

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

**Fiscal Year Ended
September 30, 2024**



Prepared by the Department of Finance

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CITY OF TREASURE ISLAND, FLORIDA

COMMISSION-MANAGER FORM OF GOVERNMENT

CITY COMMISSION

John Doctor, Mayor

Tammy Vasquez, District 1

Arthur Czyszczon, District 3

Chris Clark, District 2

Arden Dickey, District 4

**City Manager
Charles Van Zant**

**Finance Director
Victor Ortiz**

**Assistant Finance Director
David Green**

City of Treasure Island Florida
Annual Comprehensive Financial Report
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I. INTRODUCTORY SECTION

This section contains the following:

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS

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July 23, 2025

Residents, Honorable Mayor,
and City Commissioners of the
City of Treasure Island



The Annual Comprehensive Financial Report of the City of Treasure Island for the fiscal year ending September 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City on a Government-wide and a Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City of Treasure Island's financial statements have been audited by Carr, Riggs & Ingram, LLC, Certified Public Accountants. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Treasure Island is an affluent barrier island community just off the mainland on the west central coast of Florida in the Tampa Bay Region on the Gulf of Mexico. With tourism being the predominant economic driver, most of the City's businesses are service oriented with accommodation and restaurant businesses, small retail establishments, and financial related services rounding out the largest three types of industries in Treasure Island. The City provides a full range of city services. These services include police and fire protection; solid waste services; the construction and maintenance of bridges, streets, a wastewater collection system, a stormwater system, City parks and facilities; general governmental services; and recreational activities and special city-wide events.

ECONOMIC CONDITION AND OUTLOOK

For many years, the City of Treasure Island had long enjoyed a strong viable economic and tax base, being affected, only slightly, by the cyclical fluctuations in the national economy. However, the Great Recession in 2008 caused major reductions in real estate values resulting in a cumulative decline of 38% in the City's tax base. This resulted in significant property tax revenue declines and negatively impacted other city revenues as well. In FY 2020, the tax base valuation fully recovered and exceeded the pre-recession levels. Since that time, the City has enjoyed modest property value increases positively impacting the tax base.

At the close of fiscal year 2024 and the onset of fiscal year 2025, the City of Treasure Island endured the devastating effects of two major hurricanes. These storms caused widespread flooding and significant damage to both residential and commercial properties across the city. Despite these challenges, Treasure Island remains steadfast in its commitment to recovery. The City is actively engaged in rebuilding efforts, working alongside residents, businesses, and regional partners to restore impacted structures and infrastructure. Through these efforts, Treasure Island is determined to return swiftly to its role as a vibrant coastal destination, resilient in the face of adversity.



In response to the widespread damage from Hurricanes Helene and Milton, the State of Florida authorized a Catastrophic Event Tax Refund program for 2024. Eligible property owners in Treasure Island who experienced uninhabitable conditions for 30 days or more were able to apply for prorated property tax refunds. While this program provided critical relief to residents, it will also result in a modest reduction in ad valorem revenue for the City. The long-term fiscal impact will depend on the pace of property restoration and reassessment, which may influence taxable values in FY25 and FY26.

In the immediate future, the City remains cautiously optimistic that revenue growth will continue to keep pace with inflation and rising costs. However, the recent hurricanes have introduced new uncertainties into the City's financial outlook. While property values had been steadily increasing in recent years, the damage sustained in late FY2024 and early FY2025 may temporarily slow that growth. Additionally, the issuance of property tax refunds under the state's Catastrophic Event Tax Refund program has modestly reduced ad valorem revenue, and future assessments may reflect lower valuations for damaged properties.

Although Treasure Island has largely moved beyond the disruptions of the COVID-19 pandemic, the City now faces a new set of long-term challenges. Much like the adjustments made in the wake of the Great Recession, the City is once again reevaluating its operational and financial strategies in response to both natural disasters and broader economic pressures. Elevated interest rates, ongoing supply chain disruptions, and workforce constraints are likely to persist, requiring a more resilient and adaptive approach to municipal governance. These evolving conditions underscore the importance of long-term financial planning

LONG-TERM FINANCIAL PLANNING

The City is committed to long-term planning through the use of a five-year Capital Improvement Projects (CIP) in the budget document, which links the Annual Comprehensive Financial Report with long-term financial estimates and capital improvement planning. The CIP demonstrates the City's commitment to balancing capital investment with cash preservation.

Guided by the Strategic Plan finalized in March 2020, the City has remained focused on its core missions. In July 2025, the Mayor, Commissioners, City department heads, and the new City Manager held a strategic planning session. This session aims to complete the strategic plan before the end of FY 2025, further illustrating the City's dedication to thoughtful and forward-looking planning.

MAJOR INITIATIVES

In FY24, the city experienced several leadership transitions, including a change in the City Manager and the addition of two new Commissioners. These changes paused many of the budgeted capital initiatives as the new leaders took time to get up to speed with their duties, responsibilities, and spending priorities. The City has not issued any new debt since FY20.

The City of Treasure Island has successfully maintained a constant millage rate of 3.8129 for three consecutive years since FY22. The increase in taxable property value has led to substantial growth in property tax revenue. Below is a summary of property tax revenue over the last 10 years.



Fiscal Year	Millage Rate	Property Tax Revenue	% Change
FY 2014	3.3368	4,213,370	11%
FY 2015	3.3368	4,485,886	6%
FY 2016	3.3368	4,793,125	7%
FY 2017	3.3368	5,144,646	7%
FY 2018	3.3368	5,584,737	9%
FY 2019	3.4368	6,148,249	10%
FY 2020	3.6129	6,960,736	13%
FY 2021	3.6129	7,387,916	6%
FY 2022	3.8129	8,224,289	11%
FY 2023	3.8129	9,396,676	14%
FY 2024	3.8129	10,421,792	11%

The daily operations of the Treasure Island Causeway continue to be funded within the City’s General Fund, while the capital needs are funded through the committed portion of the fund balance. The City completed the goal of reaching 0.5 mills of property tax funding, combined with pursuing legislative funding requests for federal and/or state transportation funding to ensure that the maintenance needs of the Treasure Island Causeway and Bridge are funded.

FINANCIAL INFORMATION

The overall fund balance in the General Fund had an increase of \$6,949,738. Approximately \$1.3M of that is attributed to the committed fund balance for the long-term capital requirements of the Causeway bridge; these funds will be expended in a future fiscal years. There was a slight decrease in the assigned fund balances for purchase order and carryforward rolls from FY23, with an approximate total change of \$123k. The final component of the change, unassigned fund balance, increased just over \$5.7M representing the simplest view of FY24 revenues less expenditures. These individual fund balances in the General Fund are essential to protect the City from unanticipated events, such as a revenue short-fall or an emergency event, and to ensure proper cash flow for grant-reimbursed projects. In the case of an emergency event the City may need funds to begin to repair or rebuild while waiting for the possible FEMA recovery funds to be distributed. The availability of FEMA funding is not immediate and the reimbursement from FEMA to the City for events of recent years have taken upwards of a year or longer to receive reimbursement. The city might face other unanticipated financial burdens, e.g. unplanned replacement of a fire engine, that is not likely to be supported by external funding.

For FY24, City-wide revenues were about \$3.5M more than FY23. Roughly 30% of this increase is due to the 11.5% property valuation increase affecting the final property tax levy. Another 30% of the overall increase is due to the recognition of the ARPA (American Rescue Plan Act) revenue, which was paid in advance and held in unearned revenue. The final 40% of the increase is due to the significant interest earnings and charges for services collected in FY24. Year-over-year spending was up \$3.6M largely reflecting the \$3M assignment of ARPA fund.

Appropriate fund balances in each fund vary depending on many factors. Enterprise/Business Type Funds that provide services and have on-going or recurring personnel and operating costs should maintain larger balances to fund future capital requirement and handle unexpected events. These funds typically avoid debt financing, so significant cash reserves may be necessary for future liabilities. In contrast, Capital only funds can have lower fund balances due to the absence of recurring operations and greater flexibility in project scheduling. It is important to evaluate each fund independently based on the services it when considering appropriate fund balances.



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

Accounting and Budgetary System: The City has a fully integrated accounting and budgetary system, which provides for online entry of data and control for such entry. The Uniform Accounting System, a manual issued by the State of Florida in 1978, as updated, has been used as the basic guide for coding accounting transactions. The basis of accounting and budgeting is set forth in detail in the Notes to the Financial Statements.

Management of the City is responsible for establishing and maintaining the City's accounting system with consideration given to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Consideration is also given to the internal control structure, which is designed to give reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition, and (2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions. Key controls are tested and evaluated continually.

Budget Controls: In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the annually appropriated budget approved by the City's governing body. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at the end of the fiscal year are carried forward and are appropriated as part of the following year's budget.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A summarizes the Statement of Net Assets and Statement of Activities. These are the Government-wide statements and are intended to present the City in a more corporate-style basis and provide a view of the larger picture. Additionally, the Fund Financial Statements (the remainder of the statements in the Basic Financial Statements section) are designed to address the major or more significant individual funds by category – governmental and proprietary. All of the Basic Financial Statements should be read in conjunction with the Notes to the Financial Statements. Budget to actual comparisons are presented for the General fund and all major special revenue funds. Finally, the Combining Statements provide further detail for the funds that were classified as "non-major" in the Basic Financial Statements.



**TREASURE
ISLAND**
FLORIDA

CHARTER REQUIREMENTS AND INDEPENDENT AUDIT

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Treasure Island for its comprehensive annual financial report for the fiscal year ended September 30, 2023. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish a comprehensive annual financial report that is easily readable, efficiently organized and conforms to rigorous program standards. This comprehensive annual financial report must also promote consistency, full disclosure and uniformity and must meet both generally accepted accounting principles and legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Treasure Island has received a Certificate of Achievement for the last forty-three consecutive years (fiscal years ended 1981-2023). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

While the majority of the preparation of this report is performed by the staff of the Finance Department, it could not have been accomplished without the assistance from the other City departments that provided information. We would like to express our sincere appreciation to the City staff that assisted the Finance Department for their contribution in its preparation. We would also like to thank the Mayor and City Commission for their interest in the financial operations of the City and for their unwavering support in financial planning for the City in a responsible, responsive, and forward-looking manner.

Humbly submitted,

Charles Van Zant
City Manager

Victor Ortiz, CPA
Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Treasure Island
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

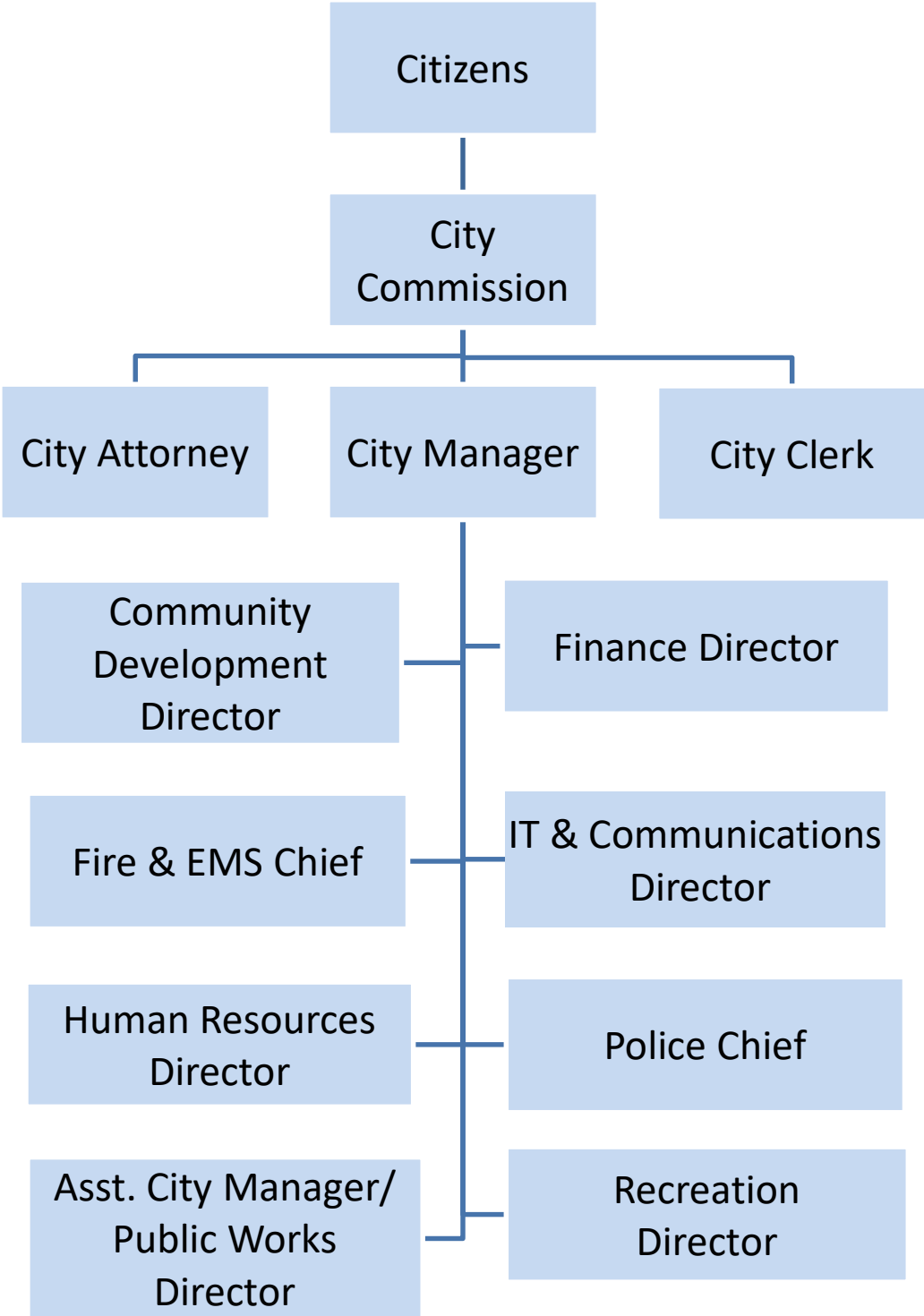
September 30, 2023

Christopher P. Morrill

Executive Director/CEO

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City of Treasure Island, FL Organizational Chart



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City of Treasure Island, Florida
List of Elected and Appointed Officials
As of September 30, 2024

Elected Officials

Mayor	Tyler Payne
Commissioner, District 1	Deborah Toth
Commissioner, District 2	John Doctor
Commissioner, District 3	Robert Minning
Commissioner, District 4	Arden Dickey

Appointed Officials

City Manager	Chuck Anderson
Assistant City Manager/Assistant PW Director	Stacey Boyles
Fire & EMS Chief	William "Trip" Barrs
City Attorney	Jennifer Cowan
City Clerk	Celine Kidwell
Community Development	Kathryn Younkin
Finance Director	Mike Munger
Police Chief	John Barkley
IT Director	Chris Pagan
Human Resources Director	Jessica Zamora
Public Works Director	Mike Helfrich
Recreation Director	Cathy Hayduke
Public Information Officer	Jason Beisel

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II. FINANCIAL SECTION

This section contains the following subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

**SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

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INDEPENDENT AUDITOR'S REPORT

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Carr, Riggs & Ingram, L.L.C.
600 Cleveland Street
Suite 1000
Clearwater, FL 33755

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727.461.7348 (fax)
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Treasure Island, Florida

Report on the Audit of the Financial Statements

Opinions

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 City of Treasure Island, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the related budgetary comparison for the General Fund and Local Option Sales Tax Fund and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules listed in the table of contents as required supplementary information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying budgetary comparison schedules, combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 budgetary schedules, combining and individual nonmajor fund financial statements, schedules and schedule of expenditure of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

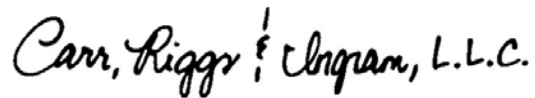
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Clearwater, Florida
July 23, 2025

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**MANAGEMENT'S DISCUSSION
&
ANALYSIS (MD&A)**

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City of Treasure Island, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Treasure Island, we offer readers of the city's financial statements this narrative overview and analysis of the city's financial activities for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information in the letter of transmittal, which can be found on pages 3 - 7 of this report.

Financial Highlights

- Assets plus deferred outflows of resources of the City exceeded its liabilities plus deferred inflows of resources at the close of the current fiscal year by \$105,793,889 (net position). Of this amount, \$21,713,119 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- Total assets of the City equal \$122,880,890 and total liabilities are \$17,956,816 as of the close of the audited fiscal year.
- Deferred outflows are \$2,017,898 and deferred inflows are \$1,148,083 as of the close of the audited fiscal year.
- Government-wide revenues for Governmental activities are \$26,015,993 and expenses are \$21,376,408.
- Fund statements for Governmental Funds reported total revenues of \$23,118,701 and expenditures of \$18,723,942 with \$2,907,740 in other sources of funding.
- Government-wide operating revenues for Business-type activities are \$14,966,082 and expenses are \$9,129,115.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,998,368. \$12,469,962 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,469,962 or 77% of total general fund expenditures net of transfers and 59% of total general fund revenues.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

This report was prepared following Government Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Following is a brief explanation of the sections of this report. Please refer to the Notes to the Financial Statements beginning on page 57 for more detailed information on the provisions of this statement.

The **Government-wide Financial Statements** are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These include the **Statement of Net Position** and the **Statement of Activities**.

The *statement of net position* presents information on the City's overall standing by comparing assets plus deferred outflow of resources to liabilities plus deferred inflows of resources, called the *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, public safety, public works, and culture & recreation. The business-type activities of the City include the Wastewater Fund (for collection and transmission of wastewater), the Solid Waste Fund (for collection and disposal of all solid wastes), and the Stormwater Management Fund (for collecting and managing the City's stormwater). If applicable, the *government-wide financial statements* would include not only the City itself (known as the *primary government*), but also any *component units*. The city has no component units as of September 30, 2024.

The government-wide financial statements can be found on pages 41 – 42 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and/or show operating performance. The City has both governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a city's short-term funding needs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term funding decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City maintained eleven individual governmental funds during this fiscal year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund (001), and the Local Option Sales Tax Fund (123), which are major funds. Data from the other six governmental funds (Building Fund - 140, Gulf Blvd. Undergrounding Fund - 301, the City Hall Remodel Fund – 302, County Gas Tax - 126, Debt Service - 201, and Transportation Trust Funds - 127) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. The remaining three funds are the city's enterprise, or *proprietary* funds discussed further below.

The City adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement or schedule has been provided for each fund with a legally adopted budget to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found on pages 44 – 47 of this report.

The City's *Proprietary funds* are maintained as *Enterprise funds*. They are used to report the same functions presented as *business-type activities* in government-wide financial statements. The City uses enterprise funds to account for its Wastewater, Solid Waste, and Stormwater Management services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Wastewater, Solid Waste and Stormwater Management funds which are major funds of the City.

The basic proprietary fund financial statements can be found on pages 50 - 52 of this report.

The ***Notes to the Financial Statements*** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 57 of this report.

The ***Combining Statements*** referred to earlier in connection with non-major governmental funds are presented immediately following the *notes to the financial statements*. Combining and individual fund statements and schedules can be found beginning on page 104 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Treasure Island, assets (*plus deferred outflows of resources*) exceeded liabilities (*plus deferred inflows of resources*) by \$105,793,889 at the close of the most recent fiscal year.

A large portion of the City's net position (78%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Below is a summary chart of the City's net position, comparing the current year versus the prior year.

As of September 30,	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 26,091,899	\$ 18,766,099	\$ 10,482,432	\$ 11,863,260	\$ 36,574,331	\$ 30,629,359
Capital assets	69,433,798	72,979,449	16,872,761	15,517,247	86,306,559	88,496,696
Total assets	95,525,697	91,745,548	27,355,193	27,380,507	122,880,890	119,126,055
Deferred outflows of resources	2,003,960	1,763,905	13,938	14,655	2,017,898	1,778,560
Liabilities:						
Long-term	14,257,313	15,162,574	1,035,936	1,161,120	15,293,249	16,323,694
Other liabilities	1,979,606	1,995,586	683,961	3,530,733	2,663,567	5,526,319
Total liabilities	16,236,919	17,158,160	1,719,897	4,691,853	\$ 17,956,816	21,850,013
Deferred inflows of resources	1,121,608	819,748	26,475	17,517	1,148,083	837,265
Net position:						
Net investment in capital assets	62,293,813	64,817,262	15,949,839	14,398,183	78,243,652	79,215,445
Restricted	3,662,772	3,315,672	-	-	3,662,772	3,315,672
Unrestricted	14,214,545	7,398,611	9,672,920	8,287,609	\$ 23,887,465	15,686,220
Total net position	\$ 80,171,130	\$ 75,531,545	\$ 25,622,759	\$ 22,685,792	\$ 105,793,889	\$ 98,217,337

Please refer to the *Statement of Net position* on page 41 for specific numerical data.

Governmental activities. The City's net position for Governmental Activities had an increased by a total of \$4,639,585. In FY24, the City increased ad valorem revenue despite maintaining the same millage rate due to higher property values, an increase of approximately 11.5% from FY23 taxable value. However, the total governmental activities revenue decreased by \$427,265 primarily due to reduced state revenue sharing. State revenue sharing, including the Communications Services Tax (CST), is declining for municipalities due to a shrinking tax base from outdated services, lack of legislative updates, and state policy shifts that reduce local allocations.

Business-type activities. Business-type activities increased the City’s net position by \$2,936,967. Key elements of this increase are due to the fact that Wastewater and Stormwater Rates were raised more than the expenses increased. This is because the City is planning to make significant infrastructure investments, as the sewer and stormwater systems in the City are aging. The City is funding the upgrades in infrastructure with a pay-as-you-go or cash approach as much as possible versus borrowing and as a result requires the increasing of fund balances. These significant capital projects will extend the system's lifespan and will reduce the number of unanticipated repairs throughout the year.

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

For the Fiscal Year Ended September 30,	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 6,485,209	\$ 5,862,905	\$ 10,304,378	\$ 10,025,691	\$ 16,789,587	\$ 15,888,596
Operating grants and contributions	390,593	949,475	-	-	390,593	949,475
Capital grants and contributions	198,652	2,469,772	4,152,621	271,093	4,351,273	2,740,865
General revenues:						
Ad Valorem taxes	10,421,792	9,396,676	-	-	10,421,792	9,396,676
Other taxes	3,276,970	3,384,169	-	-	3,276,970	3,384,169
Other general revenues	2,342,777	1,880,261	509,083	291,612	2,851,860	2,171,873
Total revenues	23,115,993	23,943,258	14,966,082	10,588,396	38,082,075	34,531,654
Expenses:						
General government	6,931,378	4,967,558	-	-	6,931,378	4,967,558
Public safety	7,653,146	7,660,111	-	-	7,653,146	7,660,111
Public works	3,451,800	2,836,581	-	-	3,451,800	2,836,581
Culture and recreation	3,165,047	2,312,354	-	-	3,165,047	2,312,354
Interest on long-term debt	175,037	192,109	-	-	175,037	192,109
Water pollution Control	-	-	5,479,348	5,255,573	5,479,348	5,255,573
Solid waste	-	-	2,562,525	2,608,029	2,562,525	2,608,029
Stormwater management	-	-	1,087,242	1,151,573	1,087,242	1,151,573
Total Expenses	21,376,408	17,968,713	9,129,115	9,015,175	30,505,523	26,983,888
Change in net position	1,739,585	5,974,545	5,836,967	1,573,221	7,576,552	7,547,766
Transfers	2,900,000	(500,000)	(2,900,000)	500,000	-	-
Net position:						
Beginning of year	75,531,545	70,057,000	22,685,792	20,612,571	98,217,337	90,669,571
End of year	\$ 80,171,130	\$ 75,531,545	\$ 25,622,759	\$ 22,685,792	\$ 105,793,889	\$ 98,217,337

Please refer to the *Statement of Activities* on page 42 for specific numerical data or both governmental and business-type activities.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund Budgetary Highlights

The General Fund's original budget was \$19,364,550. With supplemental appropriations included, the General Fund's final budget was \$27,101,349 (including transfers out) and can be briefly summarized as follows:

- General government \$ 3,984,959
- Public safety \$ 6,452,230
- Public works \$ 3,559,186
- Culture and recreation \$ 2,509,280
- Capital Outlay \$ 6,027,294
- Transfers Out \$ 4,568,400

The transfers out from the General Fund were made to two separate funds. \$968,400 was to Fund 201 for the City's annual general fund generated debt service. Stormwater Fund (450) required \$600k transfers from the General Fund for cash flow purposes.

In FY24, the city experienced several leadership transitions, including a change in the City Manager and the addition of two new Commissioners. These changes paused many of the budgeted initiatives as the new leaders took time to get up to speed with their duties, responsibilities, and spending priorities. Many budgeted items were deferred to the future years. Consequently, many budgeted items were deferred to future years, which is the primary reason for the discrepancies between the budgeted amounts and the actual expenditures.

Please refer to the *Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund* on page 48 for specific numerical data.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. Unassigned *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,998,368 an increase of \$7,302,499 in comparison with the prior year. \$2,791,499 of this balance constitutes restricted fund balances for funds collected through the Green Utility Fee, and public infrastructure funds in the Penny fund which are restricted by Pinellas County ordinance. The committed fund balance of \$2,713,636 is for supporting the Treasure Island Causeway and Bridge's capital maintenance projects and debt service. The assigned funds balance is reflective of the emergency beach renourishment set-aside of \$500,000, and projects not fully expended in FY23 and carried forward to FY24. The unassigned fund balance of \$12,469,962 is

available for spending at the government’s discretion, while the remainder of the fund balance is for non-spendable items to include inventory and prepaid expenditures.

The General Fund is the primary operating fund of the City to provide services. At the end of FY24 the unassigned fund balance of the General Fund was \$12,469,962, while total fund balance was \$20,390,583. The unassigned fund balance increased by approximately \$5.7 million. The balance of the expense savings driving the unassigned increase is related to operating cost savings, as most unspent capital is carried forward to the successive fiscal year.

**General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Fiscal Year Ended September 30, 2024**

Revenues:		
Ad Valorem Taxes	\$ 10,421,792	
Other Taxes	2,189,693	
Licenses and Permits	145,587	
Intergovernmental	1,595,948	
Charges for Services	5,371,027	
Fines and Forfeitures	377,993	
Investment Earnings	893,802	
Contributions and Donations	1,330	
Miscellaneous Revenues	<u>174,445</u>	
Total Revenues		21,171,617
 Expenditures:		
General Government	3,677,222	
Public Safety	6,585,008	
Public Works	2,427,347	
Culture and Recreation	2,573,599	
Capital outlay	<u>898,043</u>	
Total Expenditures		16,161,219
 Other Financing Sources (Uses):		
Transfer In	3,500,000	
Transfers Out	(1,568,400)	
Sale of Capital Assets	<u>7,740</u>	
Total Other Financing Sources (Uses)		<u>1,939,340</u>
 Net Change in Fund Balance		 6,949,738
 Fund Balance - Beginning		 <u>13,440,845</u>
 Fund Balance - Ending		 <u><u>\$ 20,390,583</u></u>

Other key factors in this change in the overall fund balance in the General Fund are as follows:

- \$1,305,068 increase to the *committed* fund balance for the Treasure Island Causeway and Bridge as a result of the scheduling of capital projects
- \$123,171 net decrease to the *assigned fund balances* reflecting projects carried forward and encumbrances that were appended to the next year’s budget
- The remaining change in fund balance represents an increase in non-spendable assets \$50,795
- The remainder of the changes are attributed to the unassigned fund balance

The Local Option Sales Tax Fund has a total fund balance of \$2,779,096, which is an increase due to the delayed Treasure Bay Golf Course & Living Shoreline project. The revenues from this 1¢ county sales tax came in 7% less than was budgeted. The fund balance in the Local Option Sales Tax is a function of how many projects are completed each year compared to the revenue. The major projects funded within the Local Option Sales Tax Fund are the street pavement management program, seawall and recreational facilities rehabilitation or replacement, and the purchase of public safety vehicles and equipment. The timing of the projects from year to year that the City has control over can vary, which will impact the fund balance from year to year.

The Non-Major Governmental Funds—consisting of the Building Fund, City Hall Renovation Fund, Gulf Blvd Beautification & Undergrounding Fund, County Gas Tax, Transportation, and Debt Service Funds—had a decrease of \$192,155 in total fund balance. This decrease is due to the timing of capital projects expenditures and FY24 interest earnings.

Please refer to the *Balance Sheet – Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* on page 46 for specific numerical data.

Proprietary funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Following is a summary chart of the City’s enterprise funds revenues, expenses, and changes in net position.

	Wastewater Fund	Solid Waste	Stormwater Management	Total
Operating Revenue	\$ 6,237,315	\$ 2,638,820	\$ 1,435,338	\$ 10,311,473
Operating Expenses	5,460,796	2,562,525	1,087,242	9,110,563
Operating Income (Loss)	776,519	76,295	348,096	1,200,910
Nonoperating Revenues	296,826	71,743	133,419	501,988
Nonoperating Expenses	(18,552)	-	-	(18,552)
Income before capital contributions	1,054,793	148,038	481,515	1,684,346
Capital contributions	4,138,411	4,714	9,496	4,152,621
Transfers In	-	-	600,000	600,000
Transfers Out	(3,500,000)	-	-	(3,500,000)
Change in net position	1,693,204	152,752	1,091,011	2,936,967
Total Beginning Net Position as Restated	12,305,755	2,148,987	8,231,050	22,685,792
Total Ending Net Position	\$ 13,998,959	\$ 2,301,739	\$ 9,322,061	\$ 25,622,759

Please refer to the *Statement of Net position – Proprietary Funds* and the *Statement of Revenues, Expenses and Changes in Fund Net position – Proprietary Funds* on page 51 for specific numerical data.

Capital Asset and Debt Administration

Capital assets. The City’s net investment in capital assets for its governmental and business type activities as of September 30, 2024 amounts to \$78,243,652 (net of related debt). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment and construction in progress.

Additional information on the City’s capital assets can be found in the Notes on pages 73 – 74 of this report.

Long-term debt. The City has four existing loan agreements, two loans with the Florida Department of Environmental Protection Clean Water State Revolving Fund for principal amounts of \$572,781 and \$350,141; and two loans with Truist Bank (previously BB&T) for the Palm & Capri Bridges for \$966,585 and for the purchase of the new City Hall property for \$6,173,400. Information on these loan agreements can be found as part of NOTE 2 in the Notes to the Financial Statements on pages 75 – 76.

Economic Factors and Next Year’s Budgets & Rates

Treasure Island has enjoyed a stable and growing economy with most revenue streams increasing or at least remaining stable. The City has surpassed the previous property valuation peak of 2007-2008 before the Great Recession.

At the close of fiscal year 2024 and the onset of fiscal year 2025, the City of Treasure Island endured the devastating effects of two major hurricanes. These storms caused widespread flooding and significant damage to both residential and commercial properties across the city. Despite these challenges, Treasure Island remains steadfast in its commitment to recovery. The City is actively engaged in rebuilding efforts, working alongside residents, businesses, and regional partners to restore impacted structures and infrastructure. Through these efforts, Treasure Island is determined to return swiftly to its role as a vibrant coastal destination, resilient in the face of adversity.

In response to the widespread damage from Hurricanes Helene and Milton, the State of Florida authorized a Catastrophic Event Tax Refund program for FY2024. Eligible property owners in Treasure Island who experienced uninhabitable conditions for 30 days or more were able to apply for prorated property tax refunds. While this program provided critical relief to residents, it also resulted in a modest reduction in ad valorem revenue for the City. The long-term fiscal impact will depend on the pace of property restoration and reassessment, which may influence taxable values in FY25 and FY26.

In the immediate future, the City remains cautiously optimistic that revenue growth will continue to keep pace with inflation and rising costs. However, the recent hurricanes have introduced new uncertainties into the City's financial outlook. While property values had been steadily increasing in recent years, the damage sustained in late FY2024 and early FY2025 may temporarily slow that growth. Additionally, the issuance of property tax refunds under the state's Catastrophic Event Tax Refund program has modestly reduced ad valorem revenue, and future assessments may reflect lower valuations for damaged properties.

Although Treasure Island has largely moved beyond the disruptions of the COVID-19 pandemic, the City now faces a new set of long-term challenges. Much like the adjustments made in the wake of the Great Recession, the City is once again reevaluating its operational and financial strategies in response to both natural disasters and broader economic pressures. Elevated interest rates, ongoing supply chain disruptions, and workforce constraints are likely to persist, requiring a more resilient and adaptive approach to municipal governance.

These evolving conditions underscore the importance of long-term financial planning.

As part of the regular budget monitoring process, the Finance department prepares periodic reports that the Departments, City Manager and City Commission can use to follow the actual performance of revenue and expenditure estimates. At the end of July, an analysis of the budget estimates versus the actual expenditures is performed to assess the need for any supplemental appropriations. If necessary, the City Commission may consider passing a supplemental appropriations resolution prior to the end of the fiscal year.

The City continues to monitor the financial status and current performance in all its funds. In FY 2024, the property tax rate was held flat at 3.8129 mils. This rate includes the 0.5 mils dedicated to cover capital needs for the bridge and causeway over the expected life of the bridge. A long-range financial plan that was prepared by a consultant in FY2021 confirmed that a dedicated 0.50 mils would be sufficient to ensure the long-term life of the bridge. Staff does not anticipate any future millage increase.

The City executed an agreement for the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund Agreement in October 2021 following the enactment of American Rescue Plan Act through the State of Florida, Division of Emergency Management. The total allocation for the city is \$3,466,408. The City received the first half of the allocation in October 2021 and the second tranche in October 2022. All \$3,466,408 was claimed under the replacement for loss of revenue.

Another Wastewater rate increase was required for FY24 as Treasure Island is subject to cost increases from the City of St. Petersburg who processes the city's waste flows. This rate—referred to as the pass-through-rate—ensures the City recovers the cost of sewer treatment from usage by customers. The agreement with the City of St. Petersburg was renewed in July 2024 for another 10 years. While the City is currently prioritizing the reconstruction of our Master Lift Station, developing strategies to explore a reduction in these bulk rate charges is the next major priority for this fund.

Sanitation rates increased by 10% for FY24 to fund the scheduled garbage truck replacement. The fund balance is planned to grow over FY24-FY26 to ensure liquidity for this purchase. However, the City is now considering outsourcing sanitation services to enhance delivery, create efficiencies, and reduce costs while maintaining quality. This ongoing discussion may impact the original plan for the fee increase, which was intended to support the purchase of new garbage trucks.

A Stormwater Fee assessment was performed in FY23 and implemented in FY24. This fund is anticipated to generate much more financial activity over the next few years with long-overdue projects being planned.

Contacting the City's Finance Department

This comprehensive annual financial report is designed to provide a general overview of the City of Treasure Island's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Treasure Island Finance Department at our new address, 10451 Gulf Blvd., Treasure Island, Florida 33706. You may visit the City's website at www.mytreasureisland.org or send email to Finance@mytreasureisland.org.

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BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole. The fund financial statements present financial information about major funds individually and non-major funds in the aggregate. The notes to the financial statements present information essential for a fair presentation of the financial statements not displayed on the face of the financial statements.

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City of Treasure Island, Florida
Statement of Net Position
September 30, 2024

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 25,132,483	\$ 8,568,062	\$ 33,700,545
Receivables	863,472	1,899,212	2,762,684
Prepaid items	95,944	15,158	111,102
Capital assets			
Land	8,589,387	13,885	8,603,272
Buildings	2,260,411	53,397	2,313,808
Improvements	69,210,272	26,102,268	95,312,540
Machinery and equipment	5,498,944	6,289,636	11,788,580
Construction in Progress	8,233,186	320,071	8,553,257
Accumulated depreciation	(24,358,402)	(15,906,496)	(40,264,898)
Total assets	95,525,697	27,355,193	122,880,890
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	1,926,796	-	1,926,796
Deferred outflows for OPEB	77,164	13,938	91,102
Total deferred outflows of resources	2,003,960	13,938	2,017,898
LIABILITIES			
Accounts payable	575,440	631,437	1,206,877
Accrued liabilities	341,166	52,524	393,690
Deposits	2,500	-	2,500
Noncurrent liabilities:			
Due within one year	1,060,500	100,294	1,160,794
Due in more than one year	14,257,313	935,642	15,192,955
Total liabilities	16,236,919	1,719,897	17,956,816
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows for business tax collected in advance	37,571	-	37,571
Deferred inflows for pensions	937,471	-	937,471
Deferred inflows for OPEB	146,566	26,475	173,041
Total deferred inflows of resources	1,121,608	26,475	1,148,083
NET POSITION			
Net investment in capital assets	62,293,813	15,949,839	78,243,652
Restricted:			
Infrastructure improvements	3,406,000	-	3,406,000
Capital projects	41,860	-	41,860
Road improvements	214,912	-	214,912
Unrestricted	14,214,545	9,672,920	23,887,465
Total net position	\$ 80,171,130	\$ 25,622,759	\$ 105,793,889

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

City of Treasure Island, Florida
Statement of Activities
Year ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,931,378	\$ 1,358,107	\$ 166,596	\$ -
Public safety	7,653,146	2,291,460	71,195	45,000
Public works	3,451,800	1,933,565	77,802	153,652
Culture and recreation	3,165,047	902,077	75,000	-
Interest on long-term debt	175,037	-	-	-
Total governmental activities	21,376,408	6,485,209	390,593	198,652
Business-type activities:				
Wastewater	5,479,348	6,237,315	-	4,138,411
Solid waste	2,562,525	2,631,725	-	4,714
Stormwater management	1,087,242	1,435,338	-	9,496
Total business-type activities	9,129,115	10,304,378	-	4,152,621
Total primary government	\$ 30,505,523	\$ 16,789,587	\$ 390,593	\$ 4,351,273

General Revenues and Transfers:

Property taxes
Utility taxes
Franchise fees
Unrestricted
Intergovernmental Revenues:
State revenue sharing
Communications services tax
Half-cent sales tax
Local option gas tax
Infrastructure sales surtax
Other taxes
Unrestricted investment earnings
Miscellaneous
Transfers

Total general revenues and transfers

Change in net position

Net Position - beginning of year

Net Position - end of year

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

City of Treasure Island, Florida
Statement of Activities (Continued)
Year ended September 30, 2024

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (5,406,675)	\$ -	\$ (5,406,675)
(5,245,491)	-	(5,245,491)
(1,286,781)	-	(1,286,781)
(2,187,970)	-	(2,187,970)
(175,037)	-	(175,037)
(14,301,954)	-	(14,301,954)
-	4,896,378	4,896,378
-	73,914	73,914
-	357,592	357,592
-	5,327,884	5,327,884
\$ (14,301,954)	\$ 5,327,884	\$ (8,974,070)
\$ 10,421,792	\$ -	\$ 10,421,792
1,341,467	-	1,341,467
848,226	7,095	855,321
239,092	-	239,092
203,875	-	203,875
533,002	-	533,002
89,729	-	89,729
1,021,257	-	1,021,257
87,640	-	87,640
1,083,447	477,758	1,561,205
172,012	24,230	196,242
2,900,000	(2,900,000)	-
18,941,539	(2,390,917)	16,550,622
4,639,585	2,936,967	7,576,552
75,531,545	22,685,792	98,217,337
\$ 80,171,130	\$ 25,622,759	\$ 105,793,889

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

City of Treasure Island, Florida
Balance Sheet
Governmental Funds
September 30, 2024

	Major Governmental Funds		Non Major Governmental Funds	Total Governmental Funds
	General	Local Option Sales Tax		
ASSETS				
Cash and cash equivalents	\$ 20,721,422	\$ 2,544,760	\$ 1,866,301	\$ 25,132,483
Receivables				
Taxes:				
Utility	164,684	-	-	164,684
Franchise fees	83,029	-	-	83,029
Accounts	124,615	-	-	124,615
Intergovernmental:				
State	85,628	371,190	22,002	478,820
County	12,324	-	-	12,324
Prepaid items	80,954	-	14,990	95,944
Total assets	\$ 21,272,656	\$ 2,915,950	\$ 1,903,293	\$ 26,091,899
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 510,378	\$ -	\$ 65,062	\$ 575,440
Accrued liabilities	321,411	-	6,219	327,630
Deposits	2,500	-	-	2,500
Due to other governments	10,213	-	3,323	13,536
Total liabilities	844,502	-	74,604	919,106
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Business Tax Collected in Advance	37,571	-	-	37,571
Deferred Inflows - Unavailable Revenue	-	136,854	-	136,854
Total deferred inflows	37,571	136,854	-	174,425
Fund balances:				
Nonspendable	80,954	-	14,990	95,944
Restricted	12,403	2,779,096	1,747,373	4,538,872
Committed	2,713,636	-	66,326	2,779,962
Assigned	5,113,628	-	-	5,113,628
Unassigned	12,469,962	-	-	12,469,962
Total fund balances	20,390,583	2,779,096	1,828,689	24,998,368
Total liabilities and fund balances	\$ 21,272,656	\$ 2,915,950	\$ 1,903,293	\$ 26,091,899

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

**City of Treasure Island, Florida
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
September 30, 2024**

Fund balances - total governmental funds.	\$	24,998,368
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.		69,433,798
Long-term debt not due and payable in current period and, therefore; not reported the in governmental funds.		(7,139,985)
Some liabilities, compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(816,529)
The net pension liability is not due and payable in the current period and, therefore, not reported in the governmental funds.		(7,115,761)
The total OPEB liability is not due and payable in the current period and, therefore, not reported in the governmental funds.		(245,538)
Deferred outflows and inflows of resources related to pension and OPEB are applicable to future periods and, therefore, are not reported in governmental funds.		
Deferred outflows of resources for pensions		1,926,796
Deferred outflows of resources for OPEB		77,164
Deferred inflows of resources for pensions		(937,471)
Deferred inflows of resources for OPEB		(146,566)
Unavailable revenue is not a financial resource in the current period and therefore is not reported as such in the funds.		136,854
Net position of governmental activities	\$	80,171,130

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year ended September 30, 2024

	Major Governmental Funds			Non Major Governmental Funds	Total Governmental Funds
	General	Local Option Sales Tax	Formerly Major Funds		
REVENUES					
Taxes:					
Ad valorem taxes	\$ 10,421,792	\$ -		\$ -	\$ 10,421,792
Franchise fees	848,226	-		-	848,226
Utility services taxes	1,341,467	-		-	1,341,467
Business fees and permits	145,587	-		601,178	746,765
Intergovernmental	1,595,948	1,021,257		89,729	2,706,934
Charges for services	5,371,027	-		-	5,371,027
Fines and forfeitures	377,993	-		-	377,993
Investment earnings	893,802	104,737		84,908	1,083,447
Contributions and donations	1,330	45,000		-	46,330
Miscellaneous revenues	174,445	-		275	174,720
Total revenues	21,171,617	1,170,994		776,090	23,118,701
EXPENDITURES					
Current:					
General government	3,677,222	-		-	3,677,222
Public safety	6,585,008	-		730,489	7,315,497
Public works	2,427,347	-		-	2,427,347
Culture and recreation	2,573,599	-		-	2,573,599
Debt service:					
Principal retirement	-	-		795,762	795,762
Interest	-	-		175,037	175,037
Capital outlay	898,043	626,078		235,357	1,759,478
Total expenditures	16,161,219	626,078		1,936,645	18,723,942
Excess (deficiency) of revenues over expenditures	5,010,398	544,916		(1,160,555)	4,394,759
Other Financing Sources (Uses)					
Transfers in	3,500,000	-		968,400	4,468,400
Transfers out	(1,568,400)	-		-	(1,568,400)
Sale of capital assets	7,740	-		-	7,740
Total other financing sources (uses)	1,939,340	-		968,400	2,907,740
Net change in fund balances	6,949,738	544,916		(192,155)	7,302,499
Fund balances - beginning, as previously reported	13,440,845	2,234,180	1,737,207	283,637	17,695,869
Changes within financial reporting entity					
Major to nonmajor funds	-	-	(1,737,207)	1,737,207	-
Fund balances - beginning, after adjustments	13,440,845	2,234,180	-	2,020,844	17,695,869
Fund balances - ending	\$ 20,390,583	\$ 2,779,096	\$ -	\$ 1,828,689	\$ 24,998,368

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

City of Treasure Island, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances -
Governmental Funds to Statement of Activities
Year ended September 30, 2024

Net change in fund balances - total governmental funds	\$	7,302,499
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction is not reported on the government-wide financial statements.</p>		
		795,762
<p>Capital outlays are reported as expenditures in governmental funds. However in the statement of activities the cost of capital assets are allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.</p>		
Capital outlays and expenditures	1,616,783	
Depreciation (amortization) expense	<u>(2,742,486)</u>	
		(1,125,703)
<p>Gain or losses from disposal of capital assets are not reported on the governmental fund financial statements and proceeds from sales are reported as revenue. Under full accrual accounting, gains or losses on disposal are reported and proceeds from sales are not reported as revenue.</p>		
Proceeds from sale of assets	7,740	
Loss on disposal	<u>(36,593)</u>	
		(28,853)
<p>Impairment of capital assets is an expense in the statement of activities and not reported in the and not reported in the governmental funds.</p>		
		(2,383,355)
<p>Changes in compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		(26,930)
<p>Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits net of employee contributions is reports as pension expense:</p>		
City pension contributions	828,543	
Costs of benefits earned net of employee contributions	<u>(714,398)</u>	
		114,145
<p>In the government-wide financial statements, the City reports changes in total OPEB liability and related deferred outflows and inflows; however, this is not reported in the governmental funds:</p>		
City OPEB benefit payment	1,437	
Changes in total OPEB liability	<u>(27,822)</u>	
		(26,385)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of revenue accruals may increase or decrease net position.</p>		
		18,405
Change in net position of governmental activities	\$	4,639,585

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual – General Fund
Year ended September 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes	\$ 10,483,700	\$ 10,483,700	\$ 10,421,792	\$ (61,908)
Franchise Fees	841,100	841,100	848,226	7,126
Utility Services Taxes	1,324,000	1,324,000	1,341,467	17,467
Licenses and Permits	179,500	179,500	145,587	(33,913)
Intergovernmental	1,255,000	4,296,000	1,595,948	(2,700,052)
Charges for Services	5,155,680	5,155,680	5,371,027	215,347
Fines and Forfeitures	220,000	220,000	377,993	157,993
Investment Earnings	150,000	150,000	893,802	743,802
Contributions and Donations	-	-	1,330	1,330
Miscellaneous Revenues	10,000	10,000	174,445	164,445
Total Revenues	19,618,980	22,659,980	21,171,617	(1,488,363)
EXPENDITURES				
Current:				
General Government	3,641,010	3,984,959	3,677,222	307,737
Public Safety	6,389,240	6,452,230	6,585,008	(132,778)
Public Works	3,169,690	3,559,186	2,427,347	1,131,839
Culture and Recreation	2,500,410	2,509,280	2,573,599	(64,319)
Capital outlay:				
General Government	110,000	110,000	30,625	79,375
Public Safety	83,500	287,927	308,453	(20,526)
Public Works	1,520,170	5,039,837	279,317	4,760,520
Culture and Recreation	382,130	589,530	279,648	309,882
Total Expenditures	17,796,150	22,532,949	16,161,219	6,371,730
Excess (deficiency) of revenues over expenditures	1,822,830	127,031	5,010,398	4,883,367
Other Financing Sources (Uses)				
Transfers In	500,000	500,000	3,500,000	3,000,000
Transfers Out	(1,568,400)	(4,568,400)	(1,568,400)	3,000,000
Sale of capital assets	-	-	7,740	7,740
Total other financing sources (uses)	(1,068,400)	(4,068,400)	1,939,340	6,007,740
Net change in fund balances	754,430	(3,941,369)	6,949,738	10,891,107
Fund Balance - Beginning	13,440,845	13,440,845	13,440,845	-
Fund Balance - Ending	\$ 14,195,275	\$ 9,499,476	\$ 20,390,583	\$ 10,891,107

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual – Local Option Sales Tax Fund
Year ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Sales Tax	\$ 1,102,500	\$ 1,102,500	\$ 1,021,257	\$ (81,243)
Investment Earnings	10,000	10,000	104,737	94,737
Grants-Local Government	227,100	227,100	-	(227,100)
Contributions & Donations	-	-	45,000	45,000
Total Revenues	1,339,600	1,339,600	1,170,994	(168,606)
EXPENDITURES				
Capital Outlay:				
Public Safety	425,000	492,912	522,924	(30,012)
Culture and Recreation	1,560,000	4,718,097	103,154	4,614,943
Total Expenditures	1,985,000	5,211,009	626,078	4,584,931
Excess of revenues over expenditures	(645,400)	(3,871,409)	544,916	4,416,325
Other Financing Sources (Uses)				
Transfers In			-	-
Sale of capital assets	50,000	50,000	-	(50,000)
Total other financing sources (uses)	50,000	50,000	-	(50,000)
Net change in fund balances	(595,400)	(3,821,409)	544,916	4,366,325
Fund Balance - Beginning	2,234,180	2,234,180	2,234,180	-
Fund Balance - Ending	\$ 1,638,780	\$ (1,587,229)	\$ 2,779,096	\$ 4,366,325

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

City of Treasure Island, Florida
Statement of Net Position -
Proprietary Funds
September 30, 2024

Business-type Activities - Enterprise Funds				
Major Enterprise Funds				
	Wastewater	Solid Waste	Stormwater Management	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 3,755,127	\$ 1,331,340	\$ 3,481,595	\$ 8,568,062
Prepaid items	3,368	8,895	2,895	15,158
Accounts receivable	1,175,081	450,710	263,925	1,889,716
Due from other governments - State	-	-	9,496	9,496
Total current assets	4,933,576	1,790,945	3,757,911	10,482,432
Noncurrent Assets:				
Capital assets:				
Land	13,885	-	-	13,885
Buildings	-	53,397	-	53,397
Improvements	18,562,979	29,749	7,509,540	26,102,268
Machinery and equipment	3,518,394	2,428,319	342,923	6,289,636
Construction in progress	320,071	-	-	320,071
Less accumulated depreciation	(11,844,164)	(1,839,361)	(2,222,971)	(15,906,496)
Total capital assets (net of accumulated depreciation)	10,571,165	672,104	5,629,492	16,872,761
Total noncurrent assets	10,571,165	672,104	5,629,492	16,872,761
Total assets	\$ 15,504,741	\$ 2,463,049	\$ 9,387,403	\$ 27,355,193
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for OPEB	\$ 3,894	\$ 7,669	\$ 2,375	\$ 13,938
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued expenses	\$ 525,322	\$ 77,242	\$ 28,873	\$ 631,437
State Revolving Loan Fund	79,694	-	-	79,694
Accrued compensated absences	5,731	9,758	5,111	20,600
Accrued interest SRF	4,052	-	-	4,052
Accrued wages payable	18,494	20,237	9,741	48,472
Total current liabilities	633,293	107,237	43,725	784,255
Noncurrent liabilities:				
State Revolving Loan Fund	843,228	-	-	843,228
Accrued compensated absences	13,371	22,770	11,924	48,065
OPEB liability	12,388	24,404	7,557	44,349
Total noncurrent liabilities	868,987	47,174	19,481	935,642
Total liabilities	\$ 1,502,280	\$ 154,411	\$ 63,206	\$ 1,719,897
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources for OPEB	\$ 7,396	\$ 14,568	\$ 4,511	\$ 26,475
NET POSITION				
Net investment in capital assets	9,648,243	672,104	5,629,492	15,949,839
Unrestricted	4,350,716	1,629,635	3,692,569	9,672,920
Total net position	\$ 13,998,959	\$ 2,301,739	\$ 9,322,061	\$ 25,622,759

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Net Position -
Proprietary Funds
Year ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Wastewater	Solid Waste	Stormwater Management	Total
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 7,095	\$ -	\$ 7,095
Charges for services	6,237,315	2,631,725	1,435,338	10,304,378
Total operating revenues	6,237,315	2,638,820	1,435,338	10,311,473
OPERATING EXPENSES				
Personal services	420,357	697,059	246,507	1,363,923
Contractual services	4,142,963	761,363	412,635	5,316,961
Materials, supplies, repairs and utilities	431,158	844,818	103,878	1,379,854
Depreciation	466,318	259,285	324,222	1,049,825
Total operating expense	5,460,796	2,562,525	1,087,242	9,110,563
Operating income	776,519	76,295	348,096	1,200,910
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	295,881	50,667	131,210	477,758
Interest and fees on long-term debt	(18,552)	-	-	(18,552)
Sale of assets	360	-	-	360
Miscellaneous	585	21,076	2,209	23,870
Total nonoperating revenues (expenses)	278,274	71,743	133,419	483,436
Income before capital contributions and transfers	1,054,793	148,038	481,515	1,684,346
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	4,138,411	4,714	9,496	4,152,621
Transfers In	-	-	600,000	600,000
Transfer Out	(3,500,000)	-	-	(3,500,000)
Change in net position	1,693,204	152,752	1,091,011	2,936,967
Net position - beginning	12,305,755	2,148,987	8,231,050	22,685,792
Net position - ending	\$ 13,998,959	\$ 2,301,739	\$ 9,322,061	\$ 25,622,759

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

City of Treasure Island, Florida
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			Total
	Wastewater	Solid Waste	Stormwater Management	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 6,222,145	\$ 2,649,370	\$ 1,470,701	\$ 10,342,216
Payments to suppliers	(4,404,388)	(1,622,479)	(545,725)	(6,572,592)
Payments to employees	(417,634)	(710,988)	(248,712)	(1,377,334)
Net cash provided by operating activities	1,400,123	315,903	676,264	2,392,290
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	600,000	600,000
Transfers out	(3,500,000)	-	-	(3,500,000)
Net cash provided by noncapital financing activities	(3,500,000)	-	600,000	(2,900,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1,813,326)	(283,463)	(308,550)	(2,405,339)
Sale of capital assets - proceeds	360	-	-	360
Proceeds for capital grants and contributions	1,138,411	4,714	9,496	1,152,621
Principal payments on state revolving loan	(78,135)	-	-	(78,135)
Interest paid on state revolving loan	(18,552)	-	-	(18,552)
Net cash used in capital and related financing activities	(771,242)	(278,749)	(299,054)	(1,349,045)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	295,881	50,667	131,210	477,758
Net cash provided by investing activities	295,881	50,667	131,210	477,758
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,575,238)	87,821	1,108,420	(1,378,997)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,330,365	1,243,519	2,373,175	9,947,059
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,755,127	\$ 1,331,340	\$ 3,481,595	\$ 8,568,062
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 776,519	\$ 76,295	\$ 348,096	\$ 1,200,910
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	466,318	259,285	324,222	1,049,825
Other receipts (payments)	585	21,076	2,209	23,870
Change in assets and liabilities:				
(Increase) Decrease in prepaid items	1,667	(6,674)	(35)	(5,042)
(Increase) Decrease in accounts receivable	(122,315)	(10,526)	39,150	(93,691)
(Increase) Decrease in due from other governments	106,560	-	(5,996)	100,564
(Increase) Decrease in deferred outflows	200	395	122	717
Increase (Decrease) in accts payable	168,066	(9,624)	(29,177)	129,265
Increase (Decrease) in accrued salaries payable	10,733	8,424	4,806	23,963
Increase (Decrease) in accrued compensated absences	(8,728)	(23,770)	(7,449)	(39,947)
Increase (Decrease) in OPEB liability	(1,984)	(3,908)	(1,210)	(7,102)
Increase (Decrease) in deferred inflows	2,502	4,930	1,526	8,958
Total adjustments	623,604	239,608	328,168	1,191,380
Net cash provided by operating activities	\$ 1,400,123	\$ 315,903	\$ 676,264	\$ 2,392,290

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

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NOTES TO FINANCIAL STATEMENTS

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Reporting Entity

The City of Treasure Island is a municipal corporation created by the Laws of Florida, 1955-31322. An elected mayor and a four-member commission govern the City. As required by generally accepted accounting principles, these financial statements present the City of Treasure Island (the primary government). The City has no component units as of September 30, 2024.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Government-Wide Financial Statements

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

The City reports the following major governmental funds:

The *General* fund is the City's primary operating fund. It accounts for all financial resources except those accounted for in another fund.

Special Revenue Fund - The *Local Option Sales Tax* fund accounts for the additional, voter approved, countywide one-cent local option sales tax designated to provide funds for capital items and infrastructure improvements. This tax is commonly referred to as the "Penny for Pinellas."

The City reports the following major proprietary funds:

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

Budgetary Information

Budgetary basis of accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

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

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

Cash and cash equivalents

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

Investments

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

Receivables and Payables

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

The City considers all receivables at September 30, 2024 to be collectible; accordingly, no allowance for doubtful accounts is required. If any amounts are subsequently determined to be uncollectible, they are considered immaterial to the financial statements and will be charged to operations when that determination is made.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables (Continued)

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

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no capitalized interest during the current year.

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

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

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

Deferred Outflows/Inflows of Resources

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three (3) items that qualify for reporting as deferred inflows of resources. The *business tax receipts collected in advance*, *deferred inflows related to OPEB* and the *deferred inflows related to pensions* are an aggregate of items related to pensions, both reported in the government-wide statement of net position and only deferred inflows related to OPEB is reported in the business-type activities statement of net position. The deferred inflows related to OPEB and pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and Section P54: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*. The deferred inflows related to OPEB and pensions will be recognized as a reduction to pension expense in future reporting years.

Compensated Absences

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

Long-term Obligations

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

Other Post-Employment Benefits (OPEB) Liability

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

Categories and Classification of Fund Equity

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

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

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

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

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

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

Encumbrances

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

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances (Continued)

The following are the significant encumbrances at year end:

Governmental Activities:	
General Fund	\$ 4,071,010
Local Option Sales Tax Fund	4,640,600
Nonmajor Governmental Funds	1,694,050
Business-Type Activities:	
Wastewater Fund	6,183,200
Stormwater Management Fund	754,500
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Total	\$ 17,343,360
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Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 23, 2025. See Note 5 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The City is evaluating the requirements of the above statements and the impact on reporting.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

The City's fiscal year 2024 financial statements incorporate a change in accounting principle and a change within the financial reporting entity. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

The City Hall Remodel Fund and Gulf Blvd Beautification & Undergrounding Fund, are capital project funds, and the Building Fund, a special revenue fund, were presented as a major fund in a separate columns in the City's fiscal year 2023 governmental fund financial statements. However, in fiscal year 2024 the funds no longer met the quantitative thresholds that require major fund presentation. The City consequently reclassified these funds as nonmajor and presented it in the aggregate nonmajor fund column.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE (Continued)

The following table summarizes the adjustments to the City’s fund balance as a result of the change in change within the financial reporting entity:

	Fund Financial Statements			
	Governmental			
	City Hall Remodel	Gulf Blvd Beautification & Undergrounding	Building	Non Major Funds
12/31/23 fund balance as previously reported	\$ 824,489	\$ 28,141	\$ 884,577	\$ 283,637
Change from major to nonmajor presentation	(824,489)	(28,141)	(884,577)	1,737,207
12/31/23 fund balance as restated and adjusted	\$ -	\$ -	\$ -	\$ 2,020,844

NOTE 3: DETAILED NOTES ON ALL FUNDS

Cash Deposits

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

Investments

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

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

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (Continued)

As of September 30, 2024, the City's pension investments are held in street name in the form of stock, debt securities and U.S. government bonds through a financial brokerage firms segregated out from the assets and investments held by other clients of the investment firm and their own assets.

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

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

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

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

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (Continued)

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

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

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The City's investments are carried at amortized cost as of September 30, 2024, are as follows:

	Amortized Cost	Weighted Average Maturity	Credit Rating
Stable NAV Fund	\$ 2,294,715		
Variable NAV Fund	3,520,600		
Term Series	11,966,533		
Florida Safe Investment Pool	17,781,848	182.99	AAAm
Demand Deposits	15,918,697		
Total Cash and Cash Equivalents	\$ 33,700,545		

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

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2024 as follows:

	Balance 9/30/23	Increases	Decreases	Balance 9/30/24
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 8,589,387	\$ -	\$ -	\$ 8,589,387
Construction in progress	7,849,108	384,078	-	8,233,186
Total capital assets, not being depreciated	16,438,495	384,078	-	16,822,573
Capital assets, being depreciated				
Buildings	3,943,917	137,630	(1,821,136)	2,260,411
Building improvements	75,390,461	167,774	(6,347,963)	69,210,272
Machinery and equipment	5,092,124	927,301	(520,481)	5,498,944
Total capital assets, being depreciated	84,426,502	1,232,705	(8,689,580)	76,969,627
Less accumulated depreciation for:				
Buildings	1,321,710	180,949	(994,069)	508,590
Building improvements	23,194,473	2,010,157	(4,867,852)	20,336,778
Machinery and equipment	3,369,365	551,380	(407,711)	3,513,034
Total accumulated depreciation	27,885,548	2,742,486	(6,269,632)	24,358,402
Total capital assets being depreciated, net	56,540,954	(1,509,781)	(2,419,948)	52,611,225
Governmental activities capital assets, net	\$ 72,979,449	\$ (1,125,703)	\$ (2,419,948)	\$ 69,433,798

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

	Balance 9/30/23	Increases	Decreases	Balance 9/30/24
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 13,885	\$ -	\$ -	\$ 13,885
Construction in progress	607,788	1,477,268	(1,764,985)	320,071
Total capital assets, not being depreciated	621,673	1,477,268	(1,764,985)	333,956
Capital assets, being depreciated:				
Buildings	53,397	-	-	53,397
Improvements other than buildings	23,731,286	2,370,982	-	26,102,268
Machinery and equipment	5,998,961	322,074	(31,399)	6,289,636
Total capital assets, being depreciated	29,783,644	2,693,056	(31,399)	32,445,301
Less accumulated depreciation for:				
Building	42,717	5,339	-	48,056
Improvements other than buildings	10,008,830	698,063	-	10,706,893
Machinery and equipment	4,836,523	346,423	(31,399)	5,151,547
Total accumulated depreciation	14,888,070	1,049,825	(31,399)	15,906,496
Total capital assets being depreciated, net	14,895,574	1,643,231	-	16,538,805
Business-type activities capital assets, net	\$ 15,517,247	\$ 3,120,499	\$ (1,764,985)	\$ 16,872,761

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

Governmental activities:	
General government	\$ 1,829,033
Public safety	273,853
Public works	439,893
Culture and recreation	199,707
<hr/>	
Total depreciation expense - governmental activities	<u>\$ 2,742,486</u>
Business-type activities:	
Water pollution control	\$ 466,318
Solid waste	259,285
Stormwater management	324,222
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Total depreciation expense - business-type activities	<u>\$ 1,049,825</u>

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

City assets including buildings, improvements other than buildings, machinery, and equipment were lost and subsequently retired as a result of Hurricane Helene. In total, \$1,445,350 of book value, consisting of original costs of \$6,313,203 and \$4,867,853 of accumulated depreciation, was removed from governmental activities.

Long-Term Debt

State Revolving Loan Fund

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

Truist Loans

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

The City has a Non-Ad Valorem Revenue Note, Series 2020. The note was issued in 2020 in order to purchase and renovate the new City Hall building. The principal amount of the loan is \$8,000,000. Non-Ad Valorem revenues budgeted, appropriated and deposited are pledged for the repayment of this loan. Repayment for the aforementioned Series 2020 Note will be repaid over 15 years and the interest rate is 2.17%.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Long-term liability activity for the fiscal year ended September 30, 2024 as follows:

	Balance 9/30/2023	Additions	Reductions	Balance 9/30/2024	Due within One Year
Governmental Activities:					
Total OPEB liability	\$ 273,360	\$ -	\$ (27,822)	\$ 245,538	\$ -
Truist - Series Note 2011A	1,270,047	-	(303,462)	966,585	312,642
Truist - Series Note 2020	6,665,700	-	(492,300)	6,173,400	502,900
Net pension liability	7,243,514	-	(127,753)	7,115,761	-
Compensated absences	789,599	484,192	(457,262)	816,529	244,958
<hr/>					
Governmental activities long-term liabilities	\$ 16,242,220	\$ 484,192	\$ (1,408,599)	\$ 15,317,813	\$ 1,060,500
<hr/>					
Business-type Activities:					
Total OPEB liability	\$ 51,451	\$ -	\$ (7,102)	\$ 44,349	\$ -
State Revolving Loan - 53601P	625,240	-	(52,459)	572,781	53,843
State Revolving Loan - 520810	375,817	-	(25,676)	350,141	25,851
Compensated absences	108,612	59,027	(98,974)	68,665	20,600
<hr/>					
Business-type activities long-term liabilities	\$ 1,161,120	\$ 59,027	\$ (184,211)	\$ 1,035,936	\$ 100,294
<hr/>					

Net pension and compensated absences are generally liquidated by the general fund for governmental activities. OPEB liabilities will be liquidated by the general fund for governmental activities and the wastewater fund, solid waste fund and stormwater management fund for business-type activities.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

The following tables indicate future debt service requirements for Governmental Activities:

Truist - Series Note 2011A		Principal		Interest		Total
	2025	\$ 312,642	\$	24,146	\$	336,788
	2026	322,100		14,688		336,788
	2027	331,843		4,944		336,787
		<u>\$ 966,585</u>	<u>\$</u>	<u>43,778</u>	<u>\$</u>	<u>1,010,363</u>

Truist - Series Note 2020		Principal		Interest		Total
	2025	\$ 502,900	\$	128,506	\$	631,406
	2026	513,900		117,474		631,374
	2027	525,000		106,202		631,202
	2028	536,400		94,686		631,086
	2029	548,000		82,920		630,920
	2030-2034	2,923,800		228,978		3,152,778
	2035	623,400		6,764		630,164
		<u>\$ 6,173,400</u>	<u>\$</u>	<u>765,530</u>	<u>\$</u>	<u>6,938,930</u>

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

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

State Revolving Loan - 53601P	Principal	Interest	Total
2025	\$ 53,843	\$ 14,656	\$ 68,499
2026	55,262	13,237	68,499
2027	56,720	11,779	68,499
2028	58,216	10,283	68,499
2029	59,751	8,748	68,499
2030-2034	288,989	19,257	308,246
	<u>\$ 572,781</u>	<u>\$ 77,960</u>	<u>\$ 650,741</u>

State Revolving Loan - 520810	Principal	Interest	Total
2025	\$ 25,851	\$ 2,337	\$ 28,188
2026	26,027	2,161	28,188
2027	26,204	1,984	28,188
2028	26,383	1,805	28,188
2029	26,562	1,626	28,188
2030-2034	135,550	5,389	140,939
2035-2037	83,564	997	84,561
	<u>\$ 350,141</u>	<u>\$ 16,299</u>	<u>\$ 366,440</u>

NOTE 4: OTHER INFORMATION

Pledged Revenues

The City has revenue notes outstanding at September 30, 2024, for which revenues of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Issued	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Current Percentage of Revenue
Governmental Activities					
Revenue Notes					
Truist - Series Note 2011A					
Maturity: 2026					
Interest rate: 2.98%	\$ 4,024,407	\$ 1,010,363	\$ 1,545,342	\$ 336,787	21.8%
Purpose: Improvements to Isle of Palms and Isle of Capri bridges					
Pledged revenue: Public Service Tax revenues and Communication Services Tax revenues					
Truist - Series Note 2020					
Maturity: 2035					
Interest rate: 2.17%	\$ 8,000,000	\$ 6,938,930	\$ 5,619,747	\$ 631,604	11.2%
Purpose: Purchase and renovation of new City Hall building					
Pledged revenue: Non-Ad Valorem revenues					

Risk Management

The City is exposed to various risks of loss related to torts; theft of September 30, 2024, damage to and destruction of property and other assets; errors and omissions by employees; and natural disasters, particularly during the hurricane season of June through November. The City has purchased various types of insurance to protect itself. There have been no changes in insurance coverage during the current fiscal year. There were no changes in insurance coverage from the previous year. The City does not participate in a risk pool and does not retain any of the risks of loss.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Fund Balance Classification

General Fund	
Nonspendable:	
Prepaid items	\$ 80,954
Restricted	
Green utility	12,403
Committed	
.50 Mill for Bridge Renewal & Replacement	2,713,636
Assigned:	
Beach improvements	500,000
IT Related Equipment and Software	3,000
City Infrastructure Improvements/Capital	3,996,675
Professional Services	322,898
Supplies	249,703
Contractual Services	41,352
Total assigned	5,113,628
Unassigned	9,469,962
<hr/>	
Total General Fund fund balance	\$ 17,390,583
<hr/>	
Local Option Sales Tax	
Restricted for infrastructure improvements	\$ 2,779,096
Total restricted	2,779,096
<hr/>	
Total Local Option Sales Tax fund balance	\$ 2,779,096
<hr/>	
Nonmajor Governmental Funds	
Nonspendable:	
Building Division	\$ 14,990
Restricted:	
Capital Projects, County Gas Tax, Debt Service, Police Forfeiture, Transportation Trust, and Transportation Improvements	1,747,373
Committed:	
Debt Service	66,326
<hr/>	
TOTAL	\$ 21,998,368
<hr/>	

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans

The City participates in two pension programs: First, for qualified public safety employees, the City participates in the Florida Retirement System's defined benefit plans. For all other employees, the City has a defined contribution pension plan which consists of a 401(A) qualified plan. Employees contributed five (5) percent of their gross earnings and the City contributed eight (8) percent for the fiscal year ending September 30, 2024. The City makes these contributions to the Plan as a part of the regular weekly payroll process.

Defined Benefit Plans

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

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

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

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2024, were as follows:

	FRS	HIS
Regular Class	11.63%	2.00%
Special Risk Class	30.79%	2.00%
County, city, special district elected officials	56.68%	2.00%
Senior management service class	32.52%	2.00%
DROP from FRS	19.13%	2.00%

The employer's contributions for the year ended September 30, 2024, were \$892,649 to the FRS Pension Plan and \$62,034 to the HIS Pension Plan.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2024. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities and Pension Expense (Continued)

	FRS	HIS	Total
Net pension liability	\$6,030,977	\$1,084,784	\$ 7,115,761
Proportion at:			
Current measurement date	0.0155901%	0.0072314%	
Prior measurement date	0.0151876%	0.0075041%	
Pension expense	\$ 800,383	\$ 40,157	\$ 840,540

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 609,291	\$ -	\$ 10,474	\$ (2,083)
Changes of assumptions	826,600	-	19,198	(128,425)
Net difference between projected and actual earnings on pension plan investments	-	(400,850)	-	(392)
Changes in proportion and differences between employer contributions and proportionate share of contributions	188,491	(353,682)	16,340	(52,039)
Employer contributions subsequent to the measurement date	239,758	-	16,644	-
Total	\$ 1,864,140	\$ (754,532)	\$ 62,656	\$ (182,939)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025.

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2024	\$ (214,496)	\$ (18,513)
2025	889,793	(26,304)
2026	100,623	(38,804)
2027	31,998	(29,257)
2028	61,932	(18,749)
Thereafter	-	(5,300)
Total	\$ 869,850	\$ (136,927)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2024. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2024. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.93%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2024 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018. The following changes in key actuarial assumptions occurred in 2024:

HIS:

- The long-term expected rate of return and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Actuarial Assumptions (Continued)

The long-term expected investment rate of return assumption for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption of 2.40%.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	100%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index was used as the applicable municipal bond index.

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer’s proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
		Current Discount Rate			Current Discount Rate	
	1% Decrease 5.70%		1% Increase 7.70%	1% Decrease 2.93%	1% Increase 4.93%	
Employer's proportionate share of the net pension liability	\$ 10,608,277	\$ 6,030,977	\$ 2,196,517	\$ 1,234,887	\$ 1,084,784	\$ 960,174

Pension Plans’ Fiduciary Net Position

Detailed information about the pension plans’ fiduciary net position is available in the State’s separately issued financial reports.

401 (A) Pension Plan

The City offers a Section 401(A) Money Purchase Plan as a defined contribution retirement plan for all of its employees not eligible to participate in the Florida Retirement System.

The Plan provides for employees to contribute five percent of their earnings, with the City contributing eight percent. Employee contributions are made through payroll deduction and remitted to the Plan Administrator, the ICMA Retirement Trust, along with the City's contribution, for deposit and investment. The authority responsible for establishing or amending plan provisions and contribution requirements is the City Commission.

Employees choose from several investment options, ranging from aggressive to conservative, to invest both their contribution and the City's. At September 30, 2024, those options included five (5) classifications as follows:

- Stable / Money Market Funds
- Bond Funds
- U. S. Stock Funds
- International Stock Funds
- Balanced Funds

NOTE 4: OTHER INFORMATION (Continued)

401 (A) Pension Plan (Continued)

For the current fiscal year, employee contributions totaled \$8,540 and the City’s contributions totaled \$82,968 for a grand total of \$91,507.

Employees are fully vested with the City's contribution after five years. If the employee terminates with the City with less than five years of service, the City's contribution reverts back to the City. All contributions to the 401(A) Plan are tax deferred for the purposes of federal income tax. All employees are still eligible to participate in the City's Section 457 Deferred Compensation Plan.

The City’s total payroll in fiscal year ended September 30, 2024 was \$8,370,762. The City’s contributions were calculated using the participant’s salary amount of \$4,121,694. The City made its required contribution of \$321,349.

Postemployment Health Care Benefits

General Information about the OPEB Plan

Plan description. The City's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the City. The

Plan is a single-employer defined benefit OPEB plan administered by the City. The Plan is not administered through a trust and no assets are accumulated to meet the criteria of a trust in the accounting standards.

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

Employees covered by benefit terms. At September 30, 2024, the following employees were covered by the benefit terms:

Active employees	106
Inactive employees currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	-
Total	108

NOTE 4: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits (Continued)

Total OPEB Liability

The City's total OPEB liability of \$289,887 was measured as of September 30, 2024, and was determined by an actuarial valuation as of October 1, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in September 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	3.00%
Discount rate	4.06%
Salary rate increase	4.00%
Health Care Trend rates	5.0% initial rate decreasing to ultimate rate of 4.5%
Mortality table	PubG.H-2010 mortality table - general

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

The actuarial assumptions used in the September 30, 2024 valuation was based on actuarial experience.

Changes in the Total OPEB Liability

	Total OEPB Liability
Balance at September 30, 2023	\$ 324,811
Changes for the year:	
Service cost	23,253
Interest on total OEPB liability	15,520
Difference between expected and actual experience	(81,892)
Changes of assumptions and other inputs	20,448
Benefit payments	(12,253)
Net changes	(34,924)
Balance at September 30, 2024	\$ 289,887

NOTE 4: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits (Continued)

Changes in the Total OPEB Liability (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 4.87 percent in 2023 to 4.06 percent in 2024.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06 percent) or 1-percentage-point higher (5.06 percent) than the current discount rate:

	1% Decrease 3.06%	Discount Rate 4.06%	1% Increase 5.06%
Total OPEB liability	\$ 315,083	\$ 289,887	\$ 267,126

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (6.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (4.0% decreasing to 3.5%)	Health Care Cost Trend Rate (5.0% decreasing to 4.5%)	1% Increase (6.0% decreasing to 5.5%)
Total OPEB liability	\$ 260,232	\$ 289,887	\$ 324,905

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits (Continued)

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$41,211. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,677	\$ (119,834)
Changes of assumptions or other inputs	72,425	(53,207)
Total	\$ 91,102	\$ (173,041)

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

<u>Year ended September 30,</u>	
2025	\$ (461)
2026	(7,504)
2027	(11,936)
2028	(12,085)
2029	(20,067)
Thereafter	(29,886)
Total	\$ (81,939)

NOTE 5: SUBSEQUENT EVENTS

The greater Tampa Bay area was severely impacted by Hurricane Helene's flooding on September 26-27, 2024, and Hurricane Milton's wind damage on October 9-10, 2024. Governor Ron Desantis declared a state of emergency on October 5, 2024, in response to Hurricane Milton. The storms resulted in significant debris and damage to the city's assets, with an estimated financial impact of \$11.5 million. The city has already accounted for known impairments in the current year's financial statements. The city has made an application to the Federal Emergency Management Agency (FEMA) for reimbursement of the approximately \$3.2M costs incurred in the storm related expenses. The City is awaiting the final resolution from FEMA as to the amount of reimbursement that will be awarded.

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REQUIRED SUPPLEMENTARY INFORMATION

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

<i>September 30,</i>	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 23,253	\$ 19,474	\$ 29,407	\$ 23,739	\$ 38,194	\$ 19,064	\$ 20,630
Interest on total OEPB liability	15,520	14,951	10,346	9,323	26,089	11,862	6,260
Difference between expected and actual experience	(81,892)	-	(57,845)	-	(19,195)	-	133,177
Changes of assumptions and other inputs	20,448	(2,110)	(55,686)	(8,870)	81,593	(4,823)	(2,199)
Benefit payments	(12,253)	(41,896)	(35,187)	(32,997)	(64,439)	(21,751)	(23,291)
Other changes	-	-	-	-	18,003	2,588	2,141
Net change in total OPEB liability	(34,924)	(9,581)	(108,965)	(8,805)	80,245	6,940	136,718
Total OPEB liability - beginning	324,811	334,392	443,357	452,162	371,917	364,977	228,259
Total OPEB liability - ending	\$ 289,887	\$ 324,811	\$ 334,392	\$ 443,357	\$ 452,162	\$ 371,917	\$ 364,977
Covered-employee payroll	\$ 6,483,611	\$ 5,316,170	\$ 5,547,025	\$ 4,711,071	\$ 5,294,420	\$ 4,882,312	\$ 4,492,334
Total OPEB liability as a percentage of covered-employee payroll	4.47%	6.11%	6.03%	9.41%	8.54%	7.62%	8.12%

Notes to Schedule:

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

Note 2: The Plan's long-term expected rate of return and the discount used to determine the the total OPEB liability decreased to 4.06% in FY2024.

Note 3: The Plan's inflation rate used to determine the the total OPEB liability remained at 3.00%.

Note 4: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.1010 or P52.101 to pay related benefits for the OPEB plan.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability (asset)	0.015590100%	0.015187577%	0.014915084%	0.015346822%	0.018563162%	0.017811185%	0.017248153%	0.017691499%	0.018311777%	0.015912654%
City's proportionate share of the net pension liability (asset)	\$6,030,977	\$6,051,769	\$5,549,610	\$1,159,278	\$8,045,548	\$6,133,924	\$5,195,233	\$5,233,027	\$4,623,738	\$2,055,333
City's covered payroll	\$2,710,300	\$2,558,407	\$2,755,238	\$2,756,865	\$2,634,787	\$2,497,865	\$2,349,746	\$2,313,204	\$2,245,865	\$2,257,738
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.52%	236.54%	201.42%	42.05%	305.36%	245.57%	221.10%	226.22%	205.88%	91.04%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

* The amounts presented for each Plan measurement year were determined as of 6/30.

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

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3 of the Plan's Annual Comprehensive Financial Report.

Note 3: The following changes in key actuarial assumptions occurred in 2024:
FRS: The salary increases including inflation increased from 3.25% to 3.50%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of net pension liability (asset)	0.007231400%	0.007540406%	0.007560399%	0.007617403%	0.007757302%	0.007449531%	0.007085356%	0.007173178%	0.007516286%	0.007338387%
City's proportionate share of the net pension liability (asset)	\$1,084,784	\$1,191,745	\$800,767	\$934,389	\$947,154	\$833,528	\$833,528	\$766,989	\$875,992	\$748,400
City's covered payroll	\$2,710,300	\$2,558,407	\$2,755,238	\$2,756,865	\$2,634,787	\$2,497,865	\$2,349,746	\$2,313,204	\$2,245,865	\$2,257,738
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.02%	46.58%	29.06%	33.89%	35.95%	33.37%	35.47%	33.16%	39.00%	33.15%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

* The amounts presented for each Plan measurement year were determined as of 6/30.

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

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3 of the Plan's Annual Comprehensive Financial Report.

Note 3: The following changes in key actuarial assumptions occurred in 2024:

HIS: The discount rate used to determine the total pension liability increased from 3.65% to 3.93%. The salary increases including inflation increased from 3.25% to 3.50%.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 892,649	\$ 775,907	\$ 665,392	\$ 604,234	\$ 604,170	\$ 559,529	\$ 506,157	\$ 464,877	\$ 460,749	\$ 387,964
Contributions in relation to the contractually required contribution	<u>892,649</u>	<u>775,907</u>	<u>665,392</u>	<u>604,234</u>	<u>604,170</u>	<u>559,529</u>	<u>506,157</u>	<u>464,877</u>	<u>460,749</u>	<u>387,964</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,723,337	\$ 2,636,200	\$ 2,546,293	\$ 2,756,865	\$ 2,634,787	\$ 2,497,865	\$ 2,349,746	\$ 2,313,204	\$ 2,245,865	\$ 2,257,738
Contributions as a percentage of covered payroll	32.78%	29.43%	26.13%	21.92%	22.93%	22.40%	21.54%	20.10%	20.52%	17.18%

* The amounts presented for each Plan measurement year were determined as of 6/30.

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

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3 of the Plan's Annual Comprehensive Financial Report.

Note 3: The following changes in key actuarial assumptions occurred in 2024:

FRS: The salary increases including inflation increased from 3.25% to 3.50%

City of Treasure Island, Florida
Schedule of Contributions –
Health Insurance Subsidy (Last 10 fiscal years)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 62,034	\$ 52,636	\$ 47,101	\$ 45,530	\$ 44,426	\$ 41,473	\$ 39,015	\$ 38,045	\$ 37,281	\$ 28,052
Contributions in relation to the contractually required contribution	<u>62,034</u>	<u>52,636</u>	<u>47,101</u>	<u>45,530</u>	<u>44,426</u>	<u>41,473</u>	<u>39,015</u>	<u>38,045</u>	<u>37,281</u>	<u>28,052</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,723,337	\$ 2,636,200	\$ 2,546,293	\$ 2,756,865	\$ 2,634,787	\$ 2,497,865	\$ 2,349,746	\$ 2,313,204	\$ 2,245,865	\$ 2,257,738
Contributions as a percentage of covered payroll	2.28%	2.00%	1.85%	1.65%	1.69%	1.66%	1.66%	1.64%	1.66%	1.24%

* The amounts presented for each Plan measurement year were determined as of 6/30.

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

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3 of the Plan's Annual Comprehensive Financial Report.

Note 3: The following changes in key actuarial assumptions occurred in 2024:

HIS: The discount rate used to determine the total pension liability increased from 3.65% to 3.93%. The salary increases including inflation increased from 3.25% to 3.50%.

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COMBINING FINANCIAL STATEMENTS

The combining financial statements provide a more detailed view of the non-major funds that were combined in the basic financial statements.

A description of these non-major funds follows on the next page.

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NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

The ***City Hall Remodel Fund*** is used to isolate the budget and expenditures associated with the remodel of the City Hall building purchased in 2020.

The ***Gulf Blvd Beautification & Undergrounding Fund*** is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition of capital assets.

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

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

The ***County Gas Tax Fund*** is financed through a six cent per gallon county gas tax. Expenditure is limited to road projects contained in the M.P.O. five-year transportation plan.

The ***Transportation Trust Fund*** accounts for revenues received from the Transportation Impact Fee established by Pinellas County and are restricted to expenditure for capital improvements and expansion of transportation facilities.

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for debt principal and debt payments.

City of Treasure Island, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2024

	Capital Projects Funds			Total Capital Projects Funds	Special Revenue Funds			Total Special Revenue Funds	Debt Service	Total
	City Hall Remodel	Gulf Blvd Beautification & Undergrounding			Building	County Gas Tax	Transportation Trust			
ASSETS										
Cash and cash equivalents	\$ 639,620	\$ 29,453	\$ 669,073	\$ 842,745	\$ 280,434	\$ 7,723	\$ 1,130,902	\$ 66,326	\$ 1,866,301	
Receivables:										
Due from other governments	-	-	-		22,002	-	22,002.00	-	22,002	
Prepaid items	-	-	-	14,990	-	-	14,990	-	14,990	
Total assets	\$ 639,620	\$ 29,453	\$ 669,073	\$ 857,735	\$ 302,436	\$ 7,723	\$ 1,167,894	\$ 66,326	\$ 1,903,293	
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 12,715	\$ -	\$ 12,715	\$ 52,347	\$ -	\$ -	\$ 52,347.00	\$ -	\$ 65,062	
Accrued liabilities	-	-	-	6,219	-	-	6,219	-	6,219	
Due to other governments	-	-	-	3,323	-	-	3,323	-	3,323	
Total liabilities	12,715	-	12,715	61,889	-	-	61,889	-	74,604	
FUND BALANCES:										
Nonspendable	-	-	-	14,990	-	-	14,990	-	14,990	
Restricted	626,905	29,453	656,358	780,856	302,436	7,723	1,091,015	-	1,747,373	
Committed	-	-	-	-	-	-	-	66,326	66,326	
Total fund balances	626,905	29,453	656,358	795,846	302,436	7,723	1,106,005	66,326	1,828,689	
Total liabilities and fund balances	\$ 639,620	\$ 29,453	\$ 669,073	\$ 857,735	\$ 302,436	\$ 7,723	\$ 1,167,894	\$ 66,326	\$ 1,903,293	

City of Treasure Island, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance Non-Major Governmental Funds
Year ended September 30, 2024

	Capital Projects Funds			Special Revenue Funds			Total Special Revenue Funds	Debt Service	Total
	City Hall Remodel	Gulf Blvd Beautification & Undergrounding	Total Capital Projects Funds	Building	County Gas Tax	Transportation Trust			
REVENUES									
Business fees and permits	\$ -	\$ -	\$ -	\$ 601,178	\$ -	\$ -	\$ 601,178	\$ -	\$ 601,178
Intergovernmental	-	-	-	-	89,729	-	89,729	-	89,729
Miscellaneous	-	-	-	275	-	-	275	-	275
Investment Earnings	32,005	1,312	33,317	40,305	10,998	288	51,591	-	84,908
Total Revenues	32,005	1,312	33,317	641,758	100,727	288	742,773	-	776,090
EXPENDITURES									
Current:									
Public safety	-	-	-	730,489	-	-	730,489	-	730,489
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	795,762	795,762
Interest	-	-	-	-	-	-	-	175,037	175,037
Capital Outlay	229,589	-	229,589	-	-	5,768	5,768	-	235,357
Total Expenditures	229,589	-	229,589	730,489	-	5,768	736,257	970,799	1,936,645
Excess (deficiency) of revenues over expenditures	(197,584)	1,312	(196,272)	(88,731)	100,727	(5,480)	6,516	(970,799)	(1,160,555)
Other Financing Sources (Uses)									
Transfers In	-	-	-	-	-	-	-	968,400	968,400
Total other financing sources (uses)	-	-	-	-	-	-	-	968,400	968,400
Net change in fund balances	(197,584)	1,312	(196,272)	(88,731)	100,727	(5,480)	6,516	(2,399)	(192,155)
Fund Balances - Beginning	824,489	28,141	852,630	884,577	201,709	13,203	1,099,489	68,725	2,020,844
Fund Balances - Ending	\$ 626,905	\$ 29,453	\$ 656,358	\$ 795,846	\$ 302,436	\$ 7,723	\$ 1,106,005	\$ 66,326	\$ 1,828,689

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**SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL**

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual - City Hall Remodel Fund
Year ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 32,005	\$ 32,005
Total Revenues	-	-	32,005	32,005
EXPENDITURES				
Capital Outlay	6,100,000	6,100,000	229,589	5,870,411
Total Expenditures	6,100,000	6,100,000	229,589	5,870,411
Excess (deficiency) of revenues over (under) expenditures	(6,100,000)	(6,100,000)	(197,584)	5,902,416
Other Financing Sources (Uses)				
Issuance of debt	6,100,000	6,100,000	-	(6,100,000)
Total other financing sources (uses)	6,100,000	6,100,000	-	(6,100,000)
Net change in fund balances	-	-	(197,584)	(197,584)
Fund Balance - Beginning	824,489	824,489	824,489	-
Fund Balance - Ending	\$ 824,489	\$ 824,489	\$ 626,905	\$ (197,584)

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual - Gulf Blvd Beautification & Undergrounding Fund
Year ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,205,500	\$ 1,205,500	\$ -	\$ (1,205,500)
Interest	-	-	1,312	1,312
Total Revenues	1,205,500	1,205,500	1,312	(1,204,188)
EXPENDITURES				
Capital Outlay	1,205,500	1,205,500	-	1,205,500
Total Expenditures	1,205,500	1,205,500	-	1,205,500
Excess (deficiency) of revenues over (under) expenditures	-	-	1,312	1,312
Fund Balance - Beginning	28,141	28,141	28,141	-
Fund Balance - Ending	\$ 28,141	\$ 28,141	\$ 29,453	\$ 1,312

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual - Building Fund
Year ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 727,000	\$ 727,000	\$ 601,178	\$ (125,822)
Investment Earnings	1,000	1,000	40,305	39,305
Miscellaneous	-	-	275	275
Total Revenues	728,000	728,000	641,758	(86,242)
EXPENDITURES				
Current:				
Public Safety	944,000	944,000	730,489	213,511
Capital Outlay:				
Public Safety	-	14,500	-	14,500
Total Expenditures	944,000	958,500	730,489	228,011
Net change in fund balances	(216,000)	(230,500)	(88,731)	\$ 141,769
Fund Balance - Beginning	884,577	884,577	884,577	-
Fund Balance - Ending	\$ 668,577	\$ 654,077	\$ 795,846	\$ 141,769

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
County Gas Tax Fund
Year ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
County Gas Tax	\$ 100,000	\$ 100,000	\$ 89,729	\$ (10,271)
Miscellaneous:				
Investment Earnings	4,000	4,000	10,998	6,998
Total Revenues	104,000	104,000	100,727	(3,273)
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital outlay	-	111,450	-	111,450
Total Expenditures	-	111,450	-	111,450
Excess (deficiency) of revenues				
Net change in fund balances	104,000	(7,450)	100,727	108,177
Fund Balance - Beginning	201,709	201,709	201,709	-
Fund Balance - Ending	\$ 305,709	\$ 194,259	\$ 302,436	\$ 108,177

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Transportation Trust Fund
Year ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Earnings	\$ -	\$ -	\$ 288	\$ 288
Total Revenues	-	-	288	288
EXPENDITURES				
Capital Outlay	-	12,839	5,768	7,071
Total Expenditures	-	12,839	5,768	7,071
Excess (deficiency) of revenues over expenditures	-	(12,839)	(5,480)	7,359
Other Financing Sources (Uses)				
Net change in fund balances	-	(12,839)	(5,480)	7,359
Fund Balance - Beginning	13,203	13,203	13,203	-
Fund Balance - Ending	\$ 13,203	\$ 364	\$ 7,723	\$ 7,359

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Debt Service Fund
Year ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Public Safety	\$ -	\$ 60,000	\$ -	\$ 60,000
Debt Service:				
Principal Retirement	795,760	776,360	795,762	(19,402)
Interest	172,640	192,110	175,037	17,073
Total Expenditures	968,400	1,028,470	970,799	57,671
Excess (deficiency) of revenues over (under) expenditures	(968,400)	(1,028,470)	(970,799)	57,671
Other Financing Sources (Uses)				
Transfers In	968,400	1,028,470	968,400	(60,070)
Total other financing sources (uses)	968,400	1,028,470	968,400	(60,070)
Net change in fund balances	-	-	(2,399)	2,399
Fund Balance - Beginning	68,725	68,725	68,725	-
Fund Balance - Ending	\$ 68,725	\$ 68,725	\$ 66,326	\$ 2,399

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III. STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Treasure Island’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends	120 - 125
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	128 - 131
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity	134 - 137
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	140 - 141
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	144 - 146
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

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

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FINANCIAL TRENDS

City of Treasure Island, Florida
Net Position by Component -
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Net investment in capital assets	\$ 62,293,813	\$ 64,817,262	\$ 61,123,238	\$ 58,146,368	\$ 57,132,749	\$ 58,239,009	\$ 58,441,065	\$ 55,708,180	\$ 55,418,462	\$ 55,452,891
Committed	-	-	1,153,352	-	-	-	-	-	-	-
Restricted	3,662,772	3,315,672	2,630,754	4,876,220	3,811,449	3,465,854	3,168,963	3,606,871	3,340,941	3,455,213
Unrestricted	14,214,545	7,398,611	5,149,656	2,387,843	1,254,619	342,862	236,155	302,115	(262,014)	(531,730)
Total governmental activities net assets	80,171,130	75,531,545	70,057,000	65,410,431	62,198,817	62,047,725	61,846,183	59,617,166	58,497,389	58,376,374
Business-type activities:										
Net investment in capital assets	15,949,839	14,398,183	14,457,397	13,167,046	11,422,096	10,241,415	9,762,309	8,175,686	7,867,811	5,533,880
Unrestricted	9,672,920	8,287,609	6,155,174	5,706,566	6,161,550	6,252,115	5,881,885	5,576,682	4,088,107	4,970,944
Total business-type activities net assets	25,622,759	22,685,792	20,612,571	18,873,612	17,583,646	16,493,530	15,644,194	13,752,368	11,955,918	10,504,824
Primary government:										
Net investment in capital assets	78,243,652	79,215,445	75,580,635	71,313,414	68,554,845	68,480,424	68,203,374	63,883,866	63,286,273	60,986,771
Committed	-	-	1,153,352	-	-	-	-	-	-	-
Restricted	3,662,772	3,315,672	2,630,754	4,876,220	3,811,449	3,465,854	3,168,963	3,606,871	3,340,941	3,455,213
Unrestricted	23,887,465	15,686,220	11,304,830	8,094,409	7,416,169	6,594,977	6,118,040	5,878,797	3,826,093	4,439,214
Total primary government net assets	\$ 105,793,889	\$ 98,217,337	\$ 90,669,571	\$ 84,284,043	\$ 79,782,463	\$ 78,541,255	\$ 77,490,377	\$ 73,369,534	\$ 70,453,307	\$ 68,881,198

City of Treasure Island, Florida Changes in Net Position - Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES										
Governmental activities:										
General government	\$ 6,931,378	\$ 4,967,558	\$ 4,431,208	\$ 4,337,630	\$ 4,195,663	\$ 4,105,708	\$ 3,545,736	\$ 3,445,797	\$ 3,023,297	\$ 3,100,750
Public Safety	7,653,146	7,660,111	6,191,198	5,643,952	7,143,218	6,551,349	5,200,712	4,764,149	4,813,545	4,107,508
Public Works	3,451,800	2,836,581	2,857,125	2,435,151	2,837,633	2,437,780	2,483,434	2,393,235	2,738,271	2,217,027
Culture and recreation	3,165,047	2,312,354	2,039,314	1,823,170	1,761,200	1,890,558	1,765,960	1,470,607	1,325,097	1,285,986
Interest on Long-term Debt	175,037	192,109	215,427	237,234	135,859	94,859	109,630	126,775	143,452	146,784
Total governmental activities expenses	21,376,408	17,968,713	15,734,272	14,477,137	16,073,573	15,080,254	13,105,471	12,200,563	12,043,662	10,858,055
Business-type activities:										
Wastewater	5,479,348	5,255,573	4,998,257	4,572,026	4,206,669	3,929,700	3,295,676	3,346,250	3,404,087	3,291,043
Solid Waste	2,562,525	2,608,029	2,347,496	2,265,516	2,237,153	2,311,942	2,047,546	1,750,506	1,815,631	1,713,922
Stormwater Management	1,087,242	1,151,573	778,742	694,961	668,754	653,787	536,963	504,116	468,424	475,098
Total business-type activities expenses	9,129,115	9,015,175	8,124,495	7,532,503	7,112,576	6,895,429	5,880,185	5,600,873	5,688,142	5,480,063
Total primary government expenses	\$ 30,505,523	\$ 26,983,888	\$ 23,858,767	\$ 22,009,639	\$ 23,186,149	\$ 21,975,683	\$ 18,985,658	\$ 17,801,435	\$ 17,731,804	\$ 16,338,118
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$1,358,107	\$1,306,784	\$ 1,233,176	\$ 1,154,402	\$ 1,200,760	\$ 1,324,774	\$ 1,207,380	\$ 1,138,648	\$ 1,147,967	\$ 1,094,673
Public Safety	2,291,460	2,189,751	2,070,442	2,146,846	1,566,068	1,725,603	1,688,959	1,482,003	1,249,625	1,484,615
Public Works	1,933,565	1,622,527	1,601,966	1,499,644	1,224,821	952,320	718,683	680,712	510,674	440,751
Culture and recreation	902,077	743,843	743,345	575,755	497,822	590,617	565,289	496,084	469,916	521,691
Operating Grants and Contributions	390,593	949,475	1,880,311	533,537	101,797	31,261	2,680	5,989	5,702	5,002
Capital Grants and Contributions	198,652	2,469,772	38,628		411,526	343,899	827,371	683,521	377,723	1,125,996
Total Governmental Activities Program Revenues	7,074,454	9,282,152	7,567,868	5,910,184	5,002,794	4,968,474	5,010,363	4,486,957	3,761,607	4,672,728
Business-type activities:										
Charges for services:										
Wastewater	6,237,315	5,953,614	5,573,882	5,032,794	4,645,754	4,384,406	4,160,144	4,149,533	4,081,892	3,983,203
Solid Waste	2,631,725	2,446,282	2,386,438	2,270,091	2,150,560	2,115,123	2,123,493	1,848,792	1,807,889	1,799,927
Stormwater Management	1,435,338	1,625,795	1,483,183	1,354,834	1,235,790	1,119,167	1,001,067	925,342	824,566	830,715
Capital Grants and Contributions	4,152,621	271,093	356,851	39,567	57,599	47,008	315,015	389,723	344,508	417,734
Total business-type activities Program Revenues	14,456,999	10,296,784	9,800,354	8,697,286	8,089,703	7,665,704	7,599,719	7,313,390	7,058,855	7,031,579
Total Primary Government Program Revenues	\$ 21,531,453	\$ 19,578,936	\$ 17,368,222	\$ 14,607,470	\$ 13,092,497	\$ 12,634,178	\$ 12,610,083	\$ 11,800,347	\$ 10,820,462	\$ 11,704,307
NET (EXPENSE) REVENUE										
Governmental Activities	(14,301,954)	(8,686,561)	(8,166,404)	(8,566,953)	(11,070,779)	(10,111,780)	(8,095,111)	(7,713,606)	(8,282,055)	(6,185,327)
Business-type Activities	5,327,884	1,281,609	1,675,859	1,164,783	977,127	770,275	1,719,534	1,712,517	1,370,713	1,551,516
Total Primary Government Net Expense	\$ (8,974,070)	\$ (7,404,952)	\$ (6,490,545)	\$ (7,402,169)	\$ (10,093,652)	\$ (9,341,505)	\$ (6,375,577)	\$ (6,001,089)	\$ (6,911,342)	\$ (4,633,811)

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Ad Valorem Taxes	\$ 10,421,792	\$ 9,396,676	\$ 8,224,289	\$ 7,387,916	\$ 6,961,096	\$ 6,148,249	\$ 5,584,737	\$ 5,144,646	\$ 4,793,125	\$ 4,485,887
Franchise Fees	848,226	843,861	807,617	756,809	745,027	767,835	713,777	1,041,247	682,507	724,311
Utility Taxes	1,341,467	1,353,985	1,267,207	1,222,934	1,180,502	1,149,525	1,067,000	678,268	1,035,446	1,007,967
Unrestricted Intergovernmental Revenues:										
Communications Services Tax	203,875	290,009	277,079	273,118	295,970	305,664	336,868	338,122	342,861	349,246
Half-cent Sales Tax	533,002	554,218	558,945	498,648	426,052	451,105	441,284	428,621	426,212	411,008
Infrastructure Sales Surtax	1,021,257	1,021,752	1,004,193	865,583	757,881	838,139	796,662	751,856	731,449	695,465
State Shared Revenues	239,092	254,205	253,326	205,503	188,131	197,161	192,859	189,156	186,700	201,809
Other	177,369	164,205	191,793	144,584	106,368	121,105	122,772	125,463	126,617	141,228
Gain on Sale of Machinery & Equipment								-	-	-
Miscellaneous Revenues	172,012	199,663	178,687	267,030	406,182	136,529	1,037,484	81,018	56,333	82,414
Unrestricted investment earnings	1,083,447	582,532	49,835	156,444	154,662	198,010	102,195	54,986	21,820	21,920
Transfers	2,900,000	(500,000)								
Total governmental activities	18,941,539	14,161,106	12,812,971	11,778,569	11,221,871	10,313,322	10,395,637	8,833,383	8,403,070	8,121,255
Business-type activities:										
Franchise fees	7,095	2,579	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	477,758	265,287	21,006	54,786	79,296	95,552	57,230	30,001	10,463	14,784
Miscellaneous	24,230	23,746	42,096	70,395	33,695	(16,491)	131,838	53,931	69,918	8,241
Transfers	(2,900,000)	500,000	-	-	-	-	-	-	-	-
Total business-type activities	(2,390,917)	791,612	63,102	125,181	112,989	79,061	189,068	83,932	80,381	23,025
Total primary government revenues	16,550,622	14,952,718	12,876,073	11,903,750	11,334,860	10,392,383	10,584,705	8,917,315	8,483,451	8,144,280
CHANGE IN NET POSITION										
Governmental activities:	1,639,585	5,474,545	4,646,567	3,211,617	151,092	201,542	2,300,526	1,119,777	121,015	1,935,927
Business-type activities:	5,936,967	2,073,221	1,738,961	1,289,966	1,090,116	849,336	1,908,602	1,796,450	1,451,094	1,574,542
Total primary government	\$ 7,576,552	\$ 7,547,766	\$ 6,385,528	\$ 4,501,583	\$ 1,241,208	\$ 1,050,878	\$ 4,209,128	\$ 2,916,227	\$ 1,572,109	\$ 3,510,469

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	\$ 80,954	\$ 30,159	\$ 1,432	\$ 8,890	\$ 47,893	\$ 5,352	\$ 32,279	\$ 17,414	\$ 10,623	\$ 9,851
Restricted	12,403	13,950	13,950	13,950	13,950	-	1,477,702	1,116,276	800,068	638,291
Committed	2,713,636	1,408,568	698,890	1,264,168	819,885	592,289	-	-	-	-
Assigned	5,113,628	5,236,799	4,611,634	3,794,875	3,257,151	2,728,993	1,990,218	2,086,390	1,650,430	1,185,302
Unassigned	12,469,962	6,751,369	6,249,561	3,891,195	4,476,911	3,168,378	3,436,675	3,073,851	2,668,605	2,595,893
Total General Fund	20,390,583	13,440,845	11,575,467	8,973,078	8,615,790	6,495,012	6,936,874	6,293,931	5,129,726	4,429,337
All Other Governmental Funds:										
Nonspendable	14,990	14,040	-	-	2,316	-	-	-	-	-
Restricted	4,526,469	3,301,722	2,616,804	1,921,693	3,809,133	3,465,854	1,691,261	2,490,595	2,540,873	2,816,921
Committed	66,326	68,725	1,125,817	2,954,528	-	-	-	-	-	-
Unassigned	-	870,537	-	-	-	-	-	-	-	-
Total all other Governmental Funds	\$ 4,607,785	\$ 4,255,024	\$ 3,742,621	\$ 4,876,221	\$ 3,811,449	\$ 3,465,854	\$ 1,691,261	\$ 2,490,595	\$ 2,540,873	\$ 2,816,921

City of Treasure Island, Florida

Changes in Fund Balances of Government Funds – Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES:										
Ad Valorem Taxes	\$ 10,421,792	\$ 9,396,676	\$ 8,224,289	\$ 7,387,916	\$ 6,961,096	\$ 6,148,249	\$ 5,584,737	\$ 5,144,646	\$ 4,793,125	\$ 4,485,887
Franchise Fees	848,226	843,861	807,617	756,809	745,027	767,834	713,776	678,268	682,507	724,311
Utility Services Taxes	1,341,467	1,353,985	1,267,207	1,222,934	1,180,502	1,149,525	1,067,000	1,041,247	1,035,446	1,007,967
Business Taxes & Permits	746,765	926,233	929,290	935,990	730,246	1,121,391	1,139,679	991,670	801,697	1,056,216
Intergovernmental	2,706,934	5,656,363	4,120,813	2,465,726	2,250,407	2,288,334	2,720,495	2,522,727	2,197,263	2,929,754
Charges for Service	5,371,027	4,753,944	4,534,962	4,282,503	3,559,760	3,293,309	2,932,465	2,671,553	2,475,227	2,402,469
Fines & Forfeitures	377,993	230,002	261,755	187,585	199,465	178,930	108,533	134,485	101,257	83,268
Miscellaneous Revenue	1,304,497	662,028	199,055	440,239	588,260	278,553	1,125,561	108,436	66,746	98,531
Total Revenues	23,118,701	23,823,091	20,344,988	17,679,702	16,214,763	15,226,125	15,392,246	13,293,032	12,153,267	12,788,403
EXPENDITURES:										
General Government	3,677,222	3,015,356	2,755,941	2,551,454	2,487,241	2,805,424	2,344,389	2,258,524	1,841,626	1,872,027
Public Safety	7,315,497	6,776,535	6,165,572	6,326,446	5,906,773	5,507,857	4,833,878	4,441,029	4,537,913	4,273,937
Public Works	2,427,347	2,373,329	2,092,154	1,953,870	1,982,403	2,116,718	2,204,174	2,130,287	1,930,170	1,924,440
Culture & Recreation	2,573,599	2,155,594	1,926,610	1,729,719	1,706,915	1,717,155	1,614,130	1,331,022	1,200,822	1,156,800
Debt Service:										
Principal retirement	795,762	776,351	868,574	765,317	372,263	830,497	1,538,945	845,394	824,716	379,226
Interest	175,037	192,109	215,427	237,234	135,859	94,859	109,630	126,775	143,452	146,784
Capital Outlay	1,759,478	5,679,681	4,887,770	2,702,651	9,166,835	879,239	3,337,172	1,073,382	1,269,907	2,765,573
Total Expenditures	18,723,942	20,968,955	18,912,048	16,266,691	21,758,289	13,951,750	15,982,318	12,206,413	11,748,606	12,518,787
Excess of Revenues over (under) Expenditures	4,394,759	2,854,136	1,432,940	1,413,011	(5,543,526)	1,274,375	(590,072)	1,086,617	404,662	269,616
OTHER FINANCING SOURCES (USES)										
Debt proceeds (payments)	-	-	-	-	8,000,000	-	419,929	-	-	1,810,000
Transfers in	4,468,400	1,678,470	1,461,469	3,377,762	1,634,793	1,479,759	-	246,071	3,429	4,690
Transfers out	(1,568,400)	(2,178,470)	(1,461,469)	(3,372,762)	(1,634,793)	(1,479,759)	-	(246,071)	(3,429)	(4,690)
Sale of capital assets	7,740	23,645	35,851	4,050	9,900	58,355	13,753	27,310	19,680	5,580
Total other financing sources (uses)	2,907,740	(476,355)	35,851	9,050	8,009,900	58,355	433,682	27,310	19,680	1,815,580
Net change in fund balances	\$ 7,302,499	\$ 2,377,781	\$ 1,468,791	\$ 1,422,061	\$ 2,466,374	\$ 1,332,730	\$ (156,390)	\$ 1,113,927	\$ 424,342	\$ 2,085,196
Debt Service as a percentage of non-capital expenditures, excluding transfers, special items and prior period adjustments.	6%	6%	8%	7%	4%	7%	13%	9%	9%	5%

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

	TOTAL TAXES ¹	AD VALOREM TAXES	FRANCHISE TAXES	UTILITY SERVICE TAXES
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2015	6,218,165	4,485,887	724,311	1,007,967
2016	6,511,077	4,793,125	682,507	1,035,445
2017	6,864,160	5,144,645	678,268	1,041,247
2018	7,365,513	5,584,737	713,777	1,067,000
2019	8,065,610	6,148,249	767,835	1,149,525
2020	8,886,625	6,961,096	745,027	1,180,502
2021	9,367,659	7,387,916	756,809	1,222,934
2022	10,299,113	8,224,289	807,617	1,267,207
2023	11,594,522	9,396,676	843,861	1,353,985
2024	12,611,485	10,421,792	848,226	1,341,467

(1) Includes the General Fund and all Special Revenue Funds.

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REVENUE CAPACITY

City of Treasure Island, Florida Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years

Fiscal Year ¹	Real Property			Less: Tax Exempt Property	Total Taxable Value	Total Assessed Value	Property Tax Rate ²	Estimated Actual Taxable Value
	Residential Property	Commercial Property	Personal Property					
2015	1,348,755	422,851	19,697	401,693	1,389,610	1,563,429	3.3368	1,839,328
2016	1,456,888	455,156	20,029	444,972	1,487,100	1,664,198	3.3368	1,957,880
2017	1,581,763	510,824	18,304	515,868	1,595,023	1,777,020	3.3368	2,090,612
2018	1,689,375	565,728	20,101	541,656	1,733,489	1,922,362	3.3368	2,261,602
2019	1,770,220	614,719	21,432	554,421	1,851,913	2,042,583	3.4368	2,403,039
2020	1,873,787	676,781	21,707	578,616	1,993,608	2,190,522	3.6129	2,577,085
2021	1,943,429	708,449	21,580	561,481	2,111,978	2,309,590	3.6129	2,717,165
2022	2,235,325	507,520	23,366	211,820	2,554,391	2,766,211	3.8129	4,031,631
2023	1,981,566	761,279	23,366	211,820	2,554,391	2,766,211	3.8129	5,876,572
2024	2,199,760	827,204	24,114	220,726	2,830,352	3,051,078	3.8129	6,798,919

(1) City's fiscal year taxes are based on County's prior calendar year assessments.

(2) Property Tax Rate (millage) is per \$1,000 of taxable value

SOURCE: Tax Roll Certification Recapitulation
Pinellas County Property Appraiser's Office

City of Treasure Island, Florida Property Tax Rates and Tax Levies – Direct and Overlapping Governments – Last Ten Fiscal Years

FISCAL YEAR	TAX YEAR	CITY OF TREASURE ISLAND			COUNTY			OVERLAPPING RATES		TOTAL DIRECT & OVERLAPPING RATES
		OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL COUNTY MILLAGE	TOTAL SCHOOL MILLAGE	SPECIAL DISTRICTS	
2015	2014	3.3368	0	3.3368	5.3377	0	5.3377	7.8410	2.1957	18.7112
2016	2015	3.3368	0	3.3368	5.3537	0	5.3537	7.7700	2.1627	18.6232
2017	2016	3.3368	0	3.3368	5.3527	0	5.3527	7.3180	2.1456	18.1531
2018	2017	3.3368	0	3.3368	5.3740	0	5.3740	7.0090	2.1270	17.8468
2019	2018	3.4368	0	3.4368	5.3740	0	5.3740	6.7270	2.1094	17.6472
2020	2019	3.6129	0	3.6129	5.3740	0	5.3740	6.5840	2.0940	17.6649
2021	2020	3.6129	0	3.6129	5.3740	0	5.3740	6.4270	2.0808	17.4947
2022	2021	3.8129	0	3.8129	5.2242	0	5.2242	6.3250	2.0674	17.4295
2023	2022	3.8129	0	3.8129	4.8398	0	4.8398	5.9630	1.9543	16.5700
2024	2023	3.8129	0	3.8129	4.8321	0	4.8321	5.9380	1.8711	16.4541

SOURCE: Pinellas County Tax Collector

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

TAXPAYER	Fiscal Year 2024			Fiscal Year 2015		
	2023 TAXABLE VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE VALUE	2014 TAXABLE VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE VALUE
Treasure Res LLC	\$ 26,133,171	1	0.86%	\$ 15,897,613	1	0.36%
Treas Island LLC	25,750,000	2	0.84%	5,282,556	6	1.01%
Which Treasure Island Owner LLC	24,593,098	3	0.81%	12,039,075	2	0.72%
Thunderbird TI Holdings LLC	22,050,000	4	0.72%			
Dolphin Reef LLC	11,312,784	5	0.37%			
Publix Super Markets INC	8,755,000	6	0.29%			
Treasure Island Hotel LLC	8,591,000	7	0.28%	7,621,200	3	0.50%
H & S Properties Of Alamance LLC	8,522,282	8	0.28%			
SFMB Treasure Island Property LLC	8,439,431	9	0.28%			
Pirate Square LLC	7,860,000	10	0.26%			
Sunset Bay Properties LLC				# 5,359,600	5	0.34%
King, Henry G Tre				5,868,500	4	0.38%
Gulf Golf Development, LLC				4,045,178	7	0.26%
Treasure Island Palms LLC				3,992,300	8	0.26%
Sand Pebble Resort of Treasure				3,871,680	9	0.25%
Treasure Island Yacht & Tennis				3,725,113	10	0.24%
SUB-TOTAL:	152,006,766		4.98%	67,702,815		4.33%
ALL OTHERS:	2,899,071,553		95.02%	1,495,725,853		95.67%
TOTAL:	\$ 3,051,078,319		100.00%	\$ 1,563,428,668		100.00%

NOTES: The 2023 tax roll was the basis for ad valorem tax receipts received during FY 2024 and the 2014 tax roll was the basis for ad valorem tax receipts received during FY 2015

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

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

FISCAL YEAR	COLLECTIONS WITHIN THE FISCAL YEAR OF LEVY			COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	TAX LEVY	AMOUNT	PERCENT OF LEVY		AMOUNT	PERCENT OF CURRENT LEVY
2015	4,636,851	4,481,472	96.6%	4,415	4,485,887	96.7%
2016	4,962,155	4,789,471	96.5%	3,654	4,793,125	96.6%
2017	5,322,273	5,143,630	96.6%	1,015	5,144,645	96.7%
2018	5,784,308	5,571,486	96.3%	13,251	5,584,737	96.5%
2019	6,364,657	6,145,404	96.6%	2,845	6,148,249	96.6%
2020	7,202,878	6,954,360	96.5%	6,736	6,961,096	96.6%
2021	7,630,365	7,368,482	96.6%	19,433	7,387,915	96.8%
2022	8,509,863	8,214,108	96.5%	10,181	8,224,289	96.6%
2023	9,739,638	9,373,778	96.2%	22,898	9,396,676	96.5%
2024	10,791,849	10,416,885	96.5%	4,907	10,421,792	96.6%

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DEBT CAPACITY

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Government Activities	Business-Type Activities	Total Debt Per Capita
	Revenue Bonds	State Revolving Loan Fund	Revenue Bonds	Capital Leases				Debt Per Capita	Debt Per Capita	
2015	6,337,875	999,189	-	-	999,189	7,337,064	2.28%	933.41	147.16	1,080.57
2016	5,513,159	956,591	-	-	956,591	6,469,750	1.80%	810.16	140.57	950.73
2017	4,667,765	1,430,481	-	-	1,430,481	6,098,246	1.58%	676.19	207.23	883.42
2018	3,548,749	1,369,610	-	-	1,369,610	4,918,359	1.19%	500.81	193.28	694.10
2019	2,718,252	1,298,735	-	-	1,298,735	4,016,987	0.91%	374.78	179.06	553.84
2020	10,345,989	1,226,475	-	-	1,226,475	11,572,464	2.87%	1,454.11	172.38	1,626.49
2021	9,580,672	1,152,799	-	-	1,152,799	10,733,471	2.37%	1,386.49	166.83	1,553.32
2022	8,712,098	1,077,671	-	-	1,077,671	9,789,769	2.13%	1,322.82	163.63	1,486.45
2023	7,935,747	1,001,057	-	-	1,001,057	8,936,804	1.70%	1,205.49	152.07	1,357.56
2024	7,139,985	922,922	-	-	922,922	8,062,907	1.44%	1,094.42	141.47	1,235.88

City of Treasure Island, Florida Direct and Overlapping Governmental Activities Debt

GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	APPLICABLE TO CITY OF TREASURE ISLAND	
		PERCENT ¹	AMOUNT
Direct Debt			
Loans	\$ 8,062,907	100%	\$ 8,062,907
Total direct debt	\$ 8,062,907		8,062,907
Overlapping Debt			
Bonded Debt:			
Pinellas County School Board	\$ 121,171,812	2.29%	\$ 2,771,008
Pinellas County Government	-	2.29%	-
Capital Leases:			
Pinellas County School Board	\$ 3,225,958	2.29%	\$ 73,773
Pinellas County Government	30,540,960	2.29%	698,423
Subscription Based IT Agreements:			
Pinellas County Government	\$ 5,077,220	2.29%	\$ 116,108
Total overlapping debt²	\$ 38,844,138		\$ 888,304
Total direct and overlapping debt	\$ 46,907,045		\$ 8,951,211
Overall debt to FY 2023 taxable value ³			1.66%
Overall debt to per capita ⁴			\$ 1,372

(1) Applicable net debt percentage is based on ratio of City to County taxable values.

(2) The City of Treasure Island is not responsible for the debt of the County or School Board.

(3) 2023 taxable value was used to compute the FY 2024 budget.

(4) 2024 permanent Treasure Island population is estimated at 6524

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

LEGAL DEBT MARGIN - TOTAL DEBT¹	9/30/24	9/30/23	9/30/22	9/30/21	09/30/20	09/30/19	09/30/18	09/30/17	09/30/16	09/30/15
Assessed Valuation of Tax Base ²	\$ 3,051,078,319	\$ 2,554,391,138	\$ 2,554,391,138	\$ 2,309,590,687	\$ 2,190,522,405	\$ 2,042,582,845	\$ 1,922,362,364	\$ 1,777,019,734	\$ 1,644,198,313	\$ 1,563,428,668
Debt Limit-3.5% of Assessed Valuation	106,787,741	89,403,690	89,403,690	80,835,674	76,668,284	71,490,400	67,282,683	62,195,691	57,546,941	54,720,003
Amount of Debt Applicable to Debt Limit: Total Outstanding Principal	8,062,907	8,936,804	9,789,769	10,733,471	11,572,464	4,016,987	4,918,360	6,098,247	6,469,750	7,337,064
LEGAL DEBT MARGIN	\$ 98,724,834	\$ 80,466,886	\$ 79,613,921	\$ 70,102,203	\$ 65,095,820	\$ 67,473,413	\$ 62,364,323	\$ 56,097,444	\$ 51,077,191	\$ 47,382,939
LEGAL DEBT MARGIN - ANNUAL DEBT¹										
Revenues Applicable to Debt Limit										
Total City Revenues	\$ 37,572,992	\$ 34,531,654	\$ 30,244,295	\$ 26,511,222	\$ 24,427,357	\$ 23,029,240	\$ 23,194,786	\$ 20,963,728	\$ 19,303,912	\$ 19,848,587
Less: State Revenue Sharing	220,327	254,205	253,326	205,503	188,131	197,161	192,859	189,156	186,700	201,809
Causeway Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenues Applicable to Debt Limit:	37,352,665	34,277,449	29,990,969	26,305,719	24,239,226	22,832,079	23,001,927	20,774,572	19,117,212	19,646,778
Debt Limit: 20% of Total Revenues	7,470,533	6,855,490	5,998,194	5,261,144	4,847,845	4,566,416	4,600,385	4,154,914	3,823,442	3,929,356
Amount of Debt Applicable to Debt Limit: Current Debt Service	895,236	1,065,147	1,180,686	1,099,238	604,808	1,022,042	1,736,568	1,040,669	1,036,647	559,717
LEGAL DEBT MARGIN	\$ 6,575,297	\$ 5,790,343	\$ 4,817,508	\$ 4,161,906	\$ 4,243,037	\$ 3,544,374	\$ 2,863,817	\$ 3,114,245	\$ 2,786,795	\$ 3,369,639

(1) Article IV, Section 4.10, Paragraph (b) (1) and (b) (2) of the City Charter specifically excludes Causeway debt from the Legal Debt Margin Computations.

(2) Assessed valuation per the DR-403V, the number reported prior to 2015 was the taxable vs assessed value.

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

	GROSS REVENUE	EXPENSE ¹	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS ²			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
2015	3,983,203	3,013,693	969,510	21,055	26,974	48,029	20.19
2016	4,081,892	3,115,100	966,792	42,598	25,902	68,499	14.11
2017	4,149,533	2,973,322	1,176,211	43,721	24,778	68,499	17.17
2018	4,160,144	2,903,698	1,256,446	60,871	27,116	87,987	14.28
2019	4,384,406	3,488,284	896,122	70,876	25,811	96,687	9.27
2020	4,645,754	3,743,574	902,180	72,260	24,427	96,687	9.33
2021	5,032,794	4,089,678	943,116	73,676	23,011	96,687	9.75
2022	5,573,882	4,457,252	1,116,630	75,128	21,559	96,687	11.55
2023	5,953,614	4,698,478	1,255,136	76,613	20,073	96,686	12.98
2024	7,375,726	4,994,478	2,381,248	79,694	16,993	96,687	24.63

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

A State Revolving Loan required repayment in June 2014 and a second State Revolving Loan required repayment beginning in October 2017.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

City of Treasure Island, Florida Demographic and Economic Statistics – Last Ten Fiscal Years

	Population ¹	Total City Personal Income ²	Median Household Income ²	Per Capita Personal Income ²	Median Age ²	Average Years of Formal Schooling ³	Percentage of Bachelors Degree or Higher ³	Public School Enrollment ⁴	Unemployment Rate ⁵
2015	6,790	321,669,460	-	47,374	58.3	14.00	-	216	5.7
2016	6,805	359,079,435	56,699	52,767	58.5	15.00	42.6%	198	4.4
2017	6,903	387,065,016	61,461	56,072	59.3	15.00	42.2%	199	3.1
2018	7,086	411,781,632	65,204	58,112	56.2	15.00	42.7%	198	3.5
2019	7,253	442,063,097	75,083	60,949	56.2	15.00	44.1%	168	3.0
2020	7,115	403,676,640	74,185	56,736	60.1	15.00	45.1%	135	6.1
2021	6,910	452,909,040	80,840	65,544	60.6	15.00	45.0%	127	5.2
2022	6,586	458,635,868	79,491	69,638	61.5	15.00	43.1%	134	2.4
2023	6,583	524,566,355	87,941	79,685	63.0	15.00	46.3%	128	2.8
2024	6,524	554,161,608	104,827	84,942	62.3	15.00	51.1%	108	4.4

Data Sources

- (1) U.S. Census Bureau quick facts
- (2) Pinellas County Economic Development, Treasure Island Demographics as of 2024
- (3) Estimate based on educational attainment figures for population 25 years and over, U.S. Census Bureau and Pinellas County Economic Development for 2024
[Towncharts.com/Florida/Education/Treasure-Island-city-FL-Education-data.html](https://towncharts.com/Florida/Education/Treasure-Island-city-FL-Education-data.html) and US Census for 2024
- (4) Public Pinellas County School District's demographer, K-12 school counts taken and available in mid October 2024
- (5) Best Places

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

Employer Name	2024			2015		
	Number of * Employees	Rank	Percentage of Total City Employment	Number of * Employees	Rank	Percentage of Top 10 City Employment
UPP GLOBAL LLC	140	1	4.68%			
CHINLE DEVELOPMENT INC	140	2	4.68%			
WHICH TREASURE ISLAND LESSEE LLC	140	3	4.68%			
CITY OF TREASURE ISLAND	130	4	4.35%	117	2	4.84%
PUBLIX SUPER MARKET INC	110	5	3.68%	110	3	4.55%
VACATIA LIBERTE MANAGEMENT, LLC	100	6	3.34%			
SEA DOG BREWPUB TI LLC	75	7	2.51%			
MIDDLE GROUNDS GRILL LLC	75	8	2.51%	80	4	3.31%
JERAPCO INC	50	9	1.67%			
THUNDERBIRD TI HOLDINGS LLC	50	10	1.67%	52	9	2.15%
BILMAR BEACH RESORT & SLOPPY JOE'S				151	1	6.25%
CADDY'S				75	5	3.11%
GATORS CAFÉ & SALOON				70	6	2.90%
ALLIED SPECIALTY INSURANCE				68	7	2.82%
THE CLUB AT TREASURE ISLAND				62	8	2.57%
MCDONALDS				36	10	1.49%
Top 10 City Employment Total	1010			821		
Total City Employment Total**	2,990			2415		

* Source : Pinellas County Economic Development

** estimate not seasonally adjusted

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OPERATING INFORMATION

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

	2024	2023	2022	2021	2020	2019	2018*	2017	2016	2015
FUNCTION										
General Government	17.90	14.70	14.40	15.68	13.00	11.95	11.98	12.00	12.00	12.00
Public Safety										
Police	24.40	24.50	24.40	23.30	24.73	23.60	24.10	23.00	23.00	23.00
Fire	18.15	18.25	17.85	17.35	17.43	14.93	14.58	14.50	14.50	14.50
Community Improvement	8.20	8.20	7.20	6.80	6.60	6.20	5.05	7.00	7.00	6.00
Public Works										
Equipment & Vehicle Maint.	0.60	0.60	0.60	0.75	0.65	0.65	0.65	1.55	1.55	2.30
Beautification/Beach Maint.	1.90	1.90	1.90	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Municipal Facilities	11.80	9.30	8.80	7.75	8.76	8.76	8.76	14.15	14.15	14.65
Causeway	6.85	6.85	6.675	7.66	8.42	8.42	8.40	5.55	5.55	5.05
Wastewater	4.93	5.00	5.00	5.30	5.50	5.70	5.70	7.90	7.90	8.00
Solid Waste	10.00	9.85	9.85	9.35	9.93	9.93	9.93	9.60	9.60	10.35
Stormwater Management	2.98	3.05	3.05	3.15	3.15	3.15	3.15	2.75	2.75	2.65
Culture and Recreation	17.54	17.74	17.54	16.34	17.19	16.27	15.65	11.51	11.51	10.51
Total Full-Time Equivalents	125.25	119.94	117.265	115.43	115.36	109.56	107.95	109.51	109.51	109.01

Source: Budget Document

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

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

FUNCTION	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Physical arrests	398	286	265	227	265	333	343	336	425	329
Parking violations	7,812	4,249	5,227	2,648	4,071	4,108	3,151	4,400	4,027	2,830
Traffic violations	1,595	1,850	1,722	1,178	1,654	1,535	1,889	1,736	1,643	1,142
Fire										
Incidents/Calls answered	2,315	2,375	2,179	257	1678.0					
EMS	1,198	1,718	1,696	1,845	1,192	1,308	1,291	1,373	1,257	1,255
Fire	155	495	193	402	101	124	117	268	253	249
Fire alarm systems	157	118	97	111	74	109	93	122	114	118
Hazardous conditions	83	8	35	9	6	5	-	-	-	66
Other incidents	722	29	158	230	109	2	63	321	248	61
Inspections	60	262	269	187	196	366	240	35	10	295
Re-inspections	61	146	168	213						
Highways and streets										
Street sweeping (miles)	708	708	540	648	648	648	648	648	648	648
Causeway										
Bridge openings	1,644	1,627	1,857	1,538	1,626	1,613	1,876	2,008	2,135	1,946
Sanitation										
Yard waste collected (tons)	732	812	701	810	764	721	857	676	421	243
Recyclables collected (tons)	723	764	759	797	796	714	723	829	819	775
Solid waste collected (tons)	6,323	6,645	6,877	7,339	6,597	7,501	7,495	7,631	7,947	7,807
Culture and recreation										
Number of golfers	10,380	11,364	9,500	7,894	6,870	8,013	8,581	9,333	9,326	10,015
Number of tennis players	8,506	10,350	11,250	11,176	6,078	8,100	8,420	8,320	8,537	7,295
Children's program enrollments	341	215	120	110	82	195	175	180	174	261
Number paid facilities rentals	160	117	150	199	67	146	147	88	81	76
Wastewater										
Wastewater processed (thousands of gallons)	437,646	438,480	455,597	465,767	476,416	451,670	435,847	431,274	510,373	490,985
Sanitary Sewers/Storm Drains										
Lines Cleaned (lineal feet)	294,312	85,221	29,522	44,075	22,321	59,421	12,361	16,055	32,368	48,185

Sources: Various City Departments

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FUNCTION										
Public Safety										
Police										
Police station	1	1	1	1	1	1	1	1	1	1
Patrol units	22	10	5	5	5	5	5	5	5	5
Patrol boats	1	1	1	1	1	1	1	1	1	1
Fire										
Fire station	1	1	1	1	1	1	1	1	1	1
Pumper trucks	2	2	2	2	2	2	2	2	2	2
Rescue Vehicles	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	8	8	8	8	7	6	8	6	5	5
Refuse dumpsters	388	388	385	420	423	390	390	384	384	384
Highways and streets										
Streets (miles)	29	29	27	27	25	25	25	25	25	25
Streetlights	905	905	1260	1260	1060	1060	1060	1060	1060	1060
Traffic signals	6	6	6	6	6	6	6	6	6	6
Causeway										
Bascule bridge	1	1	1	1	1	1	1	1	1	1
East/West bridges	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Beach Trail	1	1	1	1	1	1	1	1	1	1
Public beach access	30	30	30	30	30	30	30	30	30	30
Public beach acreage	181	181	181	181	181	181	181	181	181	181
Parks acreage	24	24	24	24	24	24	24	24	24	24
Community/Neighborhood Parks	5	5	5	5	5	5	5	5	5	5
Mini Parks/Bay Access	15	15	15	15	15	15	15	15	15	15
Golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Marina (number of slips)	0	0	14	14	14	14	14	14	14	14
Pavillion	1	1	1	1	1	1	1	1	1	1
Sewer										
Gravity lines (miles)	24	24	24	24	24	24	24	24	24	24
Force main (miles)	4	4	4	4	4	4	4	4	4	4
Manholes	466	466	466	466	466	466	466	466	466	466
CTI Cleanouts	48	48	48	48	48	48	48	48	48	48
Lift Stations (sewer)	11	11	11	11	11	11	11	11	11	11
Lift Stations (stormwater)	1	1	1	1	1	1	1	1	1	1
Master pump station	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

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COMPLIANCE SECTION

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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*

Honorable Mayor and Members of the City Council
City of Treasure Island, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Treasure Island, Florida (the “City”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated July 23, 2025.

Report on Internal Control over Financial Reporting

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

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

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

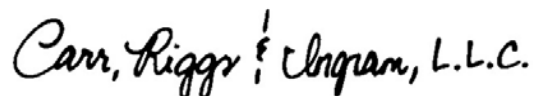
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

City of Treasure Island's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Treasure Island's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



CARR, RIGGS & INGRAM, L.L.C.

Clearwater, Florida
July 23, 2025



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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor and Members of the City Council
City of Treasure Island, Florida

Report on Compliance for Each Major Federal Program and Each Major State Project

Qualified and Unmodified Opinions

We have audited City of Treasure Island, Florida’s (the “City”) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the requirements identified as applicable to the project in the *State of Florida Department of Financial Services’ State Projects Compliance Supplement* that could have a direct and material effect on each of City’s major federal programs and major state projects for the year ended September 30, 2024. The City’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on CSFA 37.039 Statewide Water Quality Restoration Projects

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CSFA 37.039 Statewide Water Quality Restoration Projects for the year ended September 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs and State Projects

In our opinion, City of Treasure Island 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 federal programs and major state projects identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

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 the audit requirements of Title 2 U.S. *Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, *Florida Single Audit Act Audits – Local Governmental Entity Audits*. Our responsibilities under those standards and the Uniform Guidance and Chapter

10.550, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on CSFA 37.039 Statewide Water Quality Restoration Projects

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding CSFA 37.037 Statewide Water Quality Restoration Projects as described in finding number 2024-003 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance

requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 to be a material weakness.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, L.L.C.

Clearwater, Florida

July 23, 2025

City of Treasure Island, Florida
Schedule of Expenditures of Federal Awards and
State Financial Assistance Projects
For the Year Ended September 30, 2024

Federal Grantor / Pass-through Grantor / Program Title	Assistance Listing Number ALN	Grant I.D. Number	Federal Share of Expenditures	Transfers to Subrecipients
FEDERAL AWARDS				
U.S. Department of Treasury:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	CSFRF	\$ 3,000,000	\$ -
Passed through Florida Department of Environmental Protection:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLRFP0125	32,487	-
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			3,032,487	-
Total U.S. Department of Treasury			3,032,487	-
U.S. Department of Homeland Securities:				
Passed through Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4673 HURRICANE IAN	14,118	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR4734 HURRICANE IDALIA	90,161	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			104,279	-
Total U.S. Department of Homeland Securities			104,279	-
Total Federal Financial Assistance			\$ 3,136,766	\$ -
State Grantor / Pass-through Grantor / Program Title	CSFA Number	Grant I.D. Number	State Share of Expenditures	Transfers to Subrecipients
STATE FINANCIAL ASSISTANCE				
Florida Department of Environmental Protection:				
Statewide Water Quality Restoration Projects	37.039	LPA0230	174,856	-
Statewide Water Quality Restoration Projects	37.039	LPA0398	963,555	-
Total Statewide Water Quality Restoration Projects			1,138,411	-
Resilient Florida Program	37.098	23PLN121	9,496	-
Total Florida Department of Environmental Protection			1,147,907	-
Florida Department of Financial Services				
Fire Decontamination Equipment Grant Project	43.013	FM854	22,491	-
Total Florida Department of Financial Services			22,491	-
Florida Department of Management Services				
Local Government Cybersecurity Program	72.016	DMS-24/25-092	165,266	-
Total Florida Department of Management Services			165,266	-
Total State Financial Assistance			\$ 1,335,664	\$ -
Total Expenditures of Federal Awards and State Financial Assistance Projects			\$ 4,472,430	\$ -

See accompanying notes to schedule of expenditures of federal awards and state assistance

City of Treasure Island, Florida
Notes to Schedule of Expenditures of Federal Awards and
State Financial Assistance Projects
For the Year Ended September 30, 2024

Note 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects ("Schedule") presents the activity of all federal financial and state grant activity projects of the City of Treasure Island, Florida (the "City") for the fiscal year ended September 30, 2024. Federal and state financial assistance received directly from federal and state agencies, and federal financial assistance passed through other governmental agencies are included on the schedules. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - BASIS OF ACCOUNTING

"The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects is presented using the accrual basis of accounting. Such expenditures are recognized following the cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has elected not to use the 10% de Minimis Indirect Cost Rate as outlined in the Uniform Guidance.

The City did not receive any federal or state non-cash assistance for the fiscal year ended September 30, 2024."

Note 3 - CONTINGENCIES

Expenditures incurred by the City are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Management believes that if audited, any adjustment for disallowed expenditures would be immaterial in amount. As of September 30, 2024, management is not aware of any material questioned or disallowed expenditures as a result of grant audits in process or completed.

Note 4 - ALN/CSFA NUMBERS

ALN numbers represent Assistance Living Numbers and apply only to federal awards. CSFA numbers represent Catalog of State Financial Assistance and apply only to state financial assistance.

City of Treasure Island, Florida
Notes to Schedule of Expenditures of Federal Awards and
State Financial Assistance Projects
For the Year Ended September 30, 2024

Note 5 - DISASTER GRANTS

Disaster Grants – Public Assistance (Presidentially Declared Disaster) (ALN 97.036): After a Presidentialy Declared Disaster, the Federal Emergency Management Agency (FEMA) provides a Public Assistance Grant to reimburse eligible costs associated with emergency response, debris removal, and eligible costs associated with repair, replacement, or restoration of disaster damaged facilities. The Federal Government reimburses in the form of cost-shared grants. During fiscal year 2024, FEMA approved \$104,279 of eligible expenditures that were incurred in prior years and included in the Schedule.

City of Treasure Island, Florida
Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | None |

Federal Awards:

- | | |
|--|------------|
| 1. Type of Auditor’s report issued on compliance for major programs | Unmodified |
| 2. Internal control on major programs: | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None |
| 4. Identification of major programs: | |

<u>Federal Awards</u>	<u>ALN</u>
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | No |

State Projects:

- | | |
|---|------------|
| 1. Type of auditor’s report issued on compliance for major programs | Modified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with Rule 10.554(1)(l)(4)? | Yes |
| 4. Identification of major programs: | |

<u>State Projects</u>	<u>CSFA</u>
Statewide Water Quality Restoration Projects	37.039

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$400,699 |
|---|-----------|

City of Treasure Island, Florida
Schedule of Findings and Questioned Costs

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weakness

Finding Number: 2024-001 (previously reported as 2023-001)

Year-End Financial Reporting

Criteria: The City is required to close out the fiscal year and present the financial statements in accordance with generally accepted accounting principles.

Condition: During the year-end audit, multiple adjusting entries were necessary to present the financial statements in accordance with generally accepted accounting principles.

Cause: The underlying causes are identified below :

- The City manually calculates depreciation expenses and accumulated depreciation for capital assets. Due to an error in the date of asset additions as well as the formula used for assets acquired during the year, multiple adjustments were required.
- The City did not book asset impairments related to Hurricane Helene in fiscal year 2024.
- The City recorded revenue related to ARPA funds in the General fund when the proceeds were received in the Wastewater fund.
- Other adjusting entries were recorded to align with financial reporting at the end of the fiscal year.

Effect: Significant adjusting entries were recorded to true up the figures for the following:

- Wastewater fund depreciation expense was decreased by \$499,818 related to a correction of current year depreciation
- Governmental capital assets impairment of \$2.3 million was recorded as the result of Hurricane Helene
- General Fund revenue was decreased by \$3 million and Wastewater Fund revenue was increased by \$3 million related to recognition of ARPA revenue in FY2024.

Recommendation: The City should continue to review year-end financial reporting to ensure proper accounting treatment.

Response: See attached Corrective Action Plan.

Significant Deficiency

Finding Number: 2024-002

Preparation of the Schedule of Federal Awards and State Financial Assistance

Criteria: Management is responsible for the preparation of an accurate and complete schedule of expenditures of federal awards and state financial assistance (2 CFR 200.508(b)).

City of Treasure Island, Florida Schedule of Findings and Questioned Costs

Condition: The City did not properly report expenditures on the SEFA when expended. Federal and state expenditures were understated on the schedule of expenditures of federal awards and state financial assistance by approximately \$52K related to the following programs: ALN 97.036 and CSFA 37.098.

Cause: The City had a control weakness that resulted in management failing to comply with the requirement to prepare an accurate schedule of expenditures of federal awards and state assistance (2 CFR 200.508(b)). Additionally, for ALN 97.036, the City incorrectly reported expenditures that were incurred but not yet obligated and excluded expenditures that were previously incurred but obligated in the current year.

Effect: Misstatement of expenditures reported in the SEFA.

Recommendation: We recommend the City improve its financial reporting close process to more accurately complete and review the schedule of expenditures of federal awards and state financial assistance to ensure completeness and accuracy of information reported.

Response: See attached Corrective Action Plan.

SECTION III – FEDEAL PROGRAMS FINDINGS

None noted.

SECTION IV – STATE PROJECTS FINDINGS

Material Weakness

Finding Number: 2024-003

CSFA 37.039

Project Title: Statewide Water Quality Restoration Projects

Passed through: N/A

Contract Number and Year: LPA0230, LPA0398, Project Year 2024.

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria: Section 215.97(2)(j), Florida Statutes, requires non-state entities to establish and maintain effective internal controls over state projects that provide reasonable assurance over the effectiveness and efficiency of operations, reliability of financial operations and compliance with applicable laws and regulations.

The Grantee will identify the expected return on investment for this project and provide this information to the Governor’s Office of Policy and Budget (OPB) within three months of execution of this Agreement. For each full calendar quarter thereafter, the Grantee will provide quarterly

City of Treasure Island, Florida Schedule of Findings and Questioned Costs

update reports directly to OPB, no later than 20 days after the end of each quarter, documenting the positive return on investment to the state that results from the Grantee's project and its use of funds provided under this Agreement. Quarterly reports will continue until the Grantee is instructed by OPB that no further reports are needed, or until the end of this Agreement, whichever occurs first.

Condition: The City did not submit the quarterly Office of Policy and Budget Reporting timely, accurately, and with all the key data elements.

Cause: The City did not have internal controls in place to ensure accurate and timely information is reported to the Governor's Office of Policy and Budget (OPB).

Effect: Noncompliance with state requirements.

Recommendation: We recommend that the City have policies in place to ensure information is reported to the Governor's Office of Policy and Budget (OPB) as required by the State of Florida Department of Environmental Protection.

Response: See attached Corrective Action Plan

City of Treasure Island, Florida
Summary Schedule of Prior Year Audit Findings

Significant Deficiency

Finding Number: 2023-001

Financial Statement Finding: Year-End Financial Reporting

Condition: City of Treasure Island improperly accounted for capital assets in accordance with generally accepted accounting principles.

Recommendation: The City should continue to review year-end financial reporting to ensure proper accounting treatment is completed.

Current Status: Similar findings noted in the current year and reported as Finding 2024-001.



Material Weakness

Finding Number: 2024-001 (previously reported as 2023-001)

Year-End Financial Reporting

Criteria: The City is required to close out the fiscal year and present the financial statements in accordance with generally accepted accounting principles.

Condition: During the year-end audit, multiple adjusting entries were necessary to present the financial statements in accordance with generally accepted accounting principles.

Cause: The underlying causes are identified below:

- The City manually calculates depreciation expenses and accumulated depreciation for capital assets. Due to an error in the date of asset additions as well as the formula used for assets acquired during the year, multiple adjustments were required.
- The City did not book asset impairments related to Hurricane Helene in fiscal year 2024.
- The City recorded revenue related to ARPA funds in the General fund when the proceeds were received in the Wastewater fund.
- Other adjusting entries were recorded to align with financial reporting at the end of the fiscal year.

Effect: Significant adjusting entries were recorded to true up the figures for the following:

- Wastewater fund depreciation expense was decreased by \$499,818 related to a correction of current year depreciation
- Governmental capital assets impairment of \$2.3 million was recorded as the result of Hurricane Helene
- General Fund revenue was decreased by \$3 million and Wastewater Fund revenue was increased by \$3 million related to recognition of ARPA revenue in FY2024.

Recommendation: The City should continue to review year-end financial reporting to ensure proper accounting treatment.

Response: The City is committed to enhancing its year-end close process to ensure accurate and timely financial reporting. We will take the necessary steps to address the identified issues and implement improvements to prevent recurrence in future fiscal years.

Corrective Actions Plan:

1. Enhancement of Depreciation Calculation

- **Action:** Conduct a comprehensive review of current processes to streamline procedures around capital assets. This review will include considering automation for calculating depreciation expenses and accumulated depreciation and engaging with the current software provider to discuss the implementation of the fixed assets module as part of the automation process.
- **Responsible Party:** Finance Director
- **Timeline:** Review of current process by 9/30/25 and evaluation of revised process and implementation by 6/30/26.

2. Timely Booking of Asset Impairments

- **Action:** Review and update the asset impairment policy to ensure timely identification and booking of impairments, particularly in response to significant events such as natural disasters.
- **Responsible Party:** Finance Director
- **Timeline:** By 12/31/25

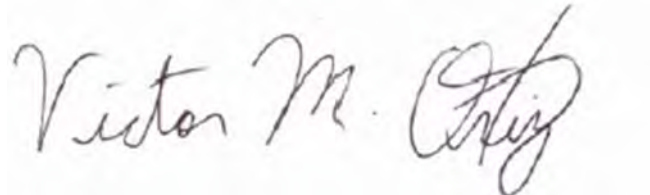
3. Accurate Revenue Recognition

- **Action:** Establish clear guidelines for the recognition of revenue to ensure accurate fund allocation and prevent misclassification of funds.
- **Responsible Party:** Finance Director
- **Timeline:** By 9/30/25

4. Comprehensive Year-End Financial Review

- **Action:** Conduct a thorough review of year-end financial reporting processes to identify and correct discrepancies, ensuring compliance with generally accepted accounting principles.
- **Responsible Party:** Finance Director
- **Timeline:** Ongoing, with quarterly reviews.

Sincerely,

A handwritten signature in black ink that reads "Victor M. Ortiz". The signature is written in a cursive style and is positioned above the typed name and title.

Victor Ortiz
Finance Director
City of Treasure Island



Significant Deficiency

Finding Number: 2024-002

Preparation of the Schedule of Federal Awards and State Financial Assistance

Criteria: Management is responsible for the preparation of an accurate and complete schedule of expenditures of federal awards and state financial assistance (2 CFR 200.508(b)).

Condition: The City did not properly report expenditures on the SEFA when expended. Federal and state expenditures were understated on the schedule of expenditures of federal awards and state financial assistance by approximately \$52K related to the following programs: ALN 97.036 and CSFA 37.098.

Cause: The City had a control weakness that resulted in management failing to comply with the requirement to prepare an accurate schedule of expenditures of federal awards and state assistance (2 CFR 200.508(b)). Additionally, for ALN 97.036, the City incorrectly reported expenditures that were incurred but not yet obligated and excluded expenditures that were previously incurred but obligated in the current year.

Effect: Misstatement of expenditures reported in the SEFA.

Recommendation: We recommend the City improve its financial reporting close process to more accurately complete and review the schedule of expenditures of federal awards and state financial assistance to ensure completeness and accuracy of information reported.

Response:

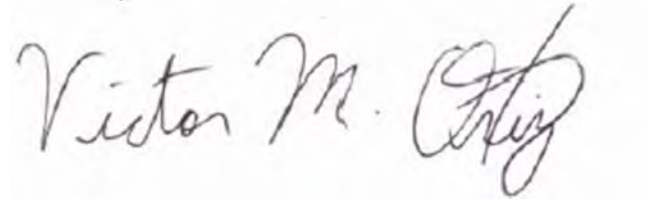
The City acknowledges the finding related to the preparation of the Schedule of Federal Awards and State Financial Assistance (SEFA). We recognize the importance of accurately reporting expenditures and are committed to addressing the identified deficiencies.

To address this, the City's Finance Department will conduct a thorough review of current procedures for preparing the SEFA, identify gaps and weaknesses, and document and communicate updated procedures to relevant staff by September 30, 2025. The Finance Director is responsible for this task. Additionally, the Finance Director will coordinate and provide the training to the finance team on the requirements of 2 CFR 200.508(b) and proper reporting of expenditures, with initial training completed by October 31, 2025, and refresher courses scheduled every six months.

The City's Finance Department will implement a more rigorous review process for the SEFA, including multiple levels of review and cross-checking reported expenditures with actual financial records, by September 30, 2025. A monitoring system will be established by September 30, 2025, to regularly evaluate the effectiveness of corrective actions and address any issues promptly.

Furthermore, the City's Finance Department will collaborate closely with external auditors to ensure corrective action meets expectations and comply with regulations, using auditor feedback to continuously improve financial reporting processes. The initial feedback session will be held by December 31, 2025. The Finance Director will facilitate the collaboration with the external auditors.

Sincerely,

A handwritten signature in black ink that reads "Victor M. Ortiz". The signature is written in a cursive style with a large, stylized "V" and "O".

Victor Ortiz
Finance Director
City of Treasure Island



Material Weakness

Finding Number: 2024-001 (previously reported as 2023-001)

Year-End Financial Reporting

Criteria: The City is required to close out the fiscal year and present the financial statements in accordance with generally accepted accounting principles.

Condition: During the year-end audit, multiple adjusting entries were necessary to present the financial statements in accordance with generally accepted accounting principles.

Cause: The underlying causes are identified below:

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- General Fund revenue was decreased by \$3 million and Wastewater Fund revenue was increased by \$3 million related to recognition of ARPA revenue in FY2024.

Recommendation: The City should continue to review year-end financial reporting to ensure proper accounting treatment.

Response: The City is committed to enhancing its year-end close process to ensure accurate and timely financial reporting. We will take the necessary steps to address the identified issues and implement improvements to prevent recurrence in future fiscal years.

Corrective Actions Plan:

1. Enhancement of Depreciation Calculation

- **Action:** Conduct a comprehensive review of current processes to streamline procedures around capital assets. This review will include considering automation for calculating depreciation expenses and accumulated depreciation and engaging with the current software provider to discuss the implementation of the fixed assets module as part of the automation process.
- **Responsible Party:** Finance Director
- **Timeline:** Review of current process by 9/30/25 and evaluation of revised process and implementation by 6/30/26.

2. Timely Booking of Asset Impairments

- **Action:** Review and update the asset impairment policy to ensure timely identification and booking of impairments, particularly in response to significant events such as natural disasters.
- **Responsible Party:** Finance Director
- **Timeline:** By 12/31/25

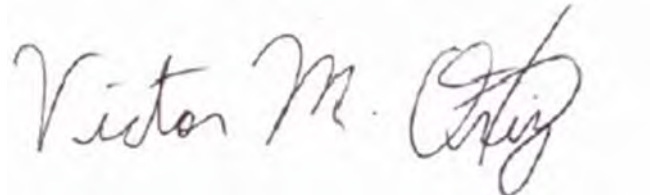
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- **Action:** Establish clear guidelines for the recognition of revenue to ensure accurate fund allocation and prevent misclassification of funds.
- **Responsible Party:** Finance Director
- **Timeline:** By 9/30/25

4. Comprehensive Year-End Financial Review

- **Action:** Conduct a thorough review of year-end financial reporting processes to identify and correct discrepancies, ensuring compliance with generally accepted accounting principles.
- **Responsible Party:** Finance Director
- **Timeline:** Ongoing, with quarterly reviews.

Sincerely,

A handwritten signature in black ink that reads "Victor M. Ortiz". The signature is written in a cursive style and is positioned above the typed name and title.

Victor Ortiz
Finance Director
City of Treasure Island



CARR, RIGGS & INGRAM, L.L.C.

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

600 Cleveland Street

Suite 1000

Clearwater, FL 33755

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727.461.7348 (fax)

CRladv.com

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of the City Council

City of Treasure Island, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Treasure Island, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated July 23, 2025.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Disclosures in those reports and schedule, which are dated July 23, 2025, 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. Finding 2023-001 was not corrected and is reported as finding 2024-001 in the current year.

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 City of Treasure Island was established by by the Laws of Florida, 1955-31322. The City of Treasure Island has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one of more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we recommend that management continue to review financial accounting policies and procedures and ensure all key team members have a clear understanding of policies and procedures impacting roles.

Property Assessed Clean Energy (PACE) Programs

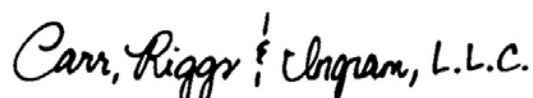
As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City of Treasure Island's geographical boundaries during the fiscal year under audit.

Additional Matters

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

Purpose of this Letter

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



CARR, RIGGS & INGRAM, L.L.C.

Clearwater, Florida

July 23, 2025



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
600 Cleveland Street
Suite 1000
Clearwater, FL 33755

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727.461.7348 (fax)
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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Mayor and Members of the City Council
City of Treasure Island, Florida

We have examined City of City of Treasure Island, Florida’s, (the “City”), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management is responsible for the City’s compliance with those requirements. Our responsibility is to express an opinion on the City’s compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on City’s compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Clearwater, Florida
July 23, 2025