rollover funds contained in another qualified retirement plan or IRA to the Plan.

**Vesting Provisions**

Former participants of the Town of Longboat Key Defined Benefit Plan are vested immediately for the Town's matching contributions. New hires are 100% vested for the Town's matching contributions after five years of service. The Town Manager and At Will employees are vested immediately. Participants are eligible to withdraw the retirement funds when they are no longer employed by the Town or reach age 59.5 or 62, depending on the employee group. Participants may choose distribution in a single payment, installment payments, life annuity or rollover to another qualified retirement account.

**NOTE 14 – CHANGE IN ACCOUNTING PRINCIPLE**

The Town has determined that a restatement to the October 1, 2014 beginning net position was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014, through which accounting for pension plans and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the Town as follows.

Net position, Governmental Activities, previously reported	\$ 62,222,481
Implementation of GASB 68	<u>(19,332,392)</u>
Beginning net position, Governmental Activities, as restated	<u>\$ 42,890,089</u>
Net position, Business-type Activities, previously reported	\$ 33,060,355
Implementation of GASB 68	<u>(1,074,321)</u>
Beginning net position, Business-type Activities, as restated	<u>\$ 31,986,034</u>

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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**NOTE 14 – CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

Net position, Water and Sewer Fund, previously reported	\$ 31,723,819
Implementation of GASB 68	<u>(488,274)</u>
Beginning fund balance, Water and Sewer Fund, as restated	<u>\$ 31,235,545</u>
Net position, Building Department Fund, previously reported	\$ 1,336,536
Implementation of GASB 68	<u>(586,047)</u>
Beginning net position, Building Department Fund, as restated	<u>\$ 750,489</u>

**NOTE 15 – SUBSEQUENT EVENTS**

On November 3, 2015, the Town’s electors voted to authorize the Town’s borrowing of up to \$25,250,000 for undergrounding utilities (electric, telephone, cable and fiber optic) and feeder lines on Gulf of Mexico Drive, including Binnacle Point in Spanish Main and on Broadway (“GMD Undergrounding Project”). These costs will be paid for through non-ad valorem assessments.

Following the voter approval of the “GMC Undergrounding Project”, the Town Commission decided to move forward with posing a second referendum question to the Town voters related to the issuance of additional debt in the amount of \$23,850,000 to finance the costs of undergrounding the remaining utilities within the neighborhood and side street areas of the Town (“Neighborhood Undergrounding Project”). The voters authorized the borrowing on March 15, 2016.

**Required  
Supplementary  
Information**

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# **General Fund**

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, transportation, and culture and recreation). These activities are funded principally by property taxes, user fees, and grants from other governmental units.

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**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes				
Ad Valorem Taxes / Sarasota County	\$ 7,518,170	\$ 7,518,170	\$ 7,470,738	\$ (47,432)
Ad Valorem Taxes / Manatee County	2,890,954	2,890,954	2,892,297	1,343
	<u>10,409,124</u>	<u>10,409,124</u>	<u>10,363,035</u>	<u>(46,089)</u>
Other Taxes				
Local Business Tax	156,000	156,000	152,704	(3,296)
	<u>156,000</u>	<u>156,000</u>	<u>152,704</u>	<u>(3,296)</u>
Licenses and Permits				
Mobile Home Licenses	500	500	421	(79)
Fire Prevention Inspection Fees	5,000	5,000	17,631	12,631
Alcoholic Beverage Licenses	10,000	10,000	12,026	2,026
Boat Registration / Sarasota Cnty	4,000	4,000	3,901	(99)
Permits / Sign	6,000	6,000	8,025	2,025
Permits / Misc	2,000	2,000	1,945	(55)
	<u>27,500</u>	<u>27,500</u>	<u>43,949</u>	<u>16,449</u>
Intergovernmental				
St Rev Sharing / Sales Tax	130,000	130,000	138,937	8,937
St Rev Sharing / Comm Tax	575,000	575,000	576,628	1,628
Local Govt 1/2 Cent Sales Tax	538,000	538,000	559,101	21,101
	<u>1,243,000</u>	<u>1,243,000</u>	<u>1,274,666</u>	<u>31,666</u>
Charges for services				
Firefighters Supplemental Comp	17,280	17,280	17,733	453
Zoning Fees / Petitions	30,000	30,000	26,016	(3,984)
Lien search fees	6,000	6,000	14,655	8,655
Fire Inspection Fees	28,000	28,000	24,525	(3,475)
Re-Inspection Fees	500	500	-	(500)
Emergency Medical Service Fees	200,000	200,000	287,835	87,835
Rec Ctr / Registrations/Fees	16,000	16,000	14,949	(1,051)
Rec Ctr / Memberships	3,000	3,000	3,476	476
Rent / 4110 Gulf of Mexico	5,000	5,000	7,500	2,500
	<u>305,780</u>	<u>305,780</u>	<u>396,689</u>	<u>90,909</u>
Franchise fees				
Franchise Fees / Electricity	839,000	839,000	938,891	99,891
Franchise Fees / Gas	38,000	38,000	35,760	(2,240)
Franchise Fees / Solid Waste	19,000	19,000	14,392	(4,608)
	<u>896,000</u>	<u>896,000</u>	<u>989,043</u>	<u>93,043</u>
Fines and forfeitures				
Court Fines / Sarasota County	2,000	2,000	1,707	(293)
Court Fines / Manatee County	1,600	1,600	2,470	870
Violations / Fire Alarm Ordinance	200	200	1,550	1,350
Violations / Handicap Fines	100	100	250	150
Violations / Local Ordinances Misc	7,000	7,000	960	(6,040)
Other Fines / Police Parking Fines	1,000	1,000	4,500	3,500
	<u>11,900</u>	<u>11,900</u>	<u>11,437</u>	<u>(463)</u>

**(Continued)**

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues (continued)</b>				
Grant revenues				
Other Grants / WCIND	\$ 47,669	\$ 47,669	\$ 41,419	\$ (6,250)
Other Grants / WCIND - Fire Equipment	10,000	10,000	23,278	13,278
	<u>57,669</u>	<u>57,669</u>	<u>64,697</u>	<u>7,028</u>
Investment earnings				
Interest On Investments	25,000	25,000	19,674	(5,326)
Gain (Loss) on Sale of Investments	-	-	1,928	1,928
Interest / Sarasota Tax Collector	500	500	331	(169)
	<u>25,500</u>	<u>25,500</u>	<u>21,933</u>	<u>(3,567)</u>
Miscellaneous revenues				
Settlement / BP Oil	-	-	1,232,726	1,232,726
Fees associated with BP Oil Settlement	-	-	(264,794)	(264,794)
Copies / Maps / Ordinances / Etc	1,000	1,000	765	(235)
Sale Of Fixed Assets	-	-	50,730	50,730
Contribution from private organization	247,063	247,063	200,470	(46,593)
Union administration fee	150	150	150	-
Refund Of Prior Year Expenditures	-	-	200	200
Misc Rev / Workers Comp Reimburse	6,000	6,000	7,580	1,580
Misc Rev / Police Dept	200	200	768	568
Misc Rev / Other	3,500	3,500	53,961	50,461
Misc Rev / Rec Ctr/Vending Machine	550	550	299	(251)
Misc Rev / Rec Ctr Rental	4,000	4,000	2,325	(1,675)
Misc Rev / P-Card Rebate	15,000	15,000	15,632	632
Misc Rev / Recycling Rebate	-	-	7,373	7,373
	<u>277,463</u>	<u>277,463</u>	<u>1,308,185</u>	<u>1,030,722</u>
Other financing sources				
Transfer from Road and Bridge Fund	700,000	700,000	682,652	(17,348)
Transfer from Water & Sewer Fund	1,018,855	1,018,855	1,018,855	-
Transfer from Building Department Fund	365,000	365,000	365,000	-
Prior Year Surplus	(435,075)	832,925	-	(832,925)
	<u>1,648,780</u>	<u>2,916,780</u>	<u>2,066,507</u>	<u>(850,273)</u>
Total revenues	<u>\$ 15,058,716</u>	<u>\$ 16,326,716</u>	<u>\$ 16,692,845</u>	<u>\$ 366,129</u>
<b>Expenditures:</b>				
Current				
General government				
Legislative				
Town Commission				
Travel / Conference / Training	\$ 12,000	\$ 10,147	\$ 4,938	\$ 5,209
Communications	8,000	8,000	5,144	2,856
Postage and Freight	500	737	737	-
Rental / Building	350	579	579	-
Printing and Forms	400	424	424	-
Duplication Costs	2,000	2,000	2,000	-
Miscellaneous	4,332	4,332	3,403	929
Office Supplies	1,500	2,869	2,869	-
Small Tools and Minor Equipment	-	223	222	1
Bks/Publications/Subscrip/Memb Dues	2,550	2,321	1,218	1,103
Total Town Commission	<u>31,632</u>	<u>31,632</u>	<u>21,534</u>	<u>10,098</u>

(Continued)

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (continued):</b>				
Executive				
Town Manager				
Wages / Executive	\$ 237,453	\$ 238,106	\$ 238,103	\$ 3
Wages / Regular	78,874	79,091	79,090	1
Wages / Temporary	1,250	746	745	1
Fica Taxes	20,388	20,225	20,225	-
Pension	11,734	11,733	11,724	9
Town Contrib Salary Savings / 401K	4,090	2,358	2,358	-
Town Contrib Def Comp / ICMA 401-A	53,852	55,758	55,758	-
Insurance / Medical	20,728	32,632	32,632	-
Insurance / Disability	1,518	1,304	1,304	-
Insurance / Life	1,963	1,684	1,684	-
Workers Compensation	699	476	476	-
Travel / Conference / Training	2,430	2,573	2,573	-
Communications	4,150	4,724	4,723	1
Cell phone allowance	1,800	866	866	-
Postage and Freight	250	85	85	-
Rental / Building	200	206	206	-
Repair and maintenance - Automotive Equipment	500	-	-	-
Printing and Forms	-	247	247	-
Miscellaneous	75	75	53	22
Office Supplies	400	1,105	1,105	-
Fuel and Oil	100	660	659	1
Misc Operating Supplies	-	125	125	-
Bks/Publications/Subscrip/Memb Dues	3,500	3,787	3,787	-
Total Town Manager	445,954	458,566	458,528	38
Town Clerk				
Wages / Executive	88,379	88,623	88,622	1
Wages / Regular	94,073	81,378	79,147	2,231
Wages / Temporary	2,000	13,510	13,509	1
Wages / Overtime	750	750	31	719
Fica Taxes	14,168	14,168	13,921	247
Pension	32,313	32,313	32,284	29
Town Contrib Salary Savings / 401-K	4,305	4,305	4,283	22
Town Contrib Def Comp / ICMA 401-A	19,034	19,090	19,089	1
Insurance / Medical	12,709	12,709	12,692	17
Insurance/ Disability	685	685	628	57
Insurance / Life	418	418	397	21
Workers Compensation	408	408	275	133
Professional Services / Other	19,000	19,541	19,541	-
Travel / Conference / Training	2,072	2,072	1,476	596
Communications	2,000	2,287	2,286	1
Postage and Freight	2,500	2,500	1,490	1,010
Repair and maintenance - Other Equipment	200	200	148	52
Printing and Forms	7,500	7,500	4,494	3,006
Advertising	35,812	35,812	28,540	7,272
Office Supplies	1,000	1,000	755	245
Misc Operating Supplies	100	100	-	100
Bks/Pubs/Subscrip/Memb Dues	520	577	576	1
Total Town Clerk	339,946	339,946	324,184	15,762

(Continued)

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (continued)</b>				
Financial and administrative				
Finance Department				
Wages / Executive	\$ 95,014	\$ 95,276	\$ 95,276	\$ -
Wages / Regular	249,683	245,983	245,951	32
Wages / Temporary	200	25,600	25,587	13
Fica Taxes	26,385	27,770	27,576	194
Pension	92,942	92,942	92,857	85
Town Contrib Salary Savings / 401-K	3,399	3,399	3,125	274
Town Contrib Def Comp / ICMA 401-A	37,674	38,133	36,938	1,195
Insurance / Medical	56,750	50,172	45,844	4,328
Insurance / Disability	1,655	1,655	1,491	164
Insurance / Life	1,009	1,009	890	119
Workers Compensation	759	759	513	246
Professional Services / Other	440	2,096	349	1,747
Travel / Conference / Training	3,455	3,455	2,788	667
Communications	2,500	2,500	2,471	29
Cell phone allowance	1,500	1,501	1,500	1
Insurance opt out allowance	1,000	1,000	921	79
Postage and Freight	2,100	2,100	1,178	922
Rental / Building	400	927	926	1
Repair and maintenance - Other Equipment	75	75	-	75
Printing and Forms	200	546	546	-
Miscellaneous	300	300	69	231
Advertising	400	586	586	-
Office Supplies	850	850	752	98
Bks/Publications/Subscrip/Memb Dues	1,300	1,300	1,055	245
Total Finance Department	<u>579,990</u>	<u>599,934</u>	<u>589,189</u>	<u>10,745</u>
Human Resources				
Wages / Regular	72,093	72,291	72,290	1
Fica Taxes	5,515	5,282	5,281	1
Pension	13,037	13,026	13,025	1
Town Contrib Salary Savings / 401-K	2,163	2,163	2,163	-
Town Contrib Def Comp / ICMA 401-A	11,535	11,589	11,588	1
Insurance / Medical	11,578	14,498	14,497	1
Insurance / Disability	346	318	317	1
Insurance / Life	212	202	201	1
Workers Compensation	159	113	113	-
Prof Service / Other	9,500	20,712	20,711	1
Travel / Conference / Training	1,000	281	280	1
Car Allowance	400	254	254	-
Communications	1,150	1,748	1,747	1
Cell Phone Allowance	600	-	-	-
Postage and Freight	200	141	141	-
Rental / Building	-	242	242	-
Printing and Forms	200	132	132	-
Miscellaneous	150	122	122	-
Advertising	1,500	294	294	-
Office Supplies	200	66	66	-
Small Tools and Minor Equipment	-	300	300	-
Bks/Publications/Subscrip/Memb Dues	330	194	190	4
Total Human Resources	<u>131,868</u>	<u>143,968</u>	<u>143,954</u>	<u>14</u>

**(Continued)**

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (continued)</b>				
Public Works				
Wages / Executive	\$ 109,262	\$ 109,563	\$ 109,563	\$ -
Wages / Regular	206,003	206,570	206,569	1
Wages / Temporary	-	335	335	-
Wages / Overtime	-	221	221	-
Fica Taxes	24,118	24,118	23,933	185
Pension	57,481	57,481	57,428	53
Town Contrib Salary Savings / 401-K	7,525	7,533	7,532	1
Town Contrib Def Comp / ICMA 401-A	36,022	36,127	36,127	-
Insurance / Medical	35,866	37,477	37,476	1
Insurance / Disability	1,513	1,513	1,387	126
Insurance / Life	922	922	878	44
Workers Compensation	4,328	4,328	2,929	1,399
Professional Services / Other	20,000	9,094	4,392	4,702
Travel / Conference / Training	-	619	618	1
Communications	3,000	3,000	1,076	1,924
Cell phone allowance	-	3,001	3,000	1
Postage and Freight	600	910	909	1
Rental / Building	400	416	415	1
Rental / Equipment	3,815	3,815	2,962	853
Repair and maintenance - Automotive Equipment	1,000	3,000	2,578	422
Repair and maintenance - Other Equipment	-	362	362	-
Printing and Forms	100	200	169	31
Duplication Costs	1,450	1,950	1,639	311
Miscellaneous	150	500	200	300
Office Supplies	800	800	737	63
Fuel and Oil	4,150	4,150	3,428	722
Bks/Publications/Subscrip/Memb Dues	600	1,100	810	290
Total Public Works	<u>519,105</u>	<u>519,105</u>	<u>507,673</u>	<u>11,432</u>
Legal counsel				
Town Attorney				
Contractual Services / Legal	250,000	230,109	230,109	-
Prof Services/Purchasing	-	8,805	8,804	1
Misc Legal Expenses	15,000	-	-	-
Other Attorneys	57,000	85,000	83,820	1,180
Town Attorney / Litigation	47,000	67,000	66,319	681
Bks/Pubs/Subscrip/Memb Dues	3,000	-	-	-
Total Town Attorney	<u>372,000</u>	<u>390,914</u>	<u>389,052</u>	<u>1,862</u>
Comprehensive planning				
Planning & Zoning				
Wages / Executive	88,379	88,622	88,620	2
Wages / Regular	162,095	167,276	167,275	1
Wages / Temporary	-	1,052	1,052	-
Fica Taxes	19,161	19,161	18,744	417
Pension	52,945	52,945	52,897	48
Town Contrib Salary Savings / 401-K	3,999	3,999	3,999	-
Town Contrib Def Comp / ICMA 401-A	31,144	31,144	30,834	310
Insurance / Medical	52,264	45,246	44,965	281
Insurance / Disability	1,331	1,331	1,193	138
Insurance / Life	809	809	647	162
Workers Compensation	610	610	413	197

(Continued)

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (continued)</b>				
Professional Services / Other	\$ 235,000	\$ 235,000	\$ 100,896	\$ 134,104
Travel / Conference / Training	2,334	2,807	2,806	1
Communications	4,000	4,000	2,831	1,169
Cell phone allowance	-	1,400	1,385	15
Postage and Freight	2,000	2,000	1,254	746
Rental / Building	1,000	1,000	540	460
Rental / Equipment	2,500	2,500	2,275	225
Repair and maintenance - Automotive Equipment	3,000	3,000	434	2,566
Repair and maintenance - Other Equipment	100	100	-	100
Printing and Forms	450	850	804	46
Duplication Costs	300	300	80	220
Licenses and Taxes	125	125	-	125
Miscellaneous	1,000	2,169	2,168	1
Advertising	20,000	15,850	7,305	8,545
Office Supplies	1,000	2,000	1,221	779
Uniforms	250	250	-	250
Fuel and Oil	900	900	529	371
Misc Operating Supplies	500	500	346	154
Small Tools and Minor Equipment	400	650	582	68
Bks/Publications/Subscrip/Memb Dues	3,000	3,000	2,897	103
Total Planning & Zoning	<u>690,596</u>	<u>690,596</u>	<u>538,992</u>	<u>151,604</u>
<b>Other general government</b>				
<b>Information Technology</b>				
Wages / Executive	112,965	113,012	113,011	1
Wages / Regular	196,165	164,915	162,940	1,975
Severance	-	28,250	28,241	9
Wages / Overtime	500	500	447	53
Fica Taxes	23,687	23,687	22,459	1,228
Pension	39,849	39,849	39,813	36
Town Contrib Salary Savings / 401-K	5,336	5,336	4,269	1,067
Town Contrib Def Comp / ICMA 401-A	35,729	32,883	32,787	96
Insurance / Medical	47,318	46,417	45,904	513
Insurance / Disability	1,484	1,484	1,075	409
Insurance / Life	899	899	682	217
Workers Compensation	681	681	463	218
Professional Services / Other	135,000	133,800	131,820	1,980
Travel / Conference / Training	4,505	11,705	11,785	(80)
Car Allowance	250	709	708	1
Communications	30,000	30,000	29,536	464
Cell Phone Allowance	4,550	100	46	54
Postage and Freight	18	43	42	1
Rental/Building	2,000	2,000	1,126	874
Repair and maintenance - Other Equipment	43,500	43,097	43,097	-
Printing and Forms	675	1,506	1,506	-
Duplication Costs	25	25	-	25
Miscellaneous	-	100	100	-
Office Supplies	250	250	107	143
Misc Operating Supplies	1,700	1,700	1,348	352
Small Tools and Minor Equipment	25,400	29,189	29,189	-
Computer Software	8,000	8,000	6,516	1,484
Bks/Publications/Subscrip/Memb Dues	250	599	599	-
Total Information Technology	<u>720,736</u>	<u>720,736</u>	<u>709,616</u>	<u>11,120</u>

(Continued)

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (continued)</b>				
Municipal Buildings				
Pension	\$ 5,316	\$ 5,316	\$ 5,311	\$ 5
Electricity	29,000	29,000	26,811	2,189
Water	9,150	9,150	7,089	2,061
Repair and maintenance - Buildings	22,366	16,753	15,284	1,469
Repair and maintenance - Grounds	2,500	7,500	6,460	1,040
Repair and maintenance - Other Equipment	15,525	15,525	10,659	4,866
Repair and maintenance - Buildings - Contractual	30,000	30,000	29,915	85
Miscellaneous	700	700	43	657
Small Tools and Minor Equipment	-	613	613	-
Total Municipal Buildings	<u>114,557</u>	<u>114,557</u>	<u>102,185</u>	<u>12,372</u>
General Services				
Pension	-	644	644	-
Wellness	3,000	3,000	944	2,056
Unemployment	-	202	202	-
Prof Service / Fin and Adm	47,500	22,000	21,958	42
Prof Service / Investment expense	-	2,146	591	1,555
Accounting and Auditing	25,400	25,400	17,700	7,700
Rental / Equipment	8,379	8,379	4,468	3,911
Miscellaneous	2,400	2,518	2,518	-
Office Supplies	1,500	1,801	1,801	-
Bks/Publications/Subscrip/Membersh	7,500	7,500	7,500	-
Professional Services /Other	35,000	1,000	123	877
Communications	200	200	33	167
Television Media	18,000	19,723	19,722	1
Insurance / Property	144,000	137,836	82,934	54,902
Insurance / Other	130,000	130,000	118,285	11,715
Duplication Costs	7,000	16,376	16,375	1
Miscellaneous	5,000	5,000	1,606	3,394
Visa / Mastercard Fees	3,000	4,154	4,153	1
Misc Operating Supplies / Vend Mach	1,000	1,000	677	323
Software	150,000	150,000	149,999	1
Sarasota Bay Estuary Program	15,000	15,000	15,000	-
Prof Service / Underground wiring	38,000	255,000	185,521	69,479
Contingencies	212,000	56	-	56
Prof Service / Red Tide Cleaning	50,000	1,624	-	1,624
Economic Development Council	9,500	9,500	7,988	1,512
Total general services	<u>913,379</u>	<u>820,059</u>	<u>660,742</u>	<u>159,317</u>
Total general government	<u>4,859,763</u>	<u>4,830,013</u>	<u>4,445,649</u>	<u>384,364</u>
Public safety				
Law enforcement				
Police Department				
Wages / Executive	92,706	92,961	92,962	(1)
Incentive Pay / Executive	1,560	1,607	1,607	-
Wages / Regular	1,326,443	1,315,448	1,264,757	50,691
Incentive Pay / Regular	25,499	25,499	22,089	3,410
Wages / Holiday	48,890	56,990	56,989	1
Shift Differential	29,513	29,545	29,544	1
Wages / Temporary	-	2,009	2,008	1
Wages / Overtime	20,000	56,619	56,619	-

(Continued)

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (continued)</b>				
Fica Taxes	\$ 118,163	\$ 118,163	115,422	\$ 2,741
Pension	692,792	692,792	692,727	65
Town Contrib Salary Savings / 401-K	8,116	8,116	6,653	1,463
Town Contrib Def Comp / ICMA 401-A	186,433	176,635	171,042	5,593
Insurance / Medical	293,778	284,278	273,323	10,955
Insurance / Disability	6,774	6,774	5,904	870
Insurance / Life	4,130	4,130	3,463	667
Workers Compensation	38,602	29,102	26,088	3,014
Professional Services / Other	9,500	9,500	7,893	1,607
Travel / Conference / Training	-	4,464	4,463	1
Communications	24,380	30,255	30,255	-
Insurance Opt Out Allowance	-	1,000	953	47
Postage and Freight	1,000	1,000	671	329
Electricity	12,550	12,550	11,433	1,117
Water	700	1,090	1,089	1
Rental / Building	1,800	1,800	1,541	259
Rental / Equipment	6,500	6,500	4,139	2,361
Repair and maintenance - Buildings	12,000	12,000	11,650	350
Repair and maintenance - Grounds	-	250	150	100
Repair and maintenance - Automotive Equipment	29,000	15,000	11,931	3,069
Repair and maintenance - Other Equipment	17,000	17,000	7,560	9,440
Printing and Forms	500	3,000	2,943	57
Duplication Costs	500	500	407	93
Licenses and Taxes	200	200	25	175
Miscellaneous	1,400	1,400	814	586
Advertising	-	500	50	450
Code Enforcement Board actions	500	500	-	500
Office Supplies	3,500	3,500	1,839	1,661
Cleaning and Sanitation Supplies	250	250	173	77
Uniforms	11,000	13,842	13,842	-
Fuel and Oil	78,000	69,850	50,912	18,938
Misc Operating Supplies	3,000	3,000	1,684	1,316
Small Tools and Minor Equipment	7,300	5,300	3,922	1,378
Laundry and Clothing Allowance	15,270	15,508	15,507	1
Property and Evidence Supplies	1,700	1,700	-	1,700
Minor equipment - WCIND funded	-	6,622	6,621	1
Bks/Publications/Subscrip/Memb Dues	1,500	2,700	2,693	7
<b>Total Police Department</b>	<b>3,132,449</b>	<b>3,141,449</b>	<b>3,016,357</b>	<b>125,092</b>
Fire control/rescue service				
Fire Department				
Wages / Executive	95,160	95,422	95,421	1
Incentive Pay / Executive	3,501	3,607	3,606	1
Wages / Regular	2,349,386	2,339,886	2,327,836	12,050
Incentive Pay / Regular	61,595	62,651	62,651	-
Wages / Holiday	96,375	96,375	94,535	1,840
Wages / Temporary	1,500	1,500	-	1,500
Wages / Overtime	115,877	117,052	117,052	-
State Incentive	18,481	18,481	17,864	617
Fica Taxes	209,753	209,753	197,973	11,780
Pension	1,672,856	2,940,856	2,940,825	31
Town Contribution - FRS	494,126	484,626	432,645	51,981

**(Continued)**

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (continued)</b>				
Town Contrib Salary Savings / 401-K	\$ 4,548	\$ 5,637	\$ 5,636	\$ 1
Town Contrib Def Comp / ICMA 401-A	24,262	24,987	24,986	1
Insurance / Medical	382,726	382,726	381,052	1,674
Insurance / Disability	11,398	11,398	10,254	1,144
Insurance / Life	6,940	6,940	6,402	538
Workers Compensation	102,315	94,091	69,151	24,940
Professional Services / Other	49,575	49,575	44,301	5,274
Professional Services / EMS Billing	-	4,271	4,270	1
Travel / Conference / Training	25,600	25,600	19,389	6,211
Car Allowance	300	300	18	282
Communications	20,000	20,000	11,998	8,002
Cell phone allowance	-	601	600	1
Insurance opt out allowance	-	1,000	1,000	-
Postage and Freight	350	980	979	1
Electricity	25,000	25,000	23,028	1,972
Water	1,900	2,821	2,820	1
Rental / Building	-	348	347	1
Rental / Equipment	4,400	4,400	3,017	1,383
Repair and maintenance - Buildings	21,500	21,500	19,704	1,796
Repair and maintenance - Grounds	-	1,338	1,338	-
Repair and maintenance - Automotive Equipment	67,550	67,550	56,834	10,716
Repair and maintenance - Other Equipment	35,750	35,750	33,122	2,628
Printing and Forms	2,500	2,500	2,231	269
Duplication Costs	350	509	508	1
Licenses and Taxes	3,750	3,750	3,237	513
Miscellaneous	3,000	3,000	519	2,481
Advertising	200	200	-	200
Office Supplies	4,000	4,000	1,389	2,611
Chemicals	2,500	3,878	3,878	-
Cleaning and Sanitation Supplies	5,300	5,300	2,719	2,581
Uniforms	18,000	18,000	17,651	349
Fuel and Oil	39,000	39,000	24,298	14,702
Rescue Supplies	38,000	44,791	44,791	-
Misc Operating Supplies	3,000	3,000	2,725	275
Small Tools and Minor Equipment	24,150	27,929	27,929	-
Laundry and Clothing Allowance	17,435	17,435	17,175	260
Uniforms - Bunker Gear	13,200	13,200	10,332	2,868
Pharmaceuticals	12,000	12,923	12,923	-
Minor Equipmeny - WCIND Funded	20,000	20,000	19,767	233
Bks/Pubs/Subscrip/Memb Dues	3,000	3,672	3,672	-
Total Fire Department	6,112,109	7,380,109	7,206,398	173,711
Emergency and disaster relief services				
Communications	3,150	7,582	7,582	-
Postage and Freight	1,100	2,105	2,105	-
Rental / Buildings	3,350	5,310	5,310	-
Repair and maintenance - Other Equipment	100	-	-	-
Printing and Forms	1,845	18	-	18
Miscellaneous	400	80	80	-
Misc Operating Supplies	400	-	-	-
Total Emergency and disaster relief services	10,345	15,095	15,077	18
Total public safety	9,254,903	10,536,653	10,237,832	298,821

(Continued)

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (continued)</b>				
Transportation				
Street Department				
Wages / Regular	\$ 262,371	\$ 262,371	259,565	\$ 2,806
Wages / Overtime	4,000	2,489	2,450	39
Fica Taxes	20,377	20,377	19,536	841
Pension	64,400	64,400	64,341	59
Town Contrib Salary Savings / 401-K	2,587	2,587	2,541	46
Town Contrib Def Comp / ICMA 401-A	23,613	23,613	23,519	94
Insurance / Medical	59,022	59,415	59,415	-
Insurance / Disability	1,259	1,259	1,142	117
Insurance / Life	769	769	737	32
Workers Compensation	11,730	7,930	7,924	6
Professional Services / Other	-	347	347	-
Travel / Conference / Training	5,689	3,964	3,924	40
Communications	2,732	732	618	114
Cell phone allowance	-	2,500	2,285	215
Postage and Freight	50	97	97	-
Electricity	41,000	43,866	43,865	1
Water	400	400	170	230
Rental / Equipment	500	893	893	-
Repair and maintenance - Buildings	-	320	320	-
Repair and maintenance - Grounds	5,000	717	488	229
Repair and maintenance - Automotive Equipment	8,000	11,059	11,058	1
Repair and maintenance - Other Equipment	8,000	11,300	11,253	47
Repair and maintenance - Beach Accesses	-	130	125	5
Repair and maintenance - Right Of Way	33,500	42,708	42,707	1
Repair and maintenance - Storm	2,000	2,000	284	1,716
Repair and maintenance - Street Lights	5,000	500	134	366
Repair and maintenance - Traffic Signals	3,000	3,000	2,235	765
Licenses and Taxes	50	175	175	-
Miscellaneous	50	100	100	-
Office Supplies	300	300	178	122
Chemicals	1,000	1,000	222	778
Cleaning and Sanitation Supplies	150	150	-	150
Uniforms	3,000	3,000	2,866	134
Fuel and Oil	25,700	15,741	15,741	-
Misc Operating Supplies	450	450	-	450
Small Tools and Minor Equipment	3,000	3,000	1,507	1,493
Laundry and Clothing Allowance	1,650	1,759	1,759	-
Repair and maintenance - Streets	4,700	3,199	2,900	299
Repair and maintenance - Drainage and Culverts	10,200	16,603	16,602	1
Repair and maintenance - Signs	7,000	7,009	7,009	-
Bks/Publications/Subscrip/Memb Dues	40	60	60	-
Total Street Department and Transportation	622,289	622,289	611,092	11,197
Culture and recreation				
Parks Division				
Wages / Regular	70,013	70,013	25,566	44,447
Wages / Overtime	1,500	1,500	326	1,174
Fica Taxes	5,471	5,471	1,976	3,495
Pension	33,885	33,885	33,854	31
Town Contrib Salary Savings / 401-K	1,121	1,225	1,224	1

(Continued)

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (continued)</b>				
Town Contrib Def Comp / ICMA 401-A	\$ 6,301	\$ 6,301	\$ 2,237	\$ 4,064
Insurance / Medical	21,360	21,062	5,216	15,846
Insurance / Disability	336	336	124	212
Insurance / Life	206	206	42	164
Workers Compensation	2,346	2,346	547	1,799
Travel / Conference / Training	-	139	139	-
Communications	1,200	1,200	898	302
Cell phone allowance	-	500	392	108
Electricity	4,000	4,000	3,599	401
Water	4,000	4,000	1,044	2,956
Rental / Equipment	150	150	-	150
Repair and maintenance - Buildings	-	845	844	1
Repair and maintenance - Grounds	11,723	11,753	11,752	1
Repair and maintenance - Automotive Equipment	1,000	1,000	983	17
Repair and maintenance - Other Equipment	2,500	6,006	6,005	1
Repair and maintenance - Beach Accesses	13,000	13,000	9,556	3,444
Repair and maintenance - Grounds/Contractual	27,800	21,827	15,309	6,518
Repair and maintenance - Storm	1,000	1,000	511	489
Repair and maintenance - Channel Markers	1,000	1,000	-	1,000
Repair and maintenance - Canal Clearance/Trim	1,700	1,700	301	1,399
Miscellaneous	100	893	892	1
Advertising	-	266	266	-
Chemicals	700	700	528	172
Uniforms	600	600	331	269
Fuel and Oil	5,550	5,550	1,794	3,756
Misc Operating Supplies	250	327	327	-
Small Tools and Minor Equipment	2,000	2,000	1,339	661
Laundry and Clothing Allowance	550	550	402	148
Repair and maintenance - Signs	100	111	110	1
Bks/Publications/Subscrip/Memb Dues	150	150	-	150
<b>Total Parks Division</b>	<b>221,612</b>	<b>221,612</b>	<b>128,434</b>	<b>93,178</b>
<b>Recreation Center</b>				
Pension	1,630	1,630	1,628	2
Communications	750	950	861	89
Postage and Freight	25	25	1	24
Electricity	4,930	4,930	4,030	900
Water	650	1,150	1,056	94
Repair and maintenance - Buildings	9,514	9,514	8,625	889
Repair and maintenance - Grounds	8,500	7,300	4,002	3,298
Repair and maintenance - Other Equipment	400	400	371	29
Repair and maintenance - Grounds/Contractual	-	500	330	170
Miscellaneous	25	25	-	25
Office Supplies	275	275	72	203
Cleaning and Sanitation Supplies	250	250	57	193
Misc Operating Supplies	1,000	532	393	139
Small Tools and Minor Equipment	2,000	2,468	2,467	1
Bks/Publications/Subscrip/Memb Dues	200	200	160	40
<b>Total Recreation Center</b>	<b>30,149</b>	<b>30,149</b>	<b>24,053</b>	<b>6,096</b>
<b>Total culture and recreation</b>	<b>251,761</b>	<b>251,761</b>	<b>152,487</b>	<b>99,274</b>

**(Continued)**

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (continued)</b>				
Capital Outlay				
Other equipment	\$ -	\$ 16,000	\$ 15,837	\$ 163
Automotive equipment	70,000	70,000	69,805	195
Total Capital Outlay	<u>70,000</u>	<u>86,000</u>	<u>85,642</u>	<u>358</u>
Total expenditures	<u>15,058,716</u>	<u>16,326,716</u>	<u>15,532,702</u>	<u>794,014</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,160,143	<u>\$ 1,160,143</u>

Budgetary expenditures are different than GAAP expenditures because:

Encumbrances outstanding at September 30, 2014, liquidated during the year ended September 30, 2015	\$ (161,572)
Encumbrances outstanding at September 30, 2015	<u>201,887</u>

Change in Fund Balance as Reported in the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds

\$ 1,200,458

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes				
Local Option Gas Tax / Sarasota	\$ 69,000	\$ 69,000	\$ 71,694	\$ 2,694
Local Option Gas Tax / Manatee	45,000	45,000	43,632	(1,368)
Local Option Gas Tax / Sarasota 5 Cents	72,000	72,000	80,732	8,732
Local Option Gas Tax / Manatee 5 Cents	70,000	70,000	78,504	8,504
2 Cent Gas Tax / Sarasota	40,000	40,000	35,836	(4,164)
2 Cent Gas Tax / Manatee	34,000	34,000	35,492	1,492
	<u>330,000</u>	<u>330,000</u>	<u>345,890</u>	<u>15,890</u>
Intergovernmental revenue				
8th cent Motor Fuel Tax	50,000	50,000	45,609	(4,391)
Rebate on Municipal Vehicles	4,000	4,000	5,198	1,198
9th Cent Gas Tax / Sarasota	21,000	21,000	14,179	(6,821)
9th Cent Gas Tax / Manatee	12,150	12,150	12,702	552
	<u>87,150</u>	<u>87,150</u>	<u>77,688</u>	<u>(9,462)</u>
Charges for service				
Maintenance GMD Right of Way	13,600	13,600	9,143	(4,457)
Maintenance Traffic Signals	26,000	26,000	39,279	13,279
	<u>39,600</u>	<u>39,600</u>	<u>48,422</u>	<u>8,822</u>
Investment earnings				
Interest on Investments	12,000	12,000	10,457	(1,543)
Gain (Loss) on Sale of Investments	-	-	7,363	7,363
	<u>12,000</u>	<u>12,000</u>	<u>17,820</u>	<u>5,820</u>
Total revenues	<u>468,750</u>	<u>468,750</u>	<u>489,820</u>	<u>21,070</u>
<b>Expenditures</b>				
Transportation				
Prof Services / Investment expense	725	1,233	1,394	(161)
Prof Services / Other	-	14,492	9,045	5,447
Streets Vehicles	60,000	60,000	58,315	1,685
Total expenditures	<u>60,725</u>	<u>75,725</u>	<u>68,754</u>	<u>6,971</u>
<b>Excess of revenues over expenditures</b>	<u>408,025</u>	<u>393,025</u>	<u>421,066</u>	<u>28,041</u>
<b>Other financing uses</b>				
Transfers out - General Fund	(700,000)	(700,000)	(682,652)	17,348
Total other financing uses	<u>(700,000)</u>	<u>(700,000)</u>	<u>(682,652)</u>	<u>17,348</u>
<b>Change in fund balance</b>	<u>(291,975)</u>	<u>(306,975)</u>	<u>(261,586)</u>	<u>45,389</u>
<b>Fund balance, beginning of year</b>	<u>1,771,428</u>	<u>1,771,428</u>	<u>1,771,428</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,479,453</u>	<u>\$ 1,464,453</u>	<u>\$ 1,509,842</u>	<u>\$ 45,389</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS - GENERAL EMPLOYEES' PENSION**

Reporting Period Ending Measurement Date	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
<b>Total pension liability</b>			
Service cost	\$ 2,151	\$ 2,197	\$ 2,053
Interest on total pension liability	1,008,600	999,070	976,287
Differences between expected and actual experience	34,090	-	-
Benefit payments, including refunds of employee contributions	<u>(928,199)</u>	<u>(801,953)</u>	<u>(504,068)</u>
<b>Net change in total pension liability</b>	116,642	199,314	474,272
<b>Total pension liability - beginning</b>	<u>14,870,522</u>	<u>14,671,208</u>	<u>14,196,936</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 14,987,164</u></u>	<u><u>\$ 14,870,522</u></u>	<u><u>\$ 14,671,208</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 704,515	\$ 597,459	\$ 986,240
Contributions - state	-	-	-
Contributions - employee	-	-	153,500
Net investment income	(86,333)	912,279	865,755
Benefit payments, including refunds of member contributions	(928,199)	(801,953)	(504,068)
Administrative expenses	<u>(59,605)</u>	<u>(65,356)</u>	<u>(23,490)</u>
<b>Net change in plan fiduciary net position</b>	(369,622)	642,429	1,477,937
<b>Plan fiduciary net position - beginning</b>	<u>10,203,725</u>	<u>9,561,296</u>	<u>8,083,359</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 9,834,103</u></u>	<u><u>\$ 10,203,725</u></u>	<u><u>\$ 9,561,296</u></u>
<b>Town's net pension liability - ending (a) - (b)</b>	<u><u>\$ 5,153,061</u></u>	<u><u>\$ 4,666,797</u></u>	<u><u>\$ 5,109,912</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	65.62%	68.62%	65.17%
<b>Covered-employee payroll</b>	\$ 1,763,906	\$ 1,373,718	\$ 2,558,341
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	292.14%	339.72%	199.74%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS - POLICE PENSION**

Reporting Period Ending Measurement Date	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
<b>Total pension liability</b>			
Service cost	\$ 28,625	\$ 6,496	\$ 6,043
Interest on total pension liability	812,505	823,074	835,384
Differences between expected and actual experience	(4,365)	-	-
Changes in assumptions	570,366	-	-
Benefit payments, including refunds of employee contributions	<u>(717,957)</u>	<u>(1,267,283)</u>	<u>(744,769)</u>
<b>Net change in total pension liability</b>	<u>689,174</u>	<u>(437,713)</u>	<u>96,658</u>
<b>Total pension liability - beginning</b>	<u>11,167,348</u>	<u>11,605,061</u>	<u>11,508,403</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 11,856,522</u></u>	<u><u>\$ 11,167,348</u></u>	<u><u>\$ 11,605,061</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 621,921	\$ 552,573	\$ 824,909
Contributions - state	-	81,017	77,298
Contributions - employee	-	35,601	100,547
Net investment income	(246,652)	658,894	785,731
Benefit payments, including refunds of member contributions	(717,957)	(1,267,283)	(744,769)
Administrative expenses	<u>(41,553)</u>	<u>(35,945)</u>	<u>(28,794)</u>
<b>Net change in plan fiduciary net position</b>	<u>(384,241)</u>	<u>24,857</u>	<u>1,014,922</u>
<b>Plan fiduciary net position - beginning</b>	<u>6,857,206</u>	<u>6,832,349</u>	<u>5,817,427</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 6,472,965</u></u>	<u><u>\$ 6,857,206</u></u>	<u><u>\$ 6,832,349</u></u>
<b>Town's net pension liability - ending (a) - (b)</b>	<u><u>\$ 5,383,557</u></u>	<u><u>\$ 4,310,142</u></u>	<u><u>\$ 4,772,712</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	54.59%	61.40%	58.87%
<b>Covered-employee payroll</b>	\$ 603,217	\$ 900,553	\$ 1,005,469
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	892.47%	478.61%	474.68%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS - FIRE PENSION**

Reporting Period Ending Measurement Date	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
<b>Total pension liability</b>			
Service cost	\$ 16,994	\$ 17,183	\$ 15,910
Interest on total pension liability	2,089,626	2,082,208	2,046,450
Change in assumptions	1,655,905	1,446,265	-
Benefit payments, including refunds of employee contributions	<u>(1,616,182)</u>	<u>(1,806,573)</u>	<u>(1,426,754)</u>
<b>Net change in total pension liability</b>	<u>2,146,343</u>	<u>1,739,083</u>	<u>635,606</u>
<b>Total pension liability - beginning</b>	<u>28,652,782</u>	<u>26,913,699</u>	<u>26,278,093</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 30,799,125</u></u>	<u><u>\$ 28,652,782</u></u>	<u><u>\$ 26,913,699</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 2,906,549	\$ 1,524,626	\$ 1,542,566
Contributions - state	-	-	269,818
Contributions - employee	-	-	259,097
Net investment income (loss)	(507,247)	1,384,374	1,401,812
Benefit payments, including refunds of member contributions	(1,616,182)	(1,806,573)	(1,426,754)
Administrative expenses	<u>(45,679)</u>	<u>(60,620)</u>	<u>(54,124)</u>
<b>Net change in plan fiduciary net position</b>	<u>737,441</u>	<u>1,041,807</u>	<u>1,992,415</u>
<b>Plan fiduciary net position - beginning</b>	<u>15,705,207</u>	<u>14,663,400</u>	<u>12,670,985</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 16,442,648</u></u>	<u><u>\$ 15,705,207</u></u>	<u><u>\$ 14,663,400</u></u>
<b>Town's net pension liability - ending (a) - (b)</b>	<u><u>\$ 14,356,477</u></u>	<u><u>\$ 12,947,575</u></u>	<u><u>\$ 12,250,299</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	53.39%	54.81%	54.48%
<b>Covered-employee payroll</b>	\$ 1,491,476	\$ 849,832	\$ 2,590,971
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	962.57%	1523.55%	472.81%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
GENERAL EMPLOYEES PENSION**

Reporting Period Ending Measurement Date	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013
Actuarially determined contribution	\$ 704,515	\$ 597,459	\$ 986,240
Contributions in relation to the actuarially determined contribution	704,515	597,459	986,240
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,763,906	\$ 1,373,718	\$ 2,558,341
Contributions as a percentage of covered-employee payroll	39.94%	43.49%	38.55%

**Notes to the Schedule:**

Valuation Date October 1, 2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Amortization method: Level percentage of pay, closed

Remaining amortization period: 29 years (as of 10/1/2013)

Inflation: 3.0% per year

Mortality: RP-2000 combined healthy (sex distinct), projected to valuation date using scale AA.

Termination rates: Table 1305, see sample rates below.

Age	% Terminating During the Year
20	17.20%
30	15.00%
40	8.20%
50	1.70%

Retirement age: The earlier of age 62 or age 55 and completion of 30 years of credited service. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Early retirement 5% per year, for each year of eligibility, beginning at age 50 with 15 years of credited service.

Interest Rate: 7.0% per year, compounded annually, net of investment-related expenses

Salary increases: None

Payroll growth: None

Asset valuation method: Each year, the prior actuarial value of assets is brought forward using the historical geometric four-year average market value return. It is possible that over time this technique will produce an insignificant bias above or below market value.

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
POLICE PENSION**

Reporting Period Ending Measurement Date	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013
Actuarially determined contribution	\$ 621,921	\$ 633,590	\$ 902,207
Contributions in relation to the actuarially determined contribution	621,921	633,590	902,207
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 603,217	\$ 900,553	\$ 1,005,469
Contributions as a percentage of covered-employee payroll	103.10%	70.36%	89.73%

**Notes to the Schedule:**

Valuation Date October 1, 2013  
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method: Level dollar.

Remaining amortization period: 29 years (as of 10/1/2013)

Inflation: 3.0% per year

Mortality: RP-2000 (combined healthy with no projection). Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

Termination rates: See table below.

Disability rates: See table below. 75% of disability retirements are assumed to be service related.

Retirement age: The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Interest Rate: 7.5% per year, compounded annually, net of investment-related expenses

Salary increases: None

Early retirement None

Cost of Living adjustment: 3.0% per year, beginning 5 years after retirement

Payroll growth: None

Asset valuation method:

The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees). Over time, this may result in a demeris bias that is above or below the market value of assets.

Termination and disability rate table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.20%	0.14%
30	7.30%	0.18%
40	3.50%	0.30%
50	0.80%	1.00%

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FIRE PENSION**

Reporting Period Ending Measurement Date	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
Actuarially determined contribution	\$ 1,638,549	\$ 1,524,626	\$ 1,812,384
Contributions in relation to the actuarially determined contribution	2,906,549	1,524,626	1,812,384
Contribution deficiency (excess)	<u>\$ (1,268,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,491,476	\$ 849,832	\$ 2,590,971
Contributions as a percentage of covered-employee payroll	194.88%	179.40%	69.95%

**Notes to the Schedule:**

Valuation Date October 1, 2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method: Level percentage of pay, closed

Remaining amortization period: 29 years (as of 10/1/2013)

Inflation: 3.0% per year

Mortality: RP-2000 (combined healthy with no projection). Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

Termination rates: See table below.

Disability rates: See table below. 75% of disability retirements are assumed to be service related.

Retirement age: The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Interest Rate: 8.0% per year, compounded annually, net of investment-related expenses

Salary increases: None

Early retirement None

Cost of Living adjustment: 3.0% per year, beginning 5 years after retirement

Payroll growth: None

Asset valuation method: The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees). Over time, this may result in a demeris bias that is above or below the market value of assets.

Termination and disability rate table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.40%	0.14%
30	10.50%	0.18%
40	5.70%	0.30%
50	1.50%	1.00%

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION INVESTMENT RETURNS**

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Reporting Period Ending Measurement Date	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
General Employees: Annual money-weighted rate of return, net of investment expenses	-1.01%	9.53%	10.30%
Police: Annual money-weighted rate of return, net of investment expenses	-3.67%	9.94%	13.20%
Fire: Annual money-weighted rate of return, net of investment expenses	-3.28%	9.60%	10.62%

**Notes to the Schedules:**

The schedules will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting Period Ending Measurement Date	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Town's proportion of the FRS net pension liability	0.014810957%	0.010429691%
Town's proportionate share of the FRS net pension liability	\$ 1,913,034	\$ 636,365
Town's covered employee payroll	\$ 2,701,101	\$ 2,746,629
Town's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	70.82%	23.17%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	92.00%	96.09%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

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Reporting Period Ending Measurement Date	<b>9/30/2015</b> <b>6/30/2015</b>	<b>9/30/2014</b> <b>6/30/2014</b>
Contractually required FRS contribution	\$ 361,104	\$ 228,454
FRS Contributions in relation to the contractually required FRS contribution	361,104	228,454
FRS Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 2,701,101	\$ 2,746,629
FRS Contributions as a percentage of covered employee payroll	13.37%	8.32%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

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Reporting Period Ending Measurement Date	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Town's proportion of the HIS net pension liability	0.006613455%	0.004598732%
Town's proportionate share of the HIS net pension liability	\$ 674,468	\$ 429,993
Town's covered employee payroll	\$ 2,701,101	\$ 2,746,629
Town's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	24.97%	15.66%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	1.22%	1.06%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS**

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting Period Ending Measurement Date	<b>9/30/2015</b> <b>6/30/2015</b>	<b>9/30/2014</b> <b>6/30/2014</b>
Contractually required HIS contribution	\$ 25,281	\$ 15,754
HIS Contributions in relation to the contractually required HIS contribution	25,281	15,754
HIS Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 2,701,101	\$ 2,746,629
HIS Contributions as a percentage of covered employee payroll	0.94%	0.57%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

TOWN OF LONGBOAT KEY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 OPEB PLAN

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
10/1/2014	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2013	\$ -	\$ 1,523,000	\$ 1,523,000	0.00%	\$ 6,356,552	24.0%
10/1/2012	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2011	N/A	N/A	N/A	N/A	N/A	N/A

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

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# 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 Fund

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

### Tourist Development Tax Fund

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

### Beach Erosion Control District A Fund

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

### Beach Erosion Control District B Fund

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 Fund

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.

### Tennis Center Fund

To account for the sales and expenses associated with running the Tennis Center facility.

## **Debt Service Funds**

### General Obligation Facilities Bonds Fund

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

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## **Nonmajor Governmental Funds continued**

### **Capital Project Funds**

#### Street Capital Projects 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 Fund

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

#### Canal Dredging Fund

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

#### Parks and Recreation Fund

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, 2015

	Special Revenue Funds					
	Infrastructure Surtax	Tourist Development Tax	Beach District A	Beach District B	Tree Replacement	Police Training
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,536,952	28,695	-	-	43,442	50,671
Accounts receivable, net	-	-	-	-	-	-
Due from other governments	39,075	395,721	-	-	-	386
Inventory	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	223
Accrued income on investments	2,643	3,473	-	-	44	60
Total assets	<u>\$ 1,578,670</u>	<u>\$ 427,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,486</u>	<u>\$ 51,340</u>
<b>Liabilities and fund balances</b>						
Liabilities						
Accounts payable	\$ 116,620	\$ -	\$ -	\$ -	\$ -	\$ 386
Accrued liabilities	-	-	-	-	-	-
Total liabilities	<u>116,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386</u>
Fund balances						
Nonspendable	-	-	-	-	-	223
Restricted	1,454,520	427,889	-	-	43,486	50,731
Assigned	7,530	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,462,050</u>	<u>427,889</u>	<u>-</u>	<u>-</u>	<u>43,486</u>	<u>50,954</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,578,670</u>	<u>\$ 427,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,486</u>	<u>\$ 51,340</u>

Law Enforcement Trust	Tennis Center	Debt Service	Capital Project Funds				Total Governmental Funds
		General Obligation Facilities Bonds	Street Capital Projects	Land Acquisition Fees	Canal Dredging	Parks and Recreation	
\$ -	\$ 14,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,662
180,685	-	281,407	312,241	2,677,120	412,440	55,388	5,579,041
-	751	-	-	-	-	-	751
-	-	7	-	-	-	-	435,189
-	67,582	-	-	-	-	-	67,582
-	-	-	-	-	-	-	223
180	-	298	1,019	4,400	902	443	13,462
<u>\$ 180,865</u>	<u>\$ 82,995</u>	<u>\$ 281,712</u>	<u>\$ 313,260</u>	<u>\$ 2,681,520</u>	<u>\$ 413,342</u>	<u>\$ 55,831</u>	<u>\$ 6,110,910</u>
\$ -	\$ 10,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,692
-	12,175	-	-	-	-	-	12,175
-	22,861	-	-	-	-	-	139,867
-	67,582	-	-	-	-	-	67,805
180,865	-	281,712	295,050	2,681,520	413,342	55,831	5,884,946
-	-	-	18,210	-	-	-	25,740
-	(7,448)	-	-	-	-	-	(7,448)
<u>180,865</u>	<u>60,134</u>	<u>281,712</u>	<u>313,260</u>	<u>2,681,520</u>	<u>413,342</u>	<u>55,831</u>	<u>5,971,043</u>
<u>\$ 180,865</u>	<u>\$ 82,995</u>	<u>\$ 281,712</u>	<u>\$ 313,260</u>	<u>\$ 2,681,520</u>	<u>\$ 413,342</u>	<u>\$ 55,831</u>	<u>\$ 6,110,910</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue Funds					
	Infrastructure Surtax	Tourist Development Tax	Beach District A	Beach District B	Tree Replacement	Police Training
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	604,404	661,694	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and Miscellaneous	-	-	-	-	-	665
Income (loss) on investments	12,636	4,926	(305)	(6)	401	526
Total revenues	<u>617,040</u>	<u>666,620</u>	<u>(305)</u>	<u>(6)</u>	<u>401</u>	<u>1,191</u>
<b>Expenditures</b>						
Current						
General government	1,000	94	-	-	31	-
Public Safety	-	-	-	-	-	14,585
Culture and recreation	-	-	-	-	-	-
Debt Service						
Interest	-	-	-	-	-	-
Capital Outlay						
General government	-	-	-	-	-	-
Public Safety	505,793	-	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>506,793</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>14,585</u>
Excess (deficiency) of revenues over expenditures	<u>110,247</u>	<u>666,526</u>	<u>(305)</u>	<u>(6)</u>	<u>370</u>	<u>(13,394)</u>
<b>Other Financing (Uses)</b>						
Transfers to other funds	-	(2,315,954)	(103,077)	(1,453)	-	-
Total other financing (uses)	<u>-</u>	<u>(2,315,954)</u>	<u>(103,077)</u>	<u>(1,453)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	110,247	(1,649,428)	(103,382)	(1,459)	370	(13,394)
Fund balances, beginning	<u>1,351,803</u>	<u>2,077,317</u>	<u>103,382</u>	<u>1,459</u>	<u>43,116</u>	<u>64,348</u>
Fund balances, ending	<u>\$ 1,462,050</u>	<u>\$ 427,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,486</u>	<u>\$ 50,954</u>

Law Enforcement Trust	Tennis Center	Debt Service	Capital Project Funds				Total Governmental Funds
		General Obligation Facilities Bonds	Street Capital Projects	Land Acquisition Fees	Canal Dredging	Parks and Recreation	
\$ -	\$ -	\$ 288,095	\$ -	\$ -	\$ -	\$ -	\$ 288,095
-	-	-	-	2,208,837	-	-	3,474,935
-	575,185	-	-	-	-	-	575,185
-	-	-	-	-	-	12,271	12,936
1,668	-	1,980	3,102	20,704	3,807	871	50,310
<u>1,668</u>	<u>575,185</u>	<u>290,075</u>	<u>3,102</u>	<u>2,229,541</u>	<u>3,807</u>	<u>13,142</u>	<u>4,401,461</u>
-	-	155	242	1,481	297	80	3,380
130	-	-	-	-	-	-	14,715
-	567,391	-	-	-	-	-	567,391
-	-	14,648	-	-	-	-	14,648
-	-	-	-	9,374	-	-	9,374
-	-	-	-	-	-	-	505,793
-	-	-	31,254	-	-	-	31,254
-	-	-	-	-	72	118,040	118,112
<u>130</u>	<u>567,391</u>	<u>14,803</u>	<u>31,496</u>	<u>10,855</u>	<u>369</u>	<u>118,120</u>	<u>1,264,667</u>
1,538	7,794	275,272	(28,394)	2,218,686	3,438	(104,978)	3,136,794
-	-	-	-	-	-	-	(2,420,484)
-	-	-	-	-	-	-	(2,420,484)
1,538	7,794	275,272	(28,394)	2,218,686	3,438	(104,978)	716,310
179,327	52,340	6,440	341,654	462,834	409,904	160,809	5,254,733
<u>\$ 180,865</u>	<u>\$ 60,134</u>	<u>\$ 281,712</u>	<u>\$ 313,260</u>	<u>\$ 2,681,520</u>	<u>\$ 413,342</u>	<u>\$ 55,831</u>	<u>\$ 5,971,043</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - INFRASTRUCTURE SURTAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
Infrastructure Surtax / Sarasota	\$ 540,000	\$ 540,000	\$ 604,404	\$ 64,404
	<u>540,000</u>	<u>540,000</u>	<u>604,404</u>	<u>64,404</u>
Investment earnings				
Interest on Investments	4,000	4,000	7,410	3,410
Gain (Loss) on Sale of Investments	-	-	5,226	5,226
	<u>4,000</u>	<u>4,000</u>	<u>12,636</u>	<u>8,636</u>
<b>Total Revenues</b>	<u>544,000</u>	<u>544,000</u>	<u>617,040</u>	<u>73,040</u>
<b>Expenditures</b>				
Current				
Public safety				
Prof Services / Investment expense	700	886	1,000	(114)
Capital Outlay				
Public facility - server replacement	45,000	54,906	53,251	1,655
Public facility - telephone system	-	85,000	77,125	7,875
Public facility - Cisco network switch	25,000	25,000	23,431	1,569
Police generator replacement	55,000	55,000	43,820	11,180
Police radio equipment	-	104,000	99,000	5,000
South fire condition assessment	25,000	25,000	22,470	2,530
Fire station floor covering replacement	10,000	6,828	6,828	-
North fire relocate A/C condensers	15,000	15,000	-	15,000
Duct work replacement	60,000	60,000	-	60,000
Fire SCBA cylinders	180,000	179,868	179,868	-
Total expenditures	<u>415,700</u>	<u>611,488</u>	<u>506,793</u>	<u>104,695</u>
<b>Change in fund balance</b>	128,300	(67,488)	110,247	177,735
<b>Fund balance, beginning of year</b>	<u>1,351,803</u>	<u>1,351,803</u>	<u>1,351,803</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,480,103</u>	<u>\$ 1,284,315</u>	<u>\$ 1,462,050</u>	<u>\$ 177,735</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - TOURIST DEVELOPMENT TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
Tourist Development Tax / Sarasota	\$ 300,000	\$ 300,000	\$ 329,768	\$ 29,768
Tourist Development Tax / Manatee	240,000	240,000	265,973	25,973
Tourist Development Tax Maintenance / Manatee	64,000	64,000	65,953	1,953
	<u>604,000</u>	<u>604,000</u>	<u>661,694</u>	<u>57,694</u>
Investment earnings				
Interest on Investments	5,000	5,000	522	(4,478)
Gain (Loss) on Sale of Investments	-	-	4,404	4,404
	<u>5,000</u>	<u>5,000</u>	<u>4,926</u>	<u>(74)</u>
Total Revenues	<u>609,000</u>	<u>609,000</u>	<u>666,620</u>	<u>57,620</u>
<b>Expenditures</b>				
Current				
General government				
Prof Services / Investment expense	1,200	1,200	94	1,106
Total expenditures	<u>1,200</u>	<u>1,200</u>	<u>94</u>	<u>1,106</u>
<b>Excess of revenues over expenditures</b>	<u>607,800</u>	<u>607,800</u>	<u>666,526</u>	<u>58,726</u>
<b>Other financing uses</b>				
Transfers out - Capital Projects Fund	(2,290,000)	(2,290,000)	(2,315,954)	(25,954)
Total other financing uses	<u>(2,290,000)</u>	<u>(2,290,000)</u>	<u>(2,315,954)</u>	<u>(25,954)</u>
<b>Change in fund balance</b>	(1,682,200)	(1,682,200)	(1,649,428)	32,772
<b>Fund balance, beginning of year</b>	<u>2,077,317</u>	<u>2,077,317</u>	<u>2,077,317</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 395,117</u>	<u>\$ 395,117</u>	<u>\$ 427,889</u>	<u>\$ 32,772</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BEACH DISTRICT A FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings				
Gain (Loss) on Sale of Investments	\$ 118	\$ 118	\$ (305)	\$ (423)
Total Revenues	<u>118</u>	<u>118</u>	<u>(305)</u>	<u>(423)</u>
<b>Expenditures</b>				
Current				
General government				
Miscellaneous	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>118</u>	<u>118</u>	<u>(305)</u>	<u>(423)</u>
<b>Other financing uses</b>				
Transfers out - Capital Projects Fund	(103,500)	(103,500)	(103,077)	423
Total other financing uses	<u>(103,500)</u>	<u>(103,500)</u>	<u>(103,077)</u>	<u>423</u>
<b>Change in fund balance</b>	(103,382)	(103,382)	(103,382)	-
<b>Fund balance, beginning of year</b>	<u>103,382</u>	<u>103,382</u>	<u>103,382</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BEACH DISTRICT B FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings				
Gain (Loss) on Sale of Investments	\$ 166	\$ 166	\$ (6)	\$ (172)
Total Revenues	<u>166</u>	<u>166</u>	<u>(6)</u>	<u>(172)</u>
<b>Expenditures</b>				
Current				
General government				
Miscellaneous	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>166</u>	<u>166</u>	<u>(6)</u>	<u>(172)</u>
<b>Other financing uses</b>				
Transfers out - Capital Projects Fund	(1,625)	(1,625)	(1,453)	172
Total other financing uses	<u>(1,625)</u>	<u>(1,625)</u>	<u>(1,453)</u>	<u>172</u>
<b>Change in fund balance</b>	(1,459)	(1,459)	(1,459)	-
<b>Fund balance, beginning of year</b>	<u>1,459</u>	<u>1,459</u>	<u>1,459</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - TREE REPLACEMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings				
Interest on Investments	\$ 50	\$ 50	\$ 228	\$ 178
Gain (Loss) on Sale of Investments	-	-	173	173
	<u>50</u>	<u>50</u>	<u>401</u>	<u>351</u>
 Total Revenues	 <u>50</u>	 <u>50</u>	 <u>401</u>	 <u>351</u>
<b>Expenditures</b>				
Current				
General government				
Prof Services / Investment expense	20	28	31	(3)
Total expenditures	<u>20</u>	<u>28</u>	<u>31</u>	<u>(3)</u>
 <b>Change in fund balance</b>	 30	 22	 370	 348
 <b>Fund balance, beginning of year</b>	 <u>43,116</u>	 <u>43,116</u>	 <u>43,116</u>	 <u>-</u>
 <b>Fund balance, end of year</b>	 <u>\$ 43,146</u>	 <u>\$ 43,138</u>	 <u>\$ 43,486</u>	 <u>\$ 348</u>

TOWN OF LONGBOAT KEY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - POLICE TRAINING FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures				
Police education fines / Sarasota	\$ 500	\$ 500	\$ 515	\$ 15
Police education fines / Manatee	120	120	150	30
	<u>620</u>	<u>620</u>	<u>665</u>	<u>45</u>
Investment earnings				
Interest on Investments	20	20	289	269
Gain (Loss) on Sale of Investments	-	-	237	237
	<u>20</u>	<u>20</u>	<u>526</u>	<u>506</u>
 Total Revenues	 <u>640</u>	 <u>640</u>	 <u>1,191</u>	 <u>551</u>
<b>Expenditures</b>				
Current				
Public safety				
Prof Services / Investment expense	30	38	41	(3)
Travel / conferences / training	15,000	14,992	14,544	448
Total expenditures	<u>15,030</u>	<u>15,030</u>	<u>14,585</u>	<u>445</u>
 <b>Change in fund balance</b>	 (14,390)	 (14,390)	 (13,394)	 996
 <b>Fund balance, beginning of year</b>	 <u>64,348</u>	 <u>64,348</u>	 <u>64,348</u>	 <u>-</u>
 <b>Fund balance, end of year</b>	 <u>\$ 49,958</u>	 <u>\$ 49,958</u>	 <u>\$ 50,954</u>	 <u>\$ 996</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - LAW ENFORCEMENT TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings				
Interest on Investments	\$ 400	\$ 400	\$ 950	\$ 550
Gain (Loss) on Sale of Investments	-	-	718	718
	<u>400</u>	<u>400</u>	<u>1,668</u>	<u>1,268</u>
 Total Revenues	 <u>400</u>	 <u>400</u>	 <u>1,668</u>	 <u>1,268</u>
<b>Expenditures</b>				
Current				
Public safety				
Prof Services / Investment expense	90	90	130	(40)
Total expenditures	<u>90</u>	<u>90</u>	<u>130</u>	<u>(40)</u>
 Change in fund balance	 310	 310	 1,538	 1,228
 Fund balance, beginning of year	 <u>179,327</u>	 <u>179,327</u>	 <u>179,327</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 179,637</u>	 <u>\$ 179,637</u>	 <u>\$ 180,865</u>	 <u>\$ 1,228</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - TENNIS CENTER FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services				
Tennis membership - family	\$ 68,800	\$ 68,800	\$ 63,872	\$ (4,928)
Tennis membership - single	118,500	118,500	115,959	(2,541)
Script Card	26,000	28,588	28,588	-
Walk-on Play	20,000	25,227	25,228	1
Tennis Lessons	151,000	170,288	170,289	1
Clinics / Special Events	21,878	21,878	19,846	(2,032)
Misc Revenue - Tennis Vending	4,000	5,114	5,114	-
Misc Revenue - Merchandise Sales	120,000	145,980	145,980	-
Misc Revenue - Miscellaneous Tennis	2,000	2,000	309	(1,691)
Total Revenues	<u>532,178</u>	<u>586,375</u>	<u>575,185</u>	<u>(11,190)</u>
<b>Expenditures</b>				
Current				
Culture and recreation				
Wages / Regular	180,343	176,539	176,539	-
Wages / Holiday	3,779	3,911	3,912	(1)
Wages / Lessons	105,700	121,827	121,828	(1)
FICA Taxes	21,085	23,174	23,175	(1)
Pension	25,921	25,921	25,898	23
Town Contribution Salary Savings / 401-K	4,175	4,175	4,073	102
Town Contribution Deferred Comp / ICMA 401-A	16,265	16,265	15,234	1,031
Insurance / Medical	17,870	17,995	17,996	(1)
Insurance / Disability	410	410	376	34
Insurance / Life	249	249	237	12
Workers Compensation	4,566	4,566	3,092	1,474
Communications	950	1,412	1,412	-
Postage and Freight	250	250	208	42
Electricity	2,875	3,247	3,248	(1)
Water	11,300	13,217	13,217	-
Natural Gas	450	450	335	115
Insurance / Property	-	1,604	1,604	-
Repair and Maintenance / Buildings	5,000	6,409	6,409	-
Repair and Maintenance / Ground	11,350	6,998	6,571	427
Repair and Maintenance / Other Equipment	-	4,800	4,800	-
Printing and Forms	800	830	830	-
Costs / Promotional	2,000	2,000	1,749	251
Miscellaneous	100	100	-	100
Credit Card Fees	9,000	19,558	19,558	-
Costs / Vending	800	3,041	3,041	-
Costs / Merchandise	82,690	101,068	101,069	(1)
Costs / Special Events	5,500	6,167	6,168	(1)
Costs / Contractor Lessons	-	913	914	(1)
Office Supplies	600	637	637	-
Cleaning and Sanitation Supplies	50	107	107	-
Misc Operating Supplies	200	517	517	-
Small Tools and Minor Equipment	2,500	2,500	2,119	381
Subscriptions and Memberships	400	518	518	-
Tennis Capital Reserve	15,000	15,000	-	15,000
Total expenditures	<u>532,178</u>	<u>586,375</u>	<u>567,391</u>	<u>18,984</u>
<b>Change in fund balance</b>	-	-	7,794	7,794
<b>Fund balance, beginning of year</b>	<u>52,340</u>	<u>52,340</u>	<u>52,340</u>	-
<b>Fund balance, end of year</b>	<u>\$ 52,340</u>	<u>\$ 52,340</u>	<u>\$ 60,134</u>	<u>\$ 7,794</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL OBLIGATION FACILITIES BONDS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes				
Ad Valorem Taxes / Sarasota County	\$ 209,000	\$ 209,000	\$ 207,690	\$ (1,310)
Ad Valorem Taxes / Manatee County	80,295	80,295	80,405	110
	<u>289,295</u>	<u>289,295</u>	<u>288,095</u>	<u>(1,200)</u>
Investment earnings				
Interest on Investments	870	870	1,310	440
Gain (Loss) on Sale of Investments	(500)	(500)	661	1,161
Interest / Sarasota Tax Collector	-	-	9	9
	<u>370</u>	<u>370</u>	<u>1,980</u>	<u>1,610</u>
 Total Revenues	 <u>289,665</u>	 <u>289,665</u>	 <u>290,075</u>	 <u>410</u>
<b>Expenditures</b>				
Current				
General government				
Prof Services / Investment expense	-	-	155	(155)
Debt service				
Principal retirement	260,000	260,000	-	260,000
Interest	29,295	29,295	14,648	14,647
Total expenditures	<u>289,295</u>	<u>289,295</u>	<u>14,803</u>	<u>274,492</u>
 <b>Change in fund balance</b>	 370	 370	 275,272	 274,902
 <b>Fund balance, beginning of year</b>	 <u>6,440</u>	 <u>6,440</u>	 <u>6,440</u>	 <u>-</u>
 <b>Fund balance, end of year</b>	 <u>\$ 6,810</u>	 <u>\$ 6,810</u>	 <u>\$ 281,712</u>	 <u>\$ 274,902</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL OBLIGATION BEACH BONDS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes				
Ad Valorem Taxes / Sarasota County District A	\$ 1,784,670	\$ 1,784,670	\$ 1,753,799	\$ (30,871)
Ad Valorem Taxes / Manatee County District A	638,642	638,642	635,108	(3,534)
Ad Valorem Taxes / Sarasota County District B	294,130	294,130	291,027	(3,103)
Ad Valorem Taxes / Manatee County District B	124,752	124,752	123,631	(1,121)
	<u>2,842,194</u>	<u>2,842,194</u>	<u>2,803,565</u>	<u>(38,629)</u>
Investment earnings				
Interest on Investments	350	350	13,334	12,984
Gain (Loss) on Sale of Investments	-	-	6,974	6,974
Interest / Sarasota Tax Collector - District A	-	-	78	78
Interest / Sarasota Tax Collector - District B	-	-	13	13
	<u>350</u>	<u>350</u>	<u>20,399</u>	<u>20,049</u>
 Total Revenues	 <u>2,842,544</u>	 <u>2,842,544</u>	 <u>2,823,964</u>	 <u>(18,580)</u>
<b>Expenditures</b>				
Current				
General government				
Prof Services / Investment expense	-	-	1,580	(1,580)
Miscellaneous	-	-	350	(350)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,930</u>	<u>(1,930)</u>
 <b>Excess of revenues over expenditures</b>	 <u>2,842,544</u>	 <u>2,842,544</u>	 <u>2,822,034</u>	 <u>(20,510)</u>
<b>Other financing sources</b>				
Transfers in - Beach District A	103,500	103,500	103,073	(427)
Transfers in - Beach District B	1,625	1,625	1,457	(168)
Total other financing sources	<u>105,125</u>	<u>105,125</u>	<u>104,530</u>	<u>(595)</u>
 <b>Change in fund balance</b>	 <u>2,947,669</u>	 <u>2,947,669</u>	 <u>2,926,564</u>	 <u>(21,105)</u>
 <b>Fund balance, beginning of year</b>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <b>Fund balance, end of year</b>	 <u>\$ 2,947,669</u>	 <u>\$ 2,947,669</u>	 <u>\$ 2,926,564</u>	 <u>\$ (21,105)</u>

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# 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 Donations 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.

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**TOWN OF LONGBOAT KEY, FLORIDA**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
SEPTEMBER 30, 2015**

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	<b>Code Enforcement</b>	<b>Solid Waste</b>	<b>Police Donations</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 158,625	\$ 44,216	\$ 18,715	\$ 221,556
Other assets	-	45,582	-	45,582
Total assets	\$ 158,625	\$ 89,798	\$ 18,715	\$ 267,138
<b>Liabilities</b>				
Amounts held as agent for others	158,625	89,798	18,715	267,138
Total liabilities	\$ 158,625	\$ 89,798	\$ 18,715	\$ 267,138

**TOWN OF LONGBOAT KEY, FLORIDA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Balance 10/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2015</u>
<b><u>Code Enforcement Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 63,625	\$ 95,000	\$ -	\$ 158,625
Total assets	<u>\$ 63,625</u>	<u>\$ 95,000</u>	<u>\$ -</u>	<u>\$ 158,625</u>
<b>Liabilities</b>				
Amounts held as agent for others	63,625	95,000	-	158,625
Total liabilities	<u>\$ 63,625</u>	<u>\$ 95,000</u>	<u>\$ -</u>	<u>\$ 158,625</u>
<b><u>Solid Waste Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 43,085	\$ 499,924	\$ 498,793	\$ 44,216
Other assets	45,345	500,161	499,924	45,582
Total assets	<u>\$ 88,430</u>	<u>\$ 1,000,085</u>	<u>\$ 998,717</u>	<u>\$ 89,798</u>
<b>Liabilities</b>				
Amounts held as agent for others	88,430	1,000,085	998,717	89,798
Total liabilities	<u>\$ 88,430</u>	<u>\$ 1,000,085</u>	<u>\$ 998,717</u>	<u>\$ 89,798</u>
<b><u>Police Donations Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 18,663	\$ 3,231	\$ 3,179	\$ 18,715
Total assets	<u>\$ 18,663</u>	<u>\$ 3,231</u>	<u>\$ 3,179</u>	<u>\$ 18,715</u>
<b>Liabilities</b>				
Amounts held as agent for others	18,663	3,231	3,179	18,715
Total liabilities	<u>\$ 18,663</u>	<u>\$ 3,231</u>	<u>\$ 3,179</u>	<u>\$ 18,715</u>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 125,373	\$ 602,124	\$ 505,941	\$ 221,556
Other assets	45,345	576,306	576,069	45,582
Total assets	<u>\$ 170,718</u>	<u>\$ 1,178,430</u>	<u>\$ 1,082,010</u>	<u>\$ 267,138</u>
<b>Liabilities</b>				
Amounts held as agent for others	170,718	1,178,430	1,082,010	267,138
Total liabilities	<u>\$ 170,718</u>	<u>\$ 1,178,430</u>	<u>\$ 1,082,010</u>	<u>\$ 267,138</u>

# 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 (Pages 111 – 115) (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 (Pages 116 – 119) (Tables 5 – 8)

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

### Debt Capacity (Pages 120 – 123) (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 (Pages 124 and 125) (Tables 13 and 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 (Pages 126 – 128) (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.

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TOWN OF LONGBOAT KEY, FLORIDA

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Table 1)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 41,882,184	\$ 42,290,238	\$ 42,894,752	\$ 43,964,904	\$ 47,245,000	\$ 52,337,893	\$ 50,178,473	\$ 47,891,475	\$ 46,906,127	\$ 46,507,514
Restricted										
Capital projects	-	-	-	-	-	-	-	13,087,478	11,402,376	11,241,249
Debt service	-	-	-	-	-	-	-	45,276	6,440	3,208,276
Unrestricted	21,372,081	25,708,253	25,995,939	25,556,164	23,223,474	16,439,938	17,433,460	2,764,712	3,907,538	(11,950,563)
Total governmental activities net position	\$ 63,254,265	\$ 67,998,491	\$ 68,890,691	\$ 69,521,068	\$ 70,468,474	\$ 68,777,831	\$ 67,611,933	\$ 63,788,941	\$ 62,222,481	\$ 49,006,476
Business-type activities										
Net investment in capital assets	\$ 5,467,196	\$ 10,781,157	\$ 12,873,521	\$ 6,703,052	\$ 13,979,979	\$ 16,834,998	\$ 14,945,148	\$ 13,353,674	\$ 14,194,467	\$ 16,234,308
Restricted										
Debt Service	977,158	549,531	439,625	439,625	439,625	439,625	439,625	1,067,550	1,067,543	982,210
Renewal and Replacement	-	484,332	597,497	9,933,478	10,078,892	5,735,449	3,672,943	-	-	-
Connection fees	2,864,492	2,924,435	2,962,633	2,988,697	3,012,774	3,026,870	3,036,737	1,294,486	1,300,057	1,305,039
Water and sewer revenue reserve	-	-	108,500	108,138	-	-	-	-	-	-
Unrestricted	9,751,124	7,949,484	8,522,334	8,034,429	2,540,724	5,609,562	10,100,635	16,672,366	16,498,288	14,570,090
Total business-type activities net position	\$ 19,059,970	\$ 22,688,939	\$ 25,504,110	\$ 28,207,419	\$ 30,051,994	\$ 31,646,504	\$ 32,195,088	\$ 32,388,076	\$ 33,060,355	\$ 33,091,647
Primary government										
Net investment in capital assets	\$ 47,349,380	\$ 53,071,395	\$ 55,768,273	\$ 50,667,956	\$ 61,224,979	\$ 69,172,891	\$ 65,123,621	\$ 61,245,149	\$ 61,100,594	\$ 62,741,822
Restricted										
Capital projects	-	-	-	-	-	-	-	13,087,478	11,402,376	11,241,249
Debt Service	977,158	549,531	439,625	439,625	439,625	439,625	439,625	1,112,826	1,073,983	4,190,486
Renewal and Replacement	-	484,332	597,497	9,933,478	10,078,892	5,735,449	3,672,943	-	-	-
Connection fees	2,864,492	2,924,435	2,962,633	2,988,697	3,012,774	3,026,870	3,036,737	1,294,486	1,300,057	1,305,039
Water and sewer revenue reserve	-	-	108,500	108,138	-	-	-	-	-	-
Unrestricted	31,123,205	33,657,737	34,518,273	33,590,593	25,764,198	22,049,500	27,534,095	19,437,078	20,405,826	2,619,527
Total primary government net position	\$ 82,314,235	\$ 90,687,430	\$ 94,394,801	\$ 97,728,487	\$ 100,520,468	\$ 100,424,335	\$ 99,807,021	\$ 96,177,017	\$ 95,282,836	\$ 82,098,123

TOWN OF LONGBOAT KEY, FLORIDA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)  
(Table 2)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	\$ 6,025,745	\$ 5,908,741	\$ 5,994,425	\$ 6,492,935	\$ 6,053,957	\$ 7,467,428	\$ 7,296,613	\$ 4,794,174	\$ 4,412,661	\$ 4,330,147
Public safety	6,329,436	8,279,922	7,077,431	6,868,927	6,594,044	7,022,706	6,675,600	9,648,821	9,276,537	8,978,316
Transportation	471,559	601,173	800,339	735,368	779,937	507,134	735,024	837,858	882,169	885,495
Economic Environment	-	-	-	27,477	27,381	69,300	8,990	10,262	4,069,126	4,118,326
Culture & recreation	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	673,380	583,349	477,593	377,878	281,042	92,512	70,462	40,145	34,829	29,295
Total governmental activities expenses	15,288,348	18,946,384	18,074,094	17,425,865	16,706,446	18,305,925	18,648,136	19,292,232	18,675,322	18,341,579
Business-type activities:										
Water and sewer	4,608,751	4,947,613	4,650,462	4,704,066	5,042,936	5,533,338	5,926,342	6,196,380	6,234,131	6,284,460
Building Department	-	-	897,275	694,992	482,307	533,565	522,213	578,350	719,762	642,798
Total business-type activities expenses	4,608,751	4,947,613	5,547,737	5,399,058	5,525,243	6,066,903	6,448,555	6,774,730	6,953,893	6,927,258
Total primary government expenses	\$ 19,897,099	\$ 23,893,997	\$ 23,621,831	\$ 22,824,923	\$ 22,231,689	\$ 24,372,828	\$ 25,096,691	\$ 26,066,962	\$ 25,629,215	\$ 25,268,837
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 2,458,102	\$ 2,198,335	\$ 104,807	\$ 67,916	\$ 133,174	\$ 62,779	\$ 132,563	\$ 194,057	\$ 53,176	\$ 70,588
Public safety	255,789	36,349	298,350	314,869	320,239	322,745	243,276	232,970	352,312	947,282
Transportation	-	39,681	45,393	80,525	40,491	44,385	14,050	74,253	39,975	48,422
Culture & recreation	361,290	2,733	340,423	415,772	420,025	469,975	493,120	442,788	557,692	22,326
Operating grants and contributions	1,447,422	43,062	-	153,441	146,878	130,882	342,084	199,421	506,453	2,273,534
Capital grants and contributions	2,223,624	3,484,766	177,248	462,453	424,792	571,183	1,837,074	8,236	49,418	727,425
Total governmental activities program revenues	6,746,227	5,804,926	966,221	1,494,976	1,485,599	1,601,949	3,062,167	1,151,725	1,559,026	4,089,577
Business type activities										
Charges for services:										
Water and sewer	7,884,422	8,106,980	8,114,443	8,161,663	7,498,653	7,262,114	7,128,657	7,284,125	7,417,037	7,644,027
Building Department	-	-	980,050	821,342	975,460	933,697	1,083,741	866,011	1,518,265	1,689,287
Operating grants and contributions	4,357	5,307	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	613,668	-	31,022	-	-
Total business-type activities program revenues	7,888,779	8,112,287	9,094,493	8,983,005	8,474,113	8,809,479	8,212,398	8,181,158	8,935,302	9,333,314
Total primary government program revenues	\$ 14,635,006	\$ 13,917,213	\$ 10,060,714	\$ 10,477,981	\$ 9,959,712	\$ 10,411,428	\$ 11,274,565	\$ 9,332,883	\$ 10,494,328	\$ 13,422,891
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (8,542,121)	\$ (13,141,458)	\$ (17,107,873)	\$ (15,930,889)	\$ (15,220,847)	\$ (16,703,976)	\$ (15,585,969)	\$ (18,140,507)	\$ (17,116,296)	\$ (14,252,002)
Business-type activities	3,280,028	3,164,674	3,546,756	3,583,947	2,948,870	2,742,576	1,763,843	1,406,428	1,981,409	2,406,056
Total primary government net expense	\$ (5,262,093)	\$ (9,976,784)	\$ (13,561,117)	\$ (12,346,942)	\$ (12,271,977)	\$ (13,961,400)	\$ (13,822,126)	\$ (16,734,079)	\$ (15,134,887)	\$ (11,845,946)

TOWN OF LONGBOAT KEY, FLORIDA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)  
(Table 2)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 10,903,316	\$ 11,704,884	\$ 11,856,511	\$ 11,204,310	\$ 10,258,192	\$ 9,247,176	\$ 8,776,567	\$ 8,576,215	\$ 9,707,955	\$ 13,426,484
Gasoline taxes	540,676	522,613	507,807	489,367	490,026	487,002	515,847	389,503	411,864	423,578
Sales taxes	830,079	1,413,737	1,256,289	1,100,986	1,082,606	1,127,784	1,128,388	1,160,767	1,223,709	1,302,442
State revenue sharing	572,877	598,886	603,664	680,595	602,486	591,914	612,738	570,126	587,946	576,628
Business Tax	-	112,016	175,361	198,083	158,263	166,731	503,673	502,206	958,116	989,043
Tourist tax	571,529	583,205	599,800	635,662	614,800	542,761	496,733	509,370	294,611	152,704
Franchise tax	1,090,604	1,112,370	1,088,276	1,118,650	1,020,208	980,723	896,715	812,026	575,583	661,694
Licenses and Permits	-	-	39,785	-	-	-	-	-	-	-
Income on Investments	1,122,929	1,726,767	838,643	133,952	550,321	181,250	134,982	51,128	121,010	150,753
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	43,753
Miscellaneous	40,021	38,064	43,189	75,191	106,746	413,975	101,035	162,869	272,137	1,257,455
Net Transfers	-	-	990,748	924,470	1,284,605	1,262,605	1,264,805	1,262,605	1,383,855	1,383,855
<b>Total governmental activities</b>	<b>15,672,031</b>	<b>17,812,542</b>	<b>18,000,073</b>	<b>16,561,266</b>	<b>16,168,253</b>	<b>15,001,921</b>	<b>14,431,483</b>	<b>13,996,815</b>	<b>15,536,786</b>	<b>20,368,389</b>
Business-type activities:										
Income on Investments	474,263	461,167	259,163	153,267	180,310	114,539	49,546	35,522	(14,541)	83,412
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)	(1,383,855)	(1,383,855)
<b>Total business-type activities</b>	<b>474,263</b>	<b>464,295</b>	<b>(731,585)</b>	<b>(880,638)</b>	<b>(1,104,295)</b>	<b>(1,148,066)</b>	<b>(1,215,259)</b>	<b>(1,213,439)</b>	<b>(1,398,396)</b>	<b>(1,300,443)</b>
<b>Total primary government</b>	<b>16,146,294</b>	<b>18,276,837</b>	<b>17,268,488</b>	<b>15,680,628</b>	<b>15,063,958</b>	<b>13,853,855</b>	<b>13,216,224</b>	<b>12,783,376</b>	<b>14,138,390</b>	<b>19,067,946</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 7,129,910	\$ 4,671,084	\$ 892,200	\$ 630,377	\$ 947,406	\$ (1,702,055)	\$ (1,154,486)	\$ (4,143,692)	\$ (1,579,510)	\$ 6,116,387
Business-type activities	3,754,291	3,628,969	2,815,171	2,703,309	1,844,575	1,594,510	548,584	192,989	583,013	1,105,613
<b>Total primary government</b>	<b>\$ 10,884,201</b>	<b>\$ 8,300,053</b>	<b>\$ 3,707,371</b>	<b>\$ 3,333,686</b>	<b>\$ 2,791,981</b>	<b>\$ (107,545)</b>	<b>\$ (605,902)</b>	<b>\$ (3,950,703)</b>	<b>\$ (996,497)</b>	<b>\$ 7,222,000</b>

TOWN OF LONGBOAT KEY, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(Table 3)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 235,837	\$ 267,232	\$ 166,392	\$ 335,340	\$ 1,381,392					
Building Division	-	695,019	-	-	-					
Unreserved	6,267,721	4,819,326	5,098,242	5,166,748	3,986,168					
Total general fund	\$ 6,503,558	\$ 5,781,577	\$ 5,264,634	\$ 5,502,088	\$ 5,367,560					
All Other Governmental Funds										
Reserved	\$ 436,225	\$ 147,430	\$ 257,877	\$ 2,118,714	\$ 461,414					
Unreserved, reported in:										
Special revenue funds	6,664,778	8,016,575	9,378,505	8,888,713	7,847,267					
Debt service funds	2,440	13,552	24,391	32,534	41,372					
Capital projects funds	8,061,199	12,256,600	11,496,487	9,481,773	10,012,269					
Total all other governmental funds	\$ 15,164,642	\$ 20,434,157	\$ 21,157,260	\$ 20,521,734	\$ 18,362,322					
General Fund										
Nonspendable						\$ 154,260	\$ 116,818	\$ 159,043	\$ 10,412	\$ 6,204
Committed						1,000,000	1,000,000	-	-	-
Assigned						486,253	393,857	1,706,941	1,771,647	2,134,202
Unassigned						3,369,650	2,953,482	1,313,072	2,398,106	3,240,217
Total general fund						\$ 5,010,163	\$ 4,464,157	\$ 3,179,056	\$ 4,180,165	\$ 5,380,623
All Other Governmental Funds										
Nonspendable, reported in:										
Special Revenue Funds									\$ 56,032	\$ 67,805
Restricted, reported in:										
Special Revenue Funds		5,297,690					5,899,155	5,495,810	5,585,642	3,667,333
Debt Service Funds		65,718					80,656	45,276	6,440	3,208,276
Capital Projects Funds		6,061,009					7,380,539	7,591,668	5,816,734	7,805,512
Assigned		560,440					197,275	238,102	331,346	357,455
Unassigned		-					-	-	(3,469)	(7,448)
Total all other governmental funds		\$ 11,984,857					\$ 13,557,625	\$ 13,370,856	\$ 11,792,725	\$ 15,098,933

Note: GASB 54 was implemented during fiscal year 2011.

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Property taxes	\$ 10,903,316	\$ 11,704,884	\$ 11,856,511	\$ 11,714,672	\$ 10,257,437	\$ 9,247,176	\$ 8,776,567	\$ 8,576,215	\$ 9,707,955	\$ 13,454,695
Other taxes	1,272,972	1,236,895	1,185,498	1,323,112	1,698,975	1,646,303	1,995,198	1,912,164	2,170,345	3,973,529
Licenses and permits	1,509,921	1,078,428	181,301	26,683	23,795	31,971	31,971	27,758	36,586	43,949
Intergovernmental	2,771,012	2,130,367	1,865,298	1,271,219	1,274,719	1,286,117	1,295,746	1,270,315	1,328,164	1,352,354
Charges for services	573,300	587,447	705,915	814,835	863,614	869,432	817,473	865,228	878,995	1,020,296
Franchise	1,090,604	1,112,370	1,088,276	1,118,650	1,020,128	980,723	896,715	812,026	958,116	989,043
Fines/miscellaneous/interest	4,183,162	6,038,473	1,092,743	613,151	657,380	585,654	236,017	224,106	406,188	1,483,311
Grants	-	-	-	615,894	571,670	702,065	2,179,158	198,123	151,075	792,122
Land acquisition	220,163	-	-	-	-	-	-	-	-	-
Total revenues	22,524,450	23,888,864	17,975,542	17,498,216	16,369,247	15,341,265	16,228,845	13,885,935	15,637,424	23,109,299
<b>Expenditures</b>										
General government	5,734,955	6,219,824	5,687,372	6,229,730	5,705,494	7,156,191	7,037,417	4,528,112	4,098,356	4,410,644
Physical environment	14,245,986	6,213	-	6,481,483	6,134,442	6,277,819	6,175,591	9,173,803	8,720,902	10,252,547
Public safety	5,888,579	6,942,090	6,866,816	477,998	507,587	507,134	507,735	609,835	629,488	679,846
Transportation	881,001	637,096	555,889	27,477	27,381	69,300	8,990	8,987	-	-
Economic Environment	-	-	-	722,927	702,745	765,943	688,400	755,428	807,203	787,632
Culture and recreation	724,365	1,508,115	762,602	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	2,885,000	2,960,000	3,055,000	3,059,454	2,920,000	5,425,000	220,000	245,000	255,000	-
Interest	671,899	570,148	467,621	142,993	276,233	89,916	70,462	40,145	34,829	14,648
Fiscal charges	1,481	13,201	9,972	431	4,809	2,596	-	-	-	-
Capital outlay	992,761	484,644	1,354,858	1,678,265	3,669,101	5,386,179	1,758,293	1,579,802	3,183,023	3,841,171
Total expenditures	32,026,027	19,341,331	18,760,130	18,820,758	19,947,792	25,680,078	16,466,888	16,941,112	17,728,801	19,986,488
Excess of revenues over (under) expenditures	(9,501,577)	4,547,533	(784,588)	(1,322,542)	(3,578,545)	(10,338,813)	(238,043)	(3,055,177)	(2,091,377)	3,122,811
<b>Other Financing Sources (uses)</b>										
Bond proceeds	-	-	-	-	-	2,355,000	-	-	-	-
Payment to escrow agent	-	-	-	-	-	(13,654)	-	-	-	-
Transfers in	3,640,545	4,303,693	4,627,985	5,971,869	6,422,389	5,452,360	2,292,605	3,480,482	2,646,206	4,486,991
Transfers out	(3,640,545)	(4,303,693)	(3,637,237)	(5,047,399)	(5,137,784)	(4,189,755)	(1,027,800)	(2,217,877)	(1,262,351)	(3,103,136)
Total other financing sources (uses)	-	-	990,748	924,470	1,284,605	3,603,951	1,264,805	1,262,605	1,383,855	1,383,855
Net change in fund balances	\$ (9,501,577)	\$ 4,547,533	\$ 206,160	\$ (398,072)	\$ (2,293,940)	\$ (6,734,862)	\$ 1,026,762	\$ (1,792,572)	\$ (707,522)	\$ 4,506,666
Debt service as a percentage of noncapital expenditures	11%	19%	20%	11%	19%	20%	2%	2%	2%	0%

**TOWN OF LONGBOAT KEY, FLORIDA**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)  
(Table 5)**

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
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%
2014	3,400,782,934	1,297,409,359	4,698,192,293	4,698,192,293	2.1320	100%
2015	3,558,297,887	1,375,400,033	4,933,697,920	4,933,697,920	2.2368	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 2015 Sarasota County valuation of \$3,558,297,887 represents valuations as of January 1, 2014. Taxes were collected during 2014/2015.

(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**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(rate per \$1,000 of assessed value)  
(Table 6)**

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
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	-	-	14.7045	12.8905
2012	1.8872	0.0677	1.9549	-	-	14.9504	12.4919
2013	1.8872	0.0564	1.9436	-	-	14.5824	12.7257
2014	2.0760	0.0560	2.1320	-	-	14.5544	12.8687
2015	2.1763	0.0605	2.2368	0.8500	0.2125	14.3360	12.6597

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, 2015 direct tax rate of 22368 applies to valuations as of January 1, 2014.

<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

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Table 7)

Taxpayer	2015			2006		
	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	\$ 23,857,200	1	0.48%			
LB 500 LLC (3000 Harbourside Dr)	16,503,300	2	0.33%			
OPROCK Longboat (Hilton)	14,500,000	3	0.29%			
P & W Charters	13,194,600	4	0.27%			
Pleasant Real Estate LLC	11,879,901	5	0.24%			
Veranda Beach Club	11,541,600	6	0.23%			
Robert Hutcheson	11,442,801	7	0.23%			
Mike McKee	10,631,083	8	0.21%			
BBC Key LLC	10,247,633	9	0.21%			
Florida Power & Light Co	8,995,205	10	0.18%			
Harbourside Golf Course				\$ 18,938,700	1	0.33%
Veranda Beach Club				14,915,249	2	0.26%
Ben & Barbara Place				14,798,000	3	0.26%
Hilton				13,379,099	4	0.23%
Key Club Associates				10,076,800	5	0.18%
Orchid on Longboat Key				8,310,186	6	0.15%
Sun N Sea, Inc.				7,870,562	7	0.14%
Four Winds Beach Resort				7,824,118	8	0.14%
Town Plaza				7,552,000	9	0.13%
Worldwide Properties of America				7,404,700	10	0.13%
Total	<u>\$ 132,793,323</u>		<u>2.68%</u>	<u>\$ 111,069,414</u>		<u>1.95%</u>

DATA SOURCE: Sarasota and Manatee Counties' Tax Rolls.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**  
**(Table 8)**

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
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	8,576,215	96.4%	-	8,576,215	93.6%
2014	10,016,546	9,707,938	96.9%	-	9,707,938	96.9%
2015	14,005,969	13,454,360	96.1%	-	13,454,360	96.1%

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, 2015.
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**

**RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Table 9)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government <sup>(1)</sup>	Percentage of Personal Income <sup>(1)</sup>	Per Capita	Percentage of Actual Estimated Value of Property <sup>(2)</sup>
	General Obligation Bonds	Loans Payable	General Obligation Bonds	Notes Payable				
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%
2014	1,350,000	-	7,803,800	4,009,032	13,162,832	2.08%	1,929	0.28%
2015	1,350,000	-	7,864,300	3,815,184	13,029,484	2.06%	1,904	0.26%

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

<sup>(1)</sup> See Table 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 Table 5 footnote 2 for explanation of Actual Estimated Value of Property.

**TOWN OF LONGBOAT KEY, FLORIDA**

**RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Table 10)**

Fiscal Year	Governmental Activities General Obligation Bonds	Business- Type Activities General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
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
2014	1,350,000	7,803,800	6,440	9,147,360	0.19%	1,340
2015	1,350,000	7,864,300	281,712	8,932,588	0.18%	1,305

NOTE:

(1) See Table 5 for property value data

(2) See Table 13 for population data

**TOWN OF LONGBOAT KEY, FLORIDA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2015  
(Table 11)**

<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	\$ 1,350,000	100.00%	\$ 1,350,000
<b>Overlapping Bonded Debt:</b>			
Manatee County	<u>1,825,000</u>	5.70%	<u>\$ 104,025</u>
Total Overlapping Bonded Debt	<u>1,825,000</u>		<u>104,025</u>
Total net direct and net overlapping bonded debt	<u>\$ 3,175,000</u>		<u>\$ 1,454,025</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

PLEGGED - REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(Table 12)

Fiscal Year	General Obligation Bonds (Beach and Facilities)			
	Pledged Revenues <sup>(1)</sup>	Debt Service		Coverage
		Principal	Interest	
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
2014	655,041	255,000	34,828	2.3
2015	4,357,758	-	14,648	297.5

Fiscal Year	General Obligation Bonds (Water and Sewer)			
	Ad Valorem Taxes	Debt Service		Coverage
		Principal	Interest	
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	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-

Fiscal Year	Water and Sewer Revenue Bonds <sup>(2)</sup> ; State Revolving Fund Loan <sup>(3)</sup> ; General Obligation Note <sup>(4)(5)</sup>					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2014	7,417,037	4,280,748	3,136,289	527,095	540,455	2.9
2015	7,644,027	4,331,348	3,312,679	193,848	296,696	6.8

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest and depreciation expense.

<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 and is serviced by the Water & Sewer 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 the net revenues of the utility system.

<sup>(5)</sup> Portion of 2009 General Obligation Note was advanced refunded in 2015 with first payment due in 2016.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(Table 13)**

Year	Population <sup>(1)</sup>	Personal Income	Per Capita Personal Income <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
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%
2014	6,825	632,056,425	92,609	5.4%
2015	6,845	633,573,200	92,560	5.0%

- Sources:
- (1) 2014 population: Office of Economic & Demographic Research, April 1, 2015 (est.)
  - (2) United States Census Bureau
  - (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)

**TOWN OF LONGBOAT KEY, FLORIDA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO  
(Table 14)**

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment <sup>(2)</sup>	Employees	Rank	Percentage of Total Employment <sup>(2)</sup>
Longboat Key Club	475	1	20.77%	500	1	13.00%
Publix Super Market #1432	183	2	8.00%	189	3	5.00%
Town of Longboat Key	105	3	4.59%	155	4	4.00%
Valleycrest Landscape Maintenance	75	4	3.28%	N/A	N/A	N/A
Chart House Restaurant	50	5	2.19%	50	9	1.00%
Euphemia Haye	48	6	2.10%	N/A	N/A	N/A
Grants Gardens Inc	40	7	1.75%	N/A	N/A	N/A
Mar Vista Dockside Resturant & Pub	35	8	1.53%	N/A	N/A	N/A
Harry's Contential Ktichen	24	9	1.05%	N/A	N/A	N/A
CVS	18	10	0.79%	N/A	N/A	N/A
Colony Beach & Tennis Resort	N/A	N/A	N/A	284	2	7.00%
Longboat Key Maintenance	N/A	N/A	N/A	94	5	2.00%
Longboay Key Hilton	N/A	N/A	N/A	87	6	2.00%
Mattison's Steakhouse & Catering	N/A	N/A	N/A	70	7	2.00%
Moore's Stone Crab Restaurant	N/A	N/A	N/A	88	8	1.00%
Pattigeorges Restaurant	N/A	N/A	N/A	40	10	1.00%
<b>Total</b>	<b>1,053</b>		<b>46.04%</b>	<b>1,557</b>		<b>38.00%</b>

<sup>(1)</sup> 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  
(Table 15)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	34	34	34	29	32	32	25	25	22	21
Public safety	65	65	64	64	63	65	67	67	63	60
Transportation	8	8	7	7	6	6	6	6	10	11
Culture & recreation	7	7	6	5	6	5	5	5	7	7
Water and sewer	7	7	8	8	7	7	7	7	7	6
Total	121	121	119	113	114	115	110	110	109	105

Source: Town of Longboat Key Budget Office.

TOWN OF LONGBOAT KEY, FLORIDA

OPERATIONS INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Table 16)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Fire</b>										
Fire calls	491	478	483	382	390	423	412	401	444	403
Rescue calls	927	1,025	960	973	991	1,073	1,003	1,093	1,050	1,035
Inspections	854	1,744	1,582	376	388	804	805	559	1,119	317
<b>Police</b>										
Law Violations	1,131	857	846	567	353	354	200	683	436	545
Law Arrests	278	221	215	135	110	101	46	65	61	48
<b>Water system</b>										
Number of users or consumers	10,738	10,775	10,770	10,733	10,723	10,723	16,802	16,802	18,680	17,992
Daily average finished flow in gallons	1,892,953	1,914,074	1,828,416	1,721,877	1,688,534	1,697,937	1,609,210	1,569,241	1,635,660	1,584,641
<b>Sewer system</b>										
Daily average treatment in gallons	1,730,567	1,528,588	1,752,622	1,636,150	1,616,156	1,632,912	1,690,384	1,647,711	1,737,618	1,823,843

Sources: various Town of Longboat Key departments

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	6	6	6	6	6	6	6	5	6	6
Marine Units	1	1	1	1	1	1	1	2	2	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	-	-	-	-	-	1	1	2	2	2
Highways and Streets										
Streets -paved (miles)	14	14	14	14	14	14	14	14	14	14
Streets -unpaved (miles)	-	-	-	-	-	-	-	-	-	-
Alleys	1	1	1	1	1	1	1	1	1	1
Sidewalks (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	283	283	283	283	283	283	283	283	283	283
Traffic Signals	4	4	4	4	4	4	4	4	4	4
Culture and Recreation										
Parks acreage (in excess of)	140	140	140	140	140	141	141	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
Water										
Water Mains (miles)	56	56	56	56	46	46	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	212	212	212	212
Wastewater										
Sanitary Sewers (miles)	46	46	46	46	44	44	44	44	44	44
Storm Sewers (miles)	1	1	1	1	1	1	1	1	1	1

Note: No capital asset indicators are available for the general government function  
 Sources: various Town of Longboat Key departments

## **OTHER REPORTS**

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

---

Honorable Mayor and Members of  
the Town Commission,  
Town of Longboat Key, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 21, 2016.

Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

**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 purposes 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.

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

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

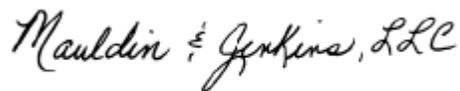
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**Compliance and Other Matters**

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*.

**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 Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Bradenton, Florida  
April 21, 2016



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE

---

To the Honorable Mayor,  
Members of the City Council and City Clerk  
Town of Longboat Key, Florida, Florida

### **Report on Compliance for Each Major State Project**

We have audited Town of Longboat Key, Florida's (the "Town") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Town's major state projects for the year ended September 30, 2015. The Town's major state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the Town's compliance.

### ***Opinion on Each Major State Project***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2015.

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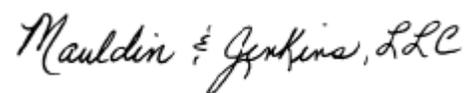
## Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Bradenton, Florida  
April 21, 2016

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

---

<u>State Agency, Pass-through Entity State Project</u>	<u>CSFA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
Department of Environmental Protection Beach Management Funding Assistance Program	37.003	14ME2	<u>\$ 500,149</u>
Total expenditures of State Financial Assistance			<u><u>\$ 500,149</u></u>

This schedule includes the State grant activity of the Town of Longboat Key, Florida, for the fiscal year ended September 30, 2015, and is presented using the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Chapter 10.550 Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

---

**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
 Material weaknesses identified? \_\_\_ yes  X  no

Significant deficiencies identified not considered  
 to be material weaknesses? \_\_\_ yes  X  no reported

Noncompliance material to financial statements noted? \_\_\_ yes  X  no

**Federal Awards**

There was not an audit of major federal award programs as of September 30, 2015, due to the total amount expended being less than \$500,000.

**State Financial Assistance Projects**

Internal Control over major state programs:  
 Material weaknesses identified? \_\_\_ yes  X  no

Significant deficiencies identified not considered  
 to be material weaknesses? \_\_\_ yes  X  none reported

Type of auditor's report issued on compliance for  
 major state financial assistance projects: Unmodified

Any audit findings disclosed that are required to  
 be reported in accordance with OMB Circular  
 A-133, Section 510(a)? \_\_\_ yes  X  no

Identification of major state financial assistance projects:

CFDA Number	Name of State Project or Cluster
37.003	Beach Management Funding Assistance Program

Dollar threshold used to distinguish between  
 Type A and Type B programs: \$150,045

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None noted

**SECTION III**  
**FEDERAL / STATE AWARDS FINDINGS AND QUESTIONED COSTS**

None noted

**TOWN OF LONGBOAT KEY, FLORIDA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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**2014 - 001. Restatement of Prior Year Balances**

**Criteria:** Internal controls should be in place to ensure that financial statements properly present the financial position and results of operations of the Town in accordance with generally accepted accounting principles (GAAP) and that all of the Town's accounts receivable, capital assets, liabilities and revenues are properly reported.

**Condition:** Misstatements were detected in the Town's financial statements for the year ended September 30, 2013 due to the omission of the Town's utility unbilled accounts receivable and due to the overstatement of capital assets and liabilities.

**Auditee Response/Status:** Resolved.

TOWN OF LONGBOAT KEY, FLORIDA

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS  
RELATED TO THE DEEPWATER HORIZON OIL SPILL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

---

<u>Source</u>	<u>Amount Received in the 2015 Fiscal Year</u>	<u>Amount Expended in the 2015 Fiscal Year</u>
<b>British Petroleum:</b> Agreement No. 5000261	<u>\$ 1,232,726</u>	<u>\$ 1,232,726</u>

Note: The above funds represent 100% of the Town's funds received and expended in relation to the Deepwater Horizon Oil Spill. There were no other federal or state awards received by the Town that are related to the Deepwater Horizon Oil Spill.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

---

Honorable Mayor and Members of  
the Town Commission,  
Town of Longboat Key, Florida

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

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, 2015, and have issued our report thereon dated April 21, 2016.

### **Auditor's Responsibility**

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

### **Other Reports and Schedule**

We have issued our 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*; Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated April 21, 2016, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Recommendation 2014-001 was corrected during the current year and is not repeated in this year's report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town of Longboat Key, Florida is a political subdivision of the State of Florida created by Special Act of 1957, Chapter 1540 and Chapter 69-1265. The Town includes the following blended component units within its annual financial report: the Longboat Key Beach Erosion Control District A and the Longboat Key Beach Erosion Control District B.

### **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Town 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.

---

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the 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.

**Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

**Special District Component Units**

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Other Matters**

Section 10.554(1)(i)2., 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)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
April 21, 2016



## INDEPENDENT AUDITOR'S LETTER

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Honorable Mayor and Members of  
the Town Commission,  
Town of Longboat Key, Florida

We have examined the Town of Longboat Key, Florida's (the "Town") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
April 21, 2016