

**CITY OF TREASURE ISLAND, FLORIDA
COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



**FOR THE
Fiscal Year Ended
September 30, 2004**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
CITY OF TREASURE ISLAND, FLORIDA
for the
Fiscal Year Ended
September 30, 2004**



Prepared by The Finance Department

CITY OF TREASURE ISLAND, FLORIDA COMMISSION-MANAGER FORM OF GOVERNMENT

CITY COMMISSION

MARY H. MALOOF, Mayor

PHIL COLLINS, District 1

RICHARD KRAUS, District 3

ED GAYTON, Jr., District 2

ALAN BILDZ, District 4

**CITY MANAGER
Ralph E. Stone**

**FINANCE DIRECTOR
Darren LaFrance**

TABLE OF CONTENTS

	Page
I. INTRODUCTORY SECTION	
LETTER OF TRANSMITTAL	A1
CERTIFICATE OF ACHIEVEMENT	A9
ORGANIZATIONAL CHART	A11
LIST OF ELECTED AND APPOINTED OFFICIALS	A13
II. FINANCIAL SECTION	
AUDITOR'S REPORT - OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	B1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	B3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	C1
Statement of Activities	C2
Fund Financial Statements	
Balance Sheet – Governmental Funds	C4
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	C5
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	C6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	C7
Statement of Net Assets – Proprietary Funds	C8
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	C10
Statement of Cash Flows – Proprietary Funds	C12
Notes to the Financial Statements	D1
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	E1
Statement of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual–Local Option Sales Tax Fund	E3
COMBINING FINANCIAL STATEMENTS	
Combining Balance Sheet – Nonmajor Governmental Funds	F2
Combining Statement of Revenues, Expenditures And Changes in Fund Balances – Nonmajor Governmental Funds	F3
Combining Balance Sheet – Nonmajor Governmental Funds Special Revenue Funds	F4

TABLE OF CONTENTS - Continued

II. FINANCIAL SECTION – Continued

COMBINING FINANCIAL STATEMENTS – Continued

Combining Statement of Revenues, Expenditures And Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds	F5
Combining Balance Sheet – Nonmajor Governmental Funds - Capital Projects Funds	F6
Combining Statement of Revenues, Expenditures And Changes in Fund Balances – Nonmajor Governmental Funds – Capital Projects Funds	F7
Combining Statement of Net Assets–Nonmajor Enterprise Funds	F8
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds	F10
Combining Statement of Cash Flows-Nonmajor Enterprise Funds	F12

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Schedules by Source	G1
Schedule by Function and Activity	G3
Schedule of Changes by Function and Activity	G5

OTHER SUPPLEMENTARY INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Police Training Fund	H1
County Gas Tax Fund	H2
Transportation Trust Fund	H3
Public Works Equipment Sinking Fund	H4
Beach Improvement Fund	H5
EMS Equipment Sinking Fund	H6
Police Contraband Forfeiture Fund	H7

TABLE OF CONTENTS - Continued

III. STATISTICAL SECTION

General Governmental Expenditures by Function - Last Ten Fiscal Years	S2
General Governmental Revenues by Source - Last Ten Fiscal Years	S4
General Governmental Tax Revenues by Source - Last Ten Fiscal Years	S7
Property Tax Levies and Collections - Last Ten Fiscal Years Assessed Value, Exemptions and Estimated Actual Actual Value - Last Ten Fiscal Years	S8 S10
Property Tax Rates and Tax Levies - Direct and All Overlapping Governments - Last Ten Fiscal Years	S12
Special Assessment Collections - Last Ten Fiscal Years	S13
Computation of Legal Debt Margins	S14
Ratio of General Obligation Bond Debt Service to Total General Fund Expenditures - Last Ten Fiscal Years	S15
Computation of Direct and Overlapping Debt	S17
Revenue Bond Coverage - Causeway Fund - Last Ten Fiscal Years	S18
Revenue Bond Coverage - Water Pollution Control Fund - Last Ten Fiscal Years	S20
Demographic Statistics	S22
Property Value, Construction and Bank Deposits - Last Ten Fiscal Years	S23
Schedule of Insurance Coverage	S24
Principal Taxpayers	S26
General Information	S27

BLANK

I. INTRODUCTORY SECTION

This section contains the following:

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS



CITY OF
Treasure Island

120 - 108th AVENUE

FLORIDA 33706
INCORPORATED 1955

PHONE (727) 547-4575
FAX (727) 547-4582

A1

April 19, 2005

Honorable Mayor and Members
of the City Commission
City of Treasure Island
Treasure Island, Florida 33706

Dear Mayor and Commissioners:

The Comprehensive Annual Financial Report (CAFR) of the City of Treasure Island for the fiscal year ended September 30, 2004, 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 CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes the table of contents, this transmittal letter, the City's organizational chart and a list of principal officials. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information, Combining Financial Statements, and Other Supplementary Schedules. The Statistical section includes selected financial and demographic information, generally presented on a multiyear basis. Further descriptions of the new sections appear below.

The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of bridges, streets, and infrastructure; recreational activities and cultural events.

ECONOMIC CONDITION AND OUTLOOK

The City of Treasure Island is an affluent residential island community just off the mainland on the west central coast of Florida.

With tourism being the major industry, most of the City's businesses are service oriented, i.e. lodging facilities, restaurants, small retail establishments, banks, and beach and water related recreation activities.

Treasure Island has long enjoyed a strong viable economic base, being affected, only slightly, by the cyclical fluctuations in the national economy. Real estate values have continued to increase despite any regression that may have been experienced in other parts of the County.

The economic future looks bright even though the City is "built out". We will continue to experience renovation and renewal of the housing stock and improvements to the business community in order to compete in the market area.

Treasure Island property owners and residents enjoy one of the lowest tax rates in the County during a time when State and other municipalities are facing escalating taxes and budgetary problems. The tax rate has remained at approximately two (2) mills since 1982. User and impact fees have remained competitive.

The Mayor and City Commission are expected to continue to exercise fiscal constraint while addressing the present and future needs of the City.

MAJOR INITIATIVES

For the year: During 2003-2004, the City:

- Implemented the financial reporting requirements of Governmental Accounting Standards Board Statement #34 (GASB #34) for our Comprehensive Annual Financial Report for the fiscal year ended September 30, 2003.
- Worked toward completion of the final design of the new Treasure Island Causeway Drawbridge. Construction activities began in January 2005 – see below. The City was notified in November 2003 that we would receive a \$50 million Federal grant for construction of the drawbridge.
- Hired a Civil Engineer for two or three years to perform some of the Public Works Director's duties, allowing the Public Works Director to concentrate more of his time on the Causeway bridge project and construction.

Mayor and City Commission
Page Three

- Hired a new City Manager to replace the City Manager who resigned in June 2004. The new City Manager began in August 2004.

For the future: In 2004-2005, the City will:

- Begin demolition of the old Treasure Island Causeway Drawbridge and construction of the new. In December 2004, the City awarded the construction contract to the same contractor that built the approach bridges which were completed in late 2004. Once construction of the first half of the new bridge is complete, the City will remove the tolls. The City hopes to have all three new bridges completed by 2008.
- Construct Phase II of Sunset Vista Trailhead Park, specifically dune restoration. The City hopes to have this funded with settlement funds from the 1993 oil spill, the same as the original park development.
- Celebrate the City's 50th anniversary. The present day City of Treasure Island was created on May 3, 1955 when the Florida Legislature, through a special act, consolidated the communities of Sunshine Beach, Boca Ciega, Sunset Beach and Treasure Island. Activities planned include a street festival and a beach concert headlined by a local orchestra.

DEPARTMENT FOCUS

Each year the City of Treasure Island selects a department or division to highlight for its efforts and accomplishments. This year, the Community Improvement Department has been selected for review.

The Community Improvement department is responsible for overseeing the development and redevelopment of private property within the City of Treasure Island. In this role, the department is asked to ensure that private property owners comply with the terms of the City Code, the Comprehensive Plan, the Land Development Regulations, the Standard Building Codes and the regulations of the Federal Emergency Management Agency (FEMA) in addition to the applicable laws of the State of Florida. The department reviews site plans, issues building permits, processes variance requests, conducts building inspections, investigates nuisance complaints and explains the Land Development Regulations. In addition, the department issues business and occupational licenses and maintains a record file of past building permits and site plans for each property.

The department staffing during 2003/2004 consisted of six employees - the Community Improvement Director/Code Administrator (the Building Official), the Building Codes Inspector, the City Planner and the Administrative Assistant. The Building Codes Inspector is certified in the areas of residential electrical, mechanical, building and plumbing. On a part-time basis, the department has two Code Enforcement Inspectors.

The department is responsible for maintaining and improving the City's community rating through the Community Rating System (CRS) which affects a community's flood insurance rates. Each community is assigned an initial rating of ten. For each five hundred points a community accumulates, it improves its rating by one. The City of Treasure Island joined the CRS in 1989 with a rating of nine and currently has a seven. The department has already started accumulating points to move to six. Each time a community's rating is improved, all properties in the community receive a five percent (5%) reduction in their flood insurance premiums. Points may be accumulated in such ways as convening a Hazard Mitigation Committee, upgrading Computer systems to include flood plain information and passing and enforcing various ordinances.

The department also acts as staff liaison to both the Planning & Zoning Commission and the Code Enforcement Board. As such, both the Community Improvement Director and the City Planner are responsible to introduce items to the boards and present the City staff's analysis pertaining to applicable codes and regulations.

During the 2003/2004 fiscal year, statistical data reported by the department shows that 1,726 permits were issued with a construction value of \$29,628,929. They also performed 3,645 building inspections. The department collects fees by issuing occupational licenses, building permits and planning & zoning fees. For the 2003/2004 fiscal year, the department collected a total of \$337,715.

FINANCIAL INFORMATION

Reporting Entity: The City of Treasure Island is a Florida Municipal Corporation providing a full range of municipal services contemplated by statute or charter, which includes general government, public safety, public works, and recreation. In addition to these normal governmental functions which are carried in the General Fund, the City, in its Enterprise Funds, accounts for the operations of a causeway and toll bridge, a sewer system, a solid waste collection and disposal system, a stormwater management program and a recreation center. 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 on-line entry of data and control for such entry. The Uniform Accounting System, a manual released 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 being 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 government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual 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 government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated 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 MD&A and should be read in conjunction with it. The MD&A can be found beginning on page B3. 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, beginning on page D1. The Required Supplementary Information (RSI) presents budget to actual comparisons 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.

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 has been complied with and the accounting firm of Grant Thornton LLP was selected. The Auditor's report on the basic financial statements and combining fund statements is included in the financial section of this report.

Mayor and City Commission
Page Seven

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 (CAFR) for the fiscal year ended September 30, 2003. The Certificate of Achievement is a prestigious national award recognizing 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 unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This CAFR must satisfy both generally accepted accounting principles and applicable 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 twenty-three consecutive years (fiscal years ended 1981-2003). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department, and to the City's clerical personnel who assisted and contributed to its preparation. We would also like to thank the members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Ralph Stone
City Manager



Darren LaFrance, CPFO, CGFO
Finance Director

RES:DL/spc

A8

BLANK

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Treasure Island,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2003

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



Nancy L. Zjella

President

Jeffrey R. Emer

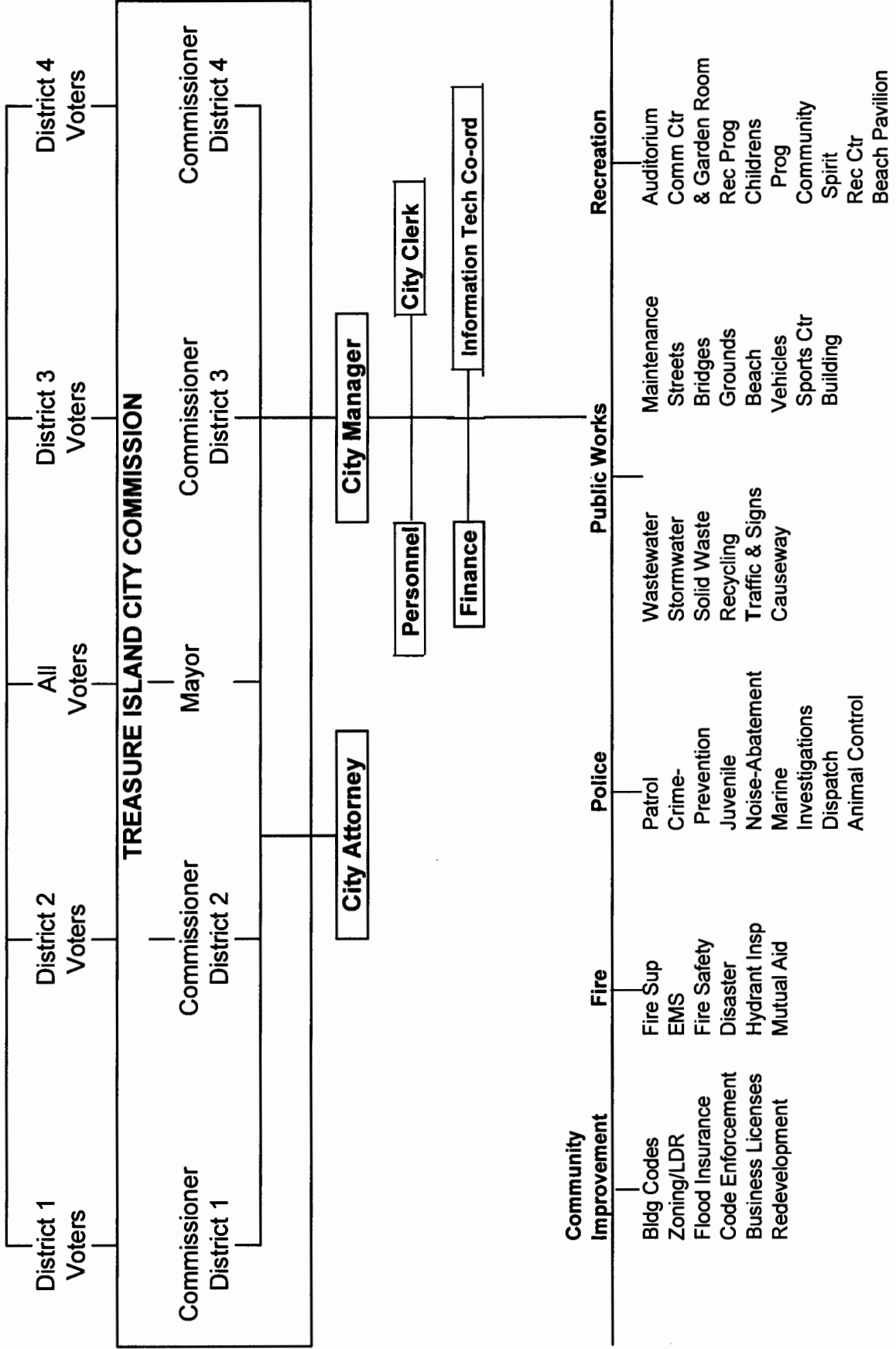
Executive Director

A10

BLANK

CITY OF TREASURE ISLAND ORGANIZATIONAL CHART

RESIDENTS



A12

BLANK

City of Treasure Island, Florida

List of Elected and Appointed Officials

September 30, 2004

Elected Officials

Mayor	Mary H. Maloof
Commissioner, District 1	Phil Collins
Commissioner, District 2	Ed Gayton, Jr.
Commissioner, District 3/Vice Mayor	Richard Kraus
Commissioner, District 4	Alan Bildz

Appointed Officials

City Manager	Ralph E. Stone
City Attorney	Maura Kiefer
Community Improvement Director	Michael Wichman
Deputy City Clerk	Jennifer L. Nye
Finance Director	Darren LaFrance
Fire Chief	Charles J. Fant
Information Technology Coordinator	Mark Santos
Personnel Director	Fred Turner
Police Chief	Joe Pelkington
Public Works Director	Donald Hambidge
Recreation Director	Cathy Hayduke

A14

BLANK

II. FINANCIAL SECTION

This section contains the following subsections:

**AUDITOR'S REPORT-OPINION OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

MANAGEMENT'S DISCUSSION & ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

OTHER SUPPLEMENTARY SCHEDULES

**AUDITOR'S REPORT-
OPINION OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

Independent Auditor's Report

Honorable Mayor and City Commissioners
City of Treasure Island, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida (the City), as of and for the year ended September 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's non-major governmental and non-major enterprise funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended September 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida, as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and the local option sales tax fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental and non-major enterprise fund of the City of Treasure Island, Florida as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2004 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages B3 through B14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements and on each of the City's non-major governmental and non-major enterprise funds. The introductory section, statistical tables, and the other supplementary information on pages H1 through H7 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Grant Thornton". The signature is written in a cursive, flowing style.

Tampa, Florida
December 3, 2004

**MANAGEMENT'S
DISCUSSION
&
ANALYSIS**

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, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages A1 – A7 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$30,365,366 (*net assets*). Of this amount, \$5,524,805 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,366,705. \$3,326,683 is *available for spending* at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,033,898, or 16.39 percent of total general fund expenditures.

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 three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 D1 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 Assets*** and the ***Statement of Activities***.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 of the 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 and recreation. The business-type activities of the City include the Causeway fund (for the Treasure Island Causeway bridge and toll facility), the Water Pollution Control fund (for collection, transmission and treatment of wastewater), the Solid Waste fund (for collection and disposal of all solid wastes), the Stormwater Management fund (for managing the City's NPDES-approved stormwater management program), and the Recreation Center fund (for the operations and maintenance of Treasure Bay Golf & Tennis).

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, 2004.

The government-wide financial statements can be found on pages C1 – C3 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. 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 near-term financing requirements.

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 near-term financing 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 maintains nine individual governmental funds. 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 and the local option sales tax fund, both of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages C4-C7 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 the government-wide financial statements. The City uses enterprise funds to account for its Causeway, Water Pollution Control, Solid Waste, Stormwater Management and Recreation Center funds.

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 the Causeway, Water Pollution Control and Solid Waste funds which are considered to be major funds of the City. The City's other two enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages C8-C13 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 D1 of this report.

The ***Required Supplementary Information*** is in addition to the basic financial statements and accompanying notes. It presents budgetary comparison schedules for the General fund and the Local Option Sales Tax fund. These schedules can be found beginning on page E1 of this report.

The ***Combining Statements*** referred to earlier in connection with nonmajor governmental and enterprise funds are presented immediately following the *required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page F2 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Treasure Island, assets exceeded liabilities by \$30,365,366 at the close of the most recent fiscal year.

A large portion of the City's net assets (81.65 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, 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. Following is a summary chart of the City's net assets, comparing the current year versus the prior year.

	Governmental Activities		Business-type Activities	
	2004	2003	2004	2003
Current and other assets	\$6,551,889	\$5,485,439	\$3,102,881	\$6,667,407
Capital assets	7,391,548	7,637,366	18,132,279	12,540,229
Total assets	13,943,437	13,122,805	21,235,160	19,207,636
Long-term liabilities outstanding			729,020	891,788
Other liabilities	3,185,184	2,841,989	899,027	728,264
Total liabilities	3,185,184	2,841,989	1,628,047	1,620,052
Net assets:				
Invested in capital assets, net of related debt	7,391,548	7,637,366	17,403,259	11,648,441
Restricted			45,754	46,454
Unrestricted	3,366,705	2,643,450	2,158,100	5,892,689
Total net assets	\$10,758,253	\$10,280,816	\$19,607,113	\$17,587,584

Please refer to the *Statement of Net Assets* on page C1 for specific numerical data.

Governmental activities. Governmental activities increased the City's net assets by \$477,437. Key elements of this increase are as follows:

- Expenses exceeded Program revenues by \$4,749,225. By adding in the General revenues and transfers of \$5,226,662, the increase to net assets from governmental activities was \$477,437.
- General revenues include ad valorem taxes which increased by \$373,182, or 16.02 percent, from the prior year; all from increases in assessed valuation.
- For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities. Business-type activities increased the City's net assets by \$2,019,529. Key elements of this increase are as follows:

- Program revenues exceeded Expenses by \$1,916,524. By adding in the General revenues and transfers of \$103,005, the increase to net assets from business-type activities was \$2,019,529.
- There were capital grant revenues of \$2,484,494, all in the Causeway fund from the State of Florida's Transportation Outreach Program (TOPs). These funds were used to pay for the construction of the two fixed bridges. The total awarded grant amount is \$5,200,000 (\$2,715,506 in prior year plus current year).
- The rates for sewer services provided in the Water Pollution Control fund and for solid waste services provided in the Solid Waste fund were adjusted so the funds could continue to fund current operations and future reserves for capital asset replacements. The City will continue to monitor the financial status in these funds.
- Investment earnings decreased by \$55,952 for business-type activities due to (a) an overall decrease in the size of the investment portfolio (mostly due to the use of cash to plan and build the new Causeway bridges), and (b) low interest rates in the market.

Following is a comparative summary chart of the City's statement of activities:

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$2,147,923	\$2,010,659	\$5,151,124	\$5,170,286	\$7,299,047	\$7,180,945
Operating grants and contributions	37,512	11,228			37,512	11,228
Capital grants and contributions	325,743	151,487	2,484,494	2,715,506	2,810,237	2,866,993
General revenues:						
Ad Valorem taxes	2,702,145	2,328,963			2,702,145	2,328,963
Other taxes	2,384,984	2,339,649			2,384,984	2,339,649
Other general revenues	209,220	264,421	33,318	100,481	242,538	364,902
Total revenues	7,807,527	7,106,407	7,668,936	7,986,273	15,476,463	15,092,680
Expenses:						
General government	1,404,398	1,374,166			1,404,398	1,374,166
Public safety	3,442,614	3,308,478			3,442,614	3,308,478
Public works	1,865,690	1,797,072			1,865,690	1,797,072
Culture and Recreation	547,701	561,402			547,701	561,402
Causeway			2,345,093	1,521,927	2,345,093	1,521,927
Water Pollution Control			1,624,658	1,834,768	1,624,658	1,834,768
Solid Waste			1,296,683	1,255,672	1,296,683	1,255,672
Transit System				114,610		114,610
Stormwater Management			117,433	178,138	117,433	178,138
Recreation Center			335,227	317,011	335,227	317,011
Total Expenses	7,260,403	7,041,118	5,719,094	5,222,126	12,979,497	12,263,244
Increase (decrease) in net assets before transfers	547,124	65,289	1,949,842	2,764,147	2,496,966	2,829,436
Transfers	(69,687)	(154,200)	69,687	154,200	0	0
Increase (decrease) in net assets	477,437	(88,911)	2,019,529	2,918,347	2,496,966	2,829,436
Net assets:						
Beginning of year, as restated	10,280,816	10,369,727	17,587,584	14,669,237	27,868,400	25,038,964
End of year	\$10,758,253	\$10,280,816	\$19,607,113	\$17,587,584	\$30,365,366	\$27,868,400

Please refer to the *Statement of Activities* on pages C2 & C3 for specific numerical data for 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.

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. In particular, *unreserved 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 \$3,366,705, an increase of \$723,255 in comparison with the prior year. Most of this total amount (\$3,326,683) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance (\$40,022) is *reserved* for inventory balances.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,033,898, while total fund balance was \$1,073,920. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 16.39 percent of total general fund expenditures, while total fund balance represents 17.02 percent of that same amount.

The total fund balance of the City's general fund increased \$117,868 during the current fiscal year.

Following is a summary chart of the general fund's revenues, expenditures and changes in fund balance.

Revenues:

Ad valorem taxes	\$2,702,145	
Other taxes	1,160,575	
Licenses and permits	337,715	
Intergovernmental	978,828	
Charges for services	1,176,489	
Fines and forfeitures	136,988	
Miscellaneous revenues	<u>23,166</u>	
Total revenues		\$6,515,906

Expenditures:

General government	1,127,834	
Public safety	3,358,318	
Public works	1,367,330	
Culture and recreation	<u>454,869</u>	
Total expenditures		6,308,351

Other Financing Uses:

Transfer out		<u>(89,687)</u>
Net Change in Fund Balance		117,868
Fund Balance - beginning		<u>956,052</u>
Fund Balance - ending		1,073,920
		=====

Key factors in this change are as follows:

- Total General fund revenues increased by \$432,278, or 7.71 percent, from the prior year.
- As previously noted, ad valorem taxes increased by \$373,182, or 16.02 percent, from the prior year; all from increases in assessed valuation.
- Licenses and permits increased \$46,326, or 15.90 percent. Included in this category are revenues from the issuance of building-related permits which increased \$39,769, or 17.21%, mostly due to an increase in building activity and a fee increase.
- Total general fund expenditures increased by \$320,397, or 5.35 percent, from the prior year.
- Public works increased by \$100,910, or 7.9706 percent, from the prior year. This was mostly due to the reclassification of the City's transit system operations from an enterprise fund to a function of the General fund.

The City's other major governmental fund, the Local Option Sales Tax fund has a total fund balance of \$1,298,925, an increase of \$599,888, or 85.82 percent. As opposed to the major projects of prior years such as the Sunset Vista Trailhead Park, the renovations of the Police department and Community Center and the construction of the Beach Pavilion, the current year saw a break. However, other projects, such as the dune restoration at Sunset Vista Trailhead Park, are planned in the future.

Please refer to the *Balance Sheet – Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* on pages C4, C5 and C6 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 fund net assets.

	Causeway	Water Pollution Control	Solid Waste	Nonmajor Enterprise	Total
Operating revenues	\$1,535,462	\$2,024,626	\$1,238,666	\$352,370	\$5,151,124
Operating expenses	<u>2,345,093</u>	<u>1,561,877</u>	<u>1,296,683</u>	<u>452,660</u>	<u>5,656,313</u>
Operating income (loss)	(809,631)	462,749	(58,017)	(100,290)	(505,189)
Nonoperating revenues	2,510,161	3,661	2,477	1,513	2,517,812
Nonoperating expenses		62,781			62,781
Transfers in				69,687	69,687
Net income (loss)	1,700,530	403,629	(55,540)	(29,090)	2,019,529
Total net assets- beginning	<u>14,082,181</u>	<u>2,534,021</u>	<u>282,420</u>	<u>688,962</u>	<u>17,587,584</u>
Total net assets-ending	<u>\$15,782,711</u>	<u>\$2,937,650</u>	<u>\$226,880</u>	<u>\$659,872</u>	<u>\$19,607,113</u>
	=====	=====	=====	=====	=====

Please refer to the *Statement of Net Assets – Proprietary Funds* and the *Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds* on pages C8-C11 for specific numerical data.

General Fund Budgetary Highlights

The general fund's original budget was \$6,485,250 with no supplemental appropriations. The original budget can be briefly summarized as follows:

- General government \$1,075,930
- Public safety \$3,420,990
- Public works \$1,478,290
- Culture and recreation \$ 421,530
- Other financing uses (transfers out) \$ 88,510

With estimated revenues of \$6,462,010, the General fund was estimated to have a decrease to its fund balance of \$23,240. With actual revenues of \$6,515,906 and expenditures and other financing uses of \$6,398,038, the General fund had an actual increase to fund balance of \$117,868.

Please refer to the *Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund* on page E1 for specific numerical data.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2004, amounts to \$24,794,807 (net of related debt). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment and construction in progress.

The major capital asset event during the current fiscal year was the continued construction on the two fixed bridges on the Treasure Island Causeway. The construction contract with Johnson Brothers, Inc is for \$7,703,842 and the construction, engineering and inspection services contract with EC Driver is for \$1,032,890, totaling \$8,736,732. An additional \$5,013,440 was recorded as construction in progress (CIP) at September 30, 2004. With the CIP amount of \$2,975,839 from the previous fiscal year, the total CIP for this project totals \$7,989,279. Construction was completed in late 2004. Final financial settlement on the contracts should occur in the spring of 2005. Funding for this construction came from the Causeway fund and a grant from the State of Florida Department of Transportation. The City continues to plan and design the main drawbridge and the early stages of construction began in January 2005.

Additional information on the City's capital assets can be found in two sections of this report:

- Capital asset activity for both governmental and business-type activities can be found as part of Note D in the Notes to the Financial Statements on pages D10 & D11.
- Schedules for Capital Assets Used in the Operation of Governmental Funds can be found in the section so named on pages G1, G3 & G5 of this report.

Long-term debt. The City has one bonded debt issue outstanding at the end of the current fiscal year in the amount of \$85,000. Information on this debt issue can be found as part of Note D in the Notes to the Financial Statements on pages D14 & D15. The City did not incur any additional debt during the current fiscal year.

The City also has a capitalized lease with the City of St. Petersburg for treatment of its wastewater. The outstanding balance at the end of the current fiscal year is \$644,020. Information on this capitalized lease can be found as part of Note D in the Notes to the Financial Statements on page D14.

Economic Factors and Next Year's Budgets & Rates

The national economy has rebounded positively from a recession and some of the negative effects of September 11, 2001. Since the economy of Treasure Island and the state of Florida in general, is tourist oriented, this rebound has had positive effects. In addition, the Tampa Bay region, of which Treasure Island is a part, is experiencing rapid increases in property values. Those increases have an affect on ad valorem tax revenues and the corresponding millage rate.

At September 30, 2004, unreserved fund balance in the general fund was \$1,033,898. The City has appropriated \$15,990 of this amount for spending in the 2004-2005 fiscal year budget. It is intended that this use of available fund balance will avoid the need to increase the ad valorem millage or other charges during the fiscal year. As part of the regular budgeting monitoring process, the Finance department prepares a monthly financial report that the City Manager and City Commission can use to follow the actual performance of revenue and expenditure estimates. In addition, as of July 31st, an analysis of the budget estimates versus the actual results is done to assess the need for any supplemental appropriations. If necessary, the City Commission would consider passing a supplemental appropriations ordinance prior to the end of the fiscal year.

The City will continue to monitor the financial status and current performance in all its funds. A rate increase was implemented in the Solid Waste fund's rates in the summer of 2004 with the anticipation that another increase would be necessary in 2005 to continue to fund current operations and future reserves for capital equipment replacements.

The City has also begun to analyze and plan for "life after the tolls," referring to the point at which we no longer have tolls on the Treasure Island Causeway, anticipated to be in early 2006. While the City will have all new bridges, on-going expenses for bridge tenders and road maintenance will still be the responsibility of the City. The City will examine the possibility of cost sharing agreements with the State of Florida and the neighboring City of St. Petersburg and how to fund the areas of responsibility the City retains.

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, 120 108th Avenue, Treasure Island, Florida 33706. You may visit the City's website at www.ci.treasure-island.fl.us or send email to CityHall@ci.treasure-island.fl.us.

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 nonmajor funds in the aggregate. The notes to the financial statements present information essential for a fair presentation of the financial statements that is not displayed on the face of the financial statements.

City of Treasure Island, Florida
Statement of Net Assets
September 30, 2004

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$3,164,405	\$2,637,468	\$5,801,873
Investments		36,296	36,296
Receivables	3,234,611	496,214	3,730,825
Internal balances	112,851	(112,851)	0
Inventory	40,022		40,022
Restricted assets:			
Cash		14,880	14,880
Cash with paying agent		30,874	30,874
Capital assets (net of accumulated depreciation)			
Land	3,546,244	715,734	4,261,978
Buildings and system Improvements	928,378	114,569	1,042,947
Machinery and equipment	2,340,734	3,998,902	6,339,636
Construction in progress	576,192	628,361	1,204,553
		12,674,713	12,674,713
Total assets	13,943,437	21,235,160	35,178,597
LIABILITIES			
Accounts payable	93,331	737,648	830,979
Accrued liabilities	231,497	67,328	298,825
Deferred revenue	2,860,356	92,068	2,952,424
Liabilities payable from restricted assets		1,983	1,983
Noncurrent liabilities:			
Due within one year		174,203	174,203
Due in more than one year		554,817	554,817
Total liabilities	3,185,184	1,628,047	4,813,231
NET ASSETS			
Invested in capital assets, net of related debt	7,391,548	17,403,259	24,794,807
Restricted for debt service		45,754	45,754
Unrestricted	3,366,705	2,158,100	5,524,805
Total net assets	\$10,758,253	\$19,607,113	\$30,365,366

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

**City of Treasure Island, Florida
Statement of Activities
For the fiscal year ended September 30, 2004**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$1,404,398	\$1,046,570	\$0	\$0
Public Safety	3,442,614	879,328	8,021	19,375
Public Works	1,865,690	82,025	28,736	306,368
Culture and recreation	547,701	140,000	755	0
Total governmental activities	7,260,403	2,147,923	37,512	325,743
Business-type activities:				
Causeway	2,345,093	1,535,462	0	2,484,494
Water Pollution Control	1,624,658	2,024,626	0	0
Solid Waste	1,296,683	1,238,666	0	0
Stormwater Management	117,433	158,970	0	0
Recreation Center	335,227	193,400	0	0
Total business-type activities	5,719,094	5,151,124	0	2,484,494
Total primary government	\$12,979,497	\$7,299,047	\$37,512	\$2,810,237

General Revenues:

- Ad Valorem Taxes levied for general purposes
- Sales Taxes
- Franchise Fees
- Utility Taxes
- Occupational Taxes
- Other Taxes
- State Shared Revenues
- Miscellaneous Revenues
- Unrestricted investment earnings
- Gain on sale of machinery and equipment

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year, as restated

Net assets - end of year

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

**Net (Expense) Revenue
and Changes in Net Assets**

Governmental Activities	Business-type Activities	Total
(\$357,828)		(\$357,828)
(2,535,890)		(2,535,890)
(1,448,561)		(1,448,561)
(406,946)		(406,946)
(4,749,225)	0	(4,749,225)
	1,674,863	1,674,863
	399,968	399,968
	(58,017)	(58,017)
	41,537	41,537
	(141,827)	(141,827)
0	1,916,524	1,916,524
(4,749,225)	1,916,524	(2,832,701)
2,702,145		2,702,145
1,167,447		1,167,447
536,886		536,886
450,434		450,434
55,151		55,151
175,066		175,066
173,730		173,730
9,374	14,435	23,809
14,969	18,883	33,852
11,147		11,147
(69,687)	69,687	0
5,226,662	103,005	5,329,667
477,437	2,019,529	2,496,966
10,280,816	17,587,584	27,868,400
\$10,758,253	\$19,607,113	\$30,365,366

City of Treasure Island, Florida
Balance Sheet
Governmental Funds
September 30, 2004

Major Governmental Funds

	General	Local Option Sales Tax	Non Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$908,820	\$1,252,202	\$1,003,383	\$3,164,405
Receivables				
Taxes	3,081,500			3,081,500
Accounts	100,629	46,723	5,759	153,111
Due from other funds	112,851			112,851
Inventories	40,022			40,022
Total assets	\$4,243,822	\$1,298,925	\$1,009,142	\$6,551,889
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	78,049		15,282	93,331
Accrued Liabilities	231,497			231,497
Deferred revenue	2,860,356			2,860,356
Total liabilities	3,169,902	0	15,282	3,185,184
Fund balances:				
Reserved for inventories	40,022			40,022
Unreserved, reported in				
General fund	1,033,898			1,033,898
Special revenue funds		1,298,925	304,546	1,603,471
Capital projects funds			689,314	689,314
Total fund balances	1,073,920	1,298,925	993,860	3,366,705
Total liabilities and fund balances	\$4,243,822	\$1,298,925	\$1,009,142	\$6,551,889

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

City of Treasure Island, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
September 30, 2004

Difference in amounts reported for the governmental activities in the
Statement of Net Assets on page C1

Fund balances - total governmental funds	\$3,366,705
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds	7,391,548

Net assets of governmental activities	\$10,758,253
	=====

The accompanying notes are an integral part of this statement.

City of Treasure Island
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2004

	Major Governmental Funds			
	General	Local Option Sales Tax	Non Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Ad Valorem Taxes	\$2,702,145	\$	\$	\$2,702,145
Sales Taxes		668,174		668,174
Franchise Fees	536,886			536,886
Utility Services Taxes	450,434			450,434
Communication Services Tax	173,255			173,255
Licenses and Permits	337,715			337,715
Intergovernmental	978,828	166,368	250,485	1,395,681
Charges for Services	1,176,489		89,330	1,265,819
Fines and Forfeitures	136,988		66,013	203,001
Miscellaneous Revenues	23,166	33,733	23,423	80,322
Total Revenues	6,515,906	868,275	429,251	7,813,432
EXPENDITURES				
Current:				
General Government	1,127,834			1,127,834
Public Safety	3,358,318		42,218	3,400,536
Public Works	1,367,330	132,607	242,561	1,742,498
Culture and Recreation	454,869			454,869
Capital Outlay		135,780	158,973	294,753
Total Expenditures	6,308,351	268,387	443,752	7,020,490
Excess (deficiency) of revenues over expenditures	207,555	599,888	(14,501)	792,942
Other Financing Sources (Uses)				
Transfers In			20,000	20,000
Transfers Out	(89,687)			(89,687)
Total other financing sources (uses)	(89,687)	0	20,000	(69,687)
Net Change in Fund Balances	117,868	599,888	5,499	723,255
Fund Balances - Beginning	956,052	699,037	988,361	2,643,450
Fund Balances - Ending	\$1,073,920	\$1,298,925	\$993,860	\$3,366,705

The accompanying notes are an integral part of this statement.

City of Treasure Island, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the fiscal year ended September 30, 2004

Difference in amounts reported for governmental activities in the Statement of Activities on pages C2 and C3

Net change in fund balances - total governmental funds		\$723,255
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>		
		(239,913)
<p>In the statement of activities, only the gain on the sale of machinery and equipment is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the:</p>		
Cost of machinery and equipment sold	65,526	
Less accumulated depreciation on the assets	(59,621)	
	-----	(5,905)
Change in net assets of governmental activities - page C3		----- \$477,437 =====

The accompanying notes are an integral part of this statement.

**City of Treasure Island, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2004**

Business-type Activities-Enterprise Funds

Major Enterprise Funds

	Causeway	Water Pollution Control	Solid Waste	Non Major Enterprise Funds	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$2,058,319	\$287,087	\$54,786	\$237,276	\$2,637,468
Investments	18,148	18,148			36,296
Accounts receivable	990	464,783	4,950	25,491	496,214
Due from other funds		120,026			120,026
Total current assets	2,077,457	890,044	59,736	262,767	3,290,004
Noncurrent Assets:					
Restricted cash		14,880			14,880
Cash with paying agent		30,874			30,874
Total noncurrent assets:	0	45,754	0	0	45,754
Capital assets:					
Land	701,849	13,885			715,734
Buildings and system Improvements	313,961			73,547	387,508
Machinery and equipment	5,755,492	6,333,008		780,455	12,868,955
Capitalized leases-treatment plant	186,528	384,900	567,052	96,086	1,234,566
Construction in progress	12,674,713	2,075,614			2,075,614
Less accumulated depreciation	(5,237,124)	(5,937,318)	(223,589)	(426,780)	(11,824,811)
Total capital assets (net of accumulated depreciation)	14,395,419	2,870,089	343,463	523,308	18,132,279
Total noncurrent assets	14,395,419	2,915,843	343,463	523,308	18,178,033
Total assets	\$16,472,876	\$3,805,887	\$403,199	\$786,075	\$21,468,037

This statement continues on the following page.

**City of Treasure Island, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2004**

Business-type Activities-Enterprise Funds

Major Enterprise Funds

	Causeway	Water Pollution Control	Solid Waste	Non Major Enterprise Funds	Total
LIABILITIES					
Current Liabilities:					
Accounts payable	\$577,872	\$120,085	\$37,441	\$2,250	\$737,648
Due to other funds			120,026	112,851	232,877
Accrued compensated absences	7,463	10,993	8,363	3,579	30,398
Deferred revenue	92,068				92,068
Accrued wages payable	12,762	6,156	10,489	7,523	36,930
Revenue bonds-current		25,000			25,000
Capital lease obligation-current		149,203			149,203
Total current liabilities	690,165	311,437	176,319	126,203	1,304,124

Current liabilities payable from restricted assets:					
Accrued interest payable		1,983			1,983
Total current liabilities payable from restricted assets	0	1,983	0	0	1,983

Noncurrent liabilities:					
Revenue bonds (net of current portion)		60,000			60,000
Capital lease obligation		494,817			494,817
Total noncurrent liabilities	0	554,817	0	0	554,817

Total liabilities	690,165	868,237	176,319	126,203	1,860,924
NET ASSETS					
Invested in capital assets, net of related debt	14,395,419	2,141,069	343,463	523,308	17,403,259
Restricted for bond payments		45,754			45,754
Unrestricted	1,387,292	750,827	(116,583)	136,564	2,158,100
Total net assets	\$15,782,711	\$2,937,650	\$226,880	\$659,872	\$19,607,113
=====					

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

City of Treasure Island, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended September 30, 2004

Business-type Activities-Enterprise Funds

Major Enterprise Funds

	Causeway	Water Pollution Control	Solid Waste	Non Major Enterprise Funds	Total
OPERATING REVENUES					
Cash Tolls	\$1,157,241	\$	\$	\$	\$1,157,241
Passes	378,221				378,221
Charges for Services		2,024,626	1,238,666	352,370	3,615,662
Total operating revenues	1,535,462	2,024,626	1,238,666	352,370	5,151,124
OPERATING EXPENSES					
Personal Services	587,236	317,640	531,456	264,478	1,700,810
Contractual Services	650,980	791,799	608,569	65,820	2,117,168
Materials, Supplies, Repairs and Utilities	845,431	121,007	98,239	68,790	1,133,467
Depreciation	261,446	331,431	58,419	53,572	704,868
Total operating expense	2,345,093	1,561,877	1,296,683	452,660	5,656,313
Operating income (loss)	(\$809,631)	\$462,749	(\$58,017)	(\$100,290)	(\$505,189)

This statement continues on the following page.

City of Treasure Island, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended September 30, 2004

Business-type Activities-Enterprise Funds

Major Enterprise Funds

	Causeway	Water Pollution Control	Solid Waste	Non Major Enterprise Funds	Total
NONOPERATING REVENUES (EXPENSES)					
Investment Earnings	\$15,575	\$2,170	\$129	\$1,009	\$18,883
Interest and fees on bonds		(62,781)			(62,781)
Grants	2,484,494				2,484,494
Miscellaneous Revenues (Expense)	10,092	1,491	2,348	504	14,435
Total nonoperating revenues (expenses)	2,510,161	(59,120)	2,477	1,513	2,455,031
Income (loss) before transfers	1,700,530	403,629	(55,540)	(98,777)	1,949,842
Transfers in				69,687	69,687
NET INCOME (LOSS)	1,700,530	403,629	(55,540)	(29,090)	2,019,529
Total net assets - beginning	14,082,181	2,534,021	282,420	688,962	17,587,584
Total net assets - ending	\$15,782,711	\$2,937,650	\$226,880	\$659,872	\$19,607,113

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

City of Treasure Island, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal year ended September 30, 2004

Business-type Activities - Enterprise Funds

Major Enterprise Funds

	Causeway	Water Pollution Control	Solid Waste	Non Major Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$1,545,534	\$1,847,589	\$1,233,716	\$352,030	\$4,978,869
Payments to suppliers	(1,350,279)	(895,525)	(584,627)	(97,086)	(2,927,517)
Payments to employees	(587,236)	(317,640)	(531,456)	(264,478)	(1,700,810)
Net cash provided by (used in) operating activities	(391,981)	634,424	117,633	(9,534)	350,542
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers to (from) other funds				69,687	69,687
Net cash provided by (used in) noncapital financing activities	0	0	0	69,687	69,687
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(5,986,961)	(181,050)	(145,734)		(6,313,745)
Proceeds from capital grant	3,427,086				3,427,086
Principal paid on revenue bonds and capital leases		(162,768)			(162,768)
Interest paid on revenue bonds and capital leases		(63,364)			(63,364)
Proceeds from sale of capital assets			19,175		19,175
Net cash provided by (used in) capital and related financing activities	(2,559,875)	(407,182)	(126,559)	0	(3,093,616)

This statement continues on the following page.

City of Treasure Island, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal year ended September 30, 2004

Business-type Activities - Enterprise Funds

	Major Enterprise Funds				Total
	Causeway	Water Pollution Control	Solid Waste	Non Major Enterprise Funds	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale and maturities of investment securities	2,230,080	48,499	28,382	78,614	2,385,575
Investment Earnings	19,313	2,014	129	1,009	22,465
Net cash provided by (used in) investing activities	2,249,393	50,513	28,511	79,623	2,408,040
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(702,463)	277,755	19,585	139,776	(265,347)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,760,782	55,086	35,201	97,500	2,948,569
END OF YEAR	\$2,058,319	\$332,841	\$54,786	\$237,276	\$2,683,222
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(\$809,631)	\$462,749	(\$58,017)	(\$100,290)	(\$505,189)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	261,446	331,431	58,419	53,572	704,868
Miscellaneous revenues (expenses)	10,092	1,491		504	12,087
Change in assets and liabilities:					
(Increase) Decrease in Accts receivable	(20)	(178,528)	(4,950)	(844)	(184,342)
Increase (Decrease) in Accts payable	146,132	17,281	122,181	35,613	321,207
(Increase) Decrease in Inventories				1,911	1,911
Total adjustments	417,650	171,675	175,650	90,756	855,731
Net cash provided by (used in) operating activities	(\$391,981)	\$634,424	\$117,633	(\$9,534)	\$350,542
Noncash Investing, Capital and Financing Activities:					
Increase (Decrease) in Fair Market Value of Investments	\$156	\$156			\$312

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

C14

BLANK

**NOTES TO THE
FINANCIAL STATEMENTS**

City of Treasure Island, Florida**NOTES TO FINANCIAL STATEMENTS****September 30, 2004****NOTE A - 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), all applicable statements, and the Financial Accounting Standards Board (FASB), statements issued on or before November 30, 1989, as applicable. 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, 2004.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units, if any. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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 City 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 expenditure, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 required to be accounted for in another fund.

The *Local Option Sales Tax* fund accounts for the additional, voter approved, county-wide 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 *Causeway* fund accounts for the operation and maintenance of the causeway toll collection and drawbridge facilities.

The *Water Pollution Control* 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are the administrative and other charges between the City's enterprise funds and the General fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 Causeway fund are from cash tolls and the sale of annual passes. The principal operating revenues of the other Enterprise funds are from charges to customers for sales and services. Operating expenses for these 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Deposits and investments

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.

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 Agencies, 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.

The City's investments are carried at fair value.

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, 2004 to be collectible; accordingly, no allowance for doubtful accounts is required. If any amounts are subsequently determined to be uncollectible, they are considered to be immaterial to the financial statements and will be charged to operations when that determination is made.

Inventories

Inventories of expendable supplies held for consumption are priced at average cost, which approximates first-in, first-out. Reported inventories are determined by physical count. Inventories are recorded as expenditures under the consumption method when they are used.

Restricted assets

Proceeds from debt and funds set aside for payment of enterprise fund general obligation debt and revenue bonds are classified as restricted assets since their use is limited by applicable bond indentures.

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 or donated. Donated capital assets are recorded at fair 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.

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 is 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	4-10

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

Compensated absences

Employees earn annual leave at various rates up to a maximum of 202 hours per year after 21 years of service. The maximum permissible accumulation is 80 hours per year. At termination, employees are paid for any accumulated annual leave. The liability for accumulated annual leave at September 30, 2004 is \$162,114 as reported in the Proprietary Funds and the General Fund (as the amounts would normally be liquidated with expendable available financial resources).

Employees earn sick leave at the rate of 8 hours per month with up to six months accumulation for those employees working a regular workweek. Employees on a 56 hour workweek accumulate sick leave at the rate of 11.2 hours per month with up to six months accumulation. These benefits are paid only when taken and any accumulation of sick leave is lost upon termination. The unused sick leave pay benefit at September 30, 2004 is \$878,547. This amount has not been recorded in the accounts of the various funds as payment of the compensation is not probable.

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 assets.

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND
FUND FINANCIAL STATEMENTS**

**EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statements. The reconciliation explains that "capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds". The details of this \$7,391,548 difference are as follows:

Capital assets	\$ 13,572,984
Accumulated depreciation	<u>(6,181,436)</u>
Net adjustment to increase fund balance	
-total governmental funds to	
arrive at net assets-governmental	
activities	\$ <u>7,391,548</u>

**EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The details of this (\$ 239,913) difference are as follows:

Capital outlay	\$ 294,753
Depreciation expense	<u>(534,666)</u>
Net adjustment to increase-net changes	
in fund balances-total governmental	
funds to arrive at changes in net assets	
of governmental activities	\$ <u>(239,913)</u>

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to July 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
2. Workshops are held throughout July to finalize a tentative budget.
3. Two public hearings are held to obtain taxpayer comments.
4. Prior to October 1, the budget is legally enacted through the passage of an ordinance.
5. The annual operating budget serves as the legal authorization for expenditures. Unencumbered appropriations in the operating budget lapse at fiscal year end.
6. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, the City Commission must approve any revisions that alter the total expenditures of any fund.
7. Formal budgeting integration is employed as a management control device during the year for all governmental funds where a formal budget is adopted.
8. Budgets are legally adopted for the General, Local Option Sales Tax, Police Training, County Gas Tax, Transportation Trust, Public Works Equipment Sinking, Beach Improvement, EMS Equipment Sinking and Police Contraband Forfeiture Funds. The budgets are adopted on the same basis as GAAP with the exception of accounting for encumbrances as expenditures for all funds with legally adopted budgets.
9. The level of control (at which expenditures may not exceed budget) is the Fund.

Budget amounts are those as adopted by the City Commission on September 30, 2003 plus a supplemental appropriations ordinance adopted during September 2004.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and carry over to the following year.

Encumbrances have been reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Capital Projects Fund Types for a more meaningful budget comparison; however, they have not been considered expenditures in the other financial statements.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

- a) The Beach Improvement Fund had appropriations of \$200,000 and expenditures of \$207,109. The overage of \$7,109 is attributable to higher than anticipated expenses associated with the Beach Stewardship Committee and additional maintenance work required following the four hurricanes that affected our area during August and September 2004.
- b) The EMS Equipment Sinking Fund had appropriations of \$26,750 and expenditures of \$29,243. The overage of \$2,493 is attributable to higher than anticipated expenses associated with equipment replacements.
- c) There were no other expenditures or expenses exceeding appropriations for the fiscal year ended September 30, 2004. During August 2004, an analysis was performed to determine the necessity for any additional supplemental appropriations. This analysis showed the need for supplemental appropriations in the County Gas Tax, Transportation Trust, Beach Improvement and, Police Contraband Forfeiture Funds. The City Commission approved these supplemental appropriations with ordinance 04-08, passed on September 28, 2004

NOTE D – DETAILED NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Cash resources of the individual funds are combined to form a pool of cash and investments, which is managed by the City Finance Director. Investments of pooled cash consist primarily of certificates of deposit and time deposits and are carried at fair value. Commercial paper and U.S. Instrumentalities maturing within one year of date of purchase are carried and amortized in accordance with GASB Statement #31. Interest income earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average daily balance of cash and marketable securities of each fund. It is the City's intention to hold investments until maturity.

At year-end, the City had cash and cash equivalent balances on the books of \$5,847,626, (less \$40,594 in petty cash and cash with paying agents) and investments of \$36,296 (as detailed below) for a total of \$5,883,922. Cash balances per the bank totaled \$6,002,992. Governmental Accounting Standards Board (GASB) Statement Number 3 requires certain disclosures for deposits and investments, including management's determination of custodial credit risk, defined as follows:

Category 1 - Insured or collateralized with securities held by the City or its agent in the City's name. This includes federal depository insurance and collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes, which is considered insured for risk categorization purposes. The amount covered in this category is \$6,002,992.

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 Agencies, 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.

At year-end, the City's investments were as follows:

	<u>Amortized Cost</u>	<u>Fair Value</u>
U.S. Government Securities	____ 35,565	____ 36,296
TOTAL INVESTMENTS	<u>\$ 35,565</u>	<u>\$ 36,296</u>

All of the City's investments are insured or registered and are held by the City or its agents in the City's name.

D10

CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2004 as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
	-----	-----	-----	-----
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$3,546,244	-	-	\$3,546,244
Construction in progress	38,755	-	(38,755)	0
	-----	-----	-----	-----
Total capital assets, not being depreciated	3,584,999	0	(38,755)	3,546,244
Capital assets, being depreciated:				
Buildings	1,245,456	-	-	1,245,456
Building improvements	5,557,890	187,465	-	5,745,355
Machinery and equipment	2,955,412	146,043	(65,526)	3,035,929
	-----	-----	-----	-----
Total capital assets, being depreciated	9,758,758	333,508	(65,526)	10,026,740
Less accumulated depreciation for:				
Buildings	(294,194)	(22,884)	-	(317,078)
Building improvements	(3,087,784)	(316,837)	-	(3,404,621)
Machinery and equipment	(2,324,413)	(194,945)	59,621	(2,459,737)
	-----	-----	-----	-----
Total accumulated depreciation	(5,706,391)	(534,666)	59,621	(6,181,436)
	-----	-----	-----	-----
Total capital assets being depreciated, net	4,052,367	(201,158)	(5,905)	3,845,304
	-----	-----	-----	-----
Governmental activities capital assets, net	\$7,637,366	(\$201,158)	(\$44,660)	\$7,391,548
	=====	=====	=====	=====

	Beginning Balance	Increases	Decreases	Ending Balance
	-----	-----	-----	-----
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$715,734	-	-	\$715,734
Construction in progress	6,687,752	5,986,961	-	12,674,713
	-----	-----	-----	-----
Total capital assets, not being depreciated	7,403,486	5,986,961	0	13,390,447
Capital assets, being depreciated:				
Buildings	387,508	-	-	387,508
Improvements other than buildings	12,687,905	181,050	-	12,868,955
Machinery and equipment	1,195,125	145,734	(106,293)	1,234,566
Systems	2,075,614	-	-	2,075,614
	-----	-----	-----	-----
Total capital assets, being depreciated	16,346,152	326,784	(106,293)	16,566,643
Less accumulated depreciation for:				
Buildings	(259,548)	(13,391)	-	(272,939)
Improvements other than buildings	(8,490,344)	(379,709)	-	(8,870,053)
Machinery and equipment	(744,009)	(225,055)	89,466	(879,598)
Systems	(1,715,508)	(86,713)	-	(1,802,221)
	-----	-----	-----	-----
Total accumulated depreciation	(11,209,409)	(704,868)	89,466	(11,824,811)
	-----	-----	-----	-----
Total capital assets being depreciated, net	5,136,743	(378,084)	(16,827)	4,741,832
	-----	-----	-----	-----
Business-type activities capital assets, net	\$12,540,229	\$5,608,877	(\$16,827)	\$18,132,279
	=====	=====	=====	=====

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

Governmental activities:		
General government		\$276,564
Public safety		42,078
Public works		123,192
Culture and recreation		92,832

Total depreciation expense - governmental activities		\$534,666
		=====
Business-type activities:		
Causeway		\$261,446
Water pollution control		331,431
Solid waste		58,419
Stormwater management		22,610
Recreation center		30,962

Total depreciation expense - business-type activities		\$704,868
		=====

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables

The composition of interfund balances as of September 30, 2004, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Recreation Center	112,851
Water Pollution Control	Solid Waste	<u>120,026</u>
Total		\$ 232,877

This balance reflects the difference in amounts due to the General fund by the Recreation Center fund not covered by the General fund's subsidy to the Recreation Center fund. This amount varies seasonally and covers short term cash flow deficiencies.

Interfund transfers

	<u>Transfer In</u>		
	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
	<u>Police Training</u>	<u>Transit</u>	<u>Recreation Ctr</u>
<u>Transfer Out:</u>			
General fund	\$20,000	\$1,177	\$68,510
	-----	-----	-----
Totals	<u>\$20,000</u>	<u>\$1,177</u>	<u>\$68,510</u>

The transfers from the General fund were for subsidies for the respective operations: for the Police Training fund to provide police officer training and related expenses; for the Recreation Center to provide funding for the operation of Treasure Bay Golf and Tennis. The transfer to Transit was to eliminate the deficit net assets and close the fund.

LEASES*Operating leases*

The City leases certain causeway toll equipment. The five year noncancellable lease, which commenced October 1, 1989, had the option of an automatic three year renewal clause. The three year renewal period began October 1, 1994 and expired September 30, 1997. The lease for this equipment met the criteria of an operating lease under Financial Accounting Standards Board (FASB) Statement No. 13 "Accounting for leases".

During the 1997-1998 fiscal year, the City negotiated an extension to the above lease. During the 1998-1999 fiscal year, the City reached agreement for a new lease with terms similar to the expired lease. The lease will officially begin once all new equipment has been installed and is working properly. It was anticipated to commence in early 2001 but due to continued equipment implementation issues, it has not. Therefore, the City continues to lease the equipment on a month to month basis under the terms of the expired lease.

Rental expense for the causeway toll equipment for the year ended September 30, 2004, was \$ 68,347.

D14

Capital leases

Water Pollution Control Fund

The City has entered into a 25-year lease agreement with the City of St. Petersburg, Florida, whereby St. Petersburg will treat the total wastewater flow from Treasure Island at the Northwest Treatment Plant of St. Petersburg. This agreement meets the criteria of capital leases under Financial Accounting Standards Board (FASB) Statement No. 13 "Accounting for Leases".

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of minimum lease payments at September 30, 2004

Year ended September 30,

2005	195,332
2006	195,332
2007	195,332
2008	<u>164,438</u>
Total minimum lease payments	750,434
Less amount representing interest	<u>106,414</u>
	<u>\$ 644,020</u>
Present value of net minimum lease payments	
Current	\$ 149,203
Long Term	<u>494,817</u>
Total	<u>\$ 644,020</u>
Assets under Capital Lease	\$2,075,614
Less: Accumulated Depreciation	<u>1,802,221</u>
Total	<u>\$ 273,393</u>

LONG-TERM DEBT

Sewer Revenue Bonds

In 1977, the State of Florida provided \$410,000 to the City of Treasure Island for improvements to the sewer system. Net revenues of the sewer system, after reduction for debt service requirements of the outstanding Sewer Revenue Bonds dated January 1, 1963, and investment income on the Bond Interest and Sinking Fund were pledged in payment of bond principal and interest. The bonds bear interest at 5.4%, 5.5% and 5.6% per annum, payable on May 1 and November 1. The bonds mature serially on each May 1 and November 1, and at September 30, 2004, \$325,000 of bonds had been paid leaving outstanding bonds payable as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2005	25,000	4,760	29,760
September 30, 2006	30,000	3,360	33,360
September 30, 2007	\$ 30,000	\$ 1,680	\$ 31,680
	\$ 85,000	\$ 9,800	\$ 94,800

The amount of interest costs incurred in the Water Pollution Control Fund, and charged to expense, was \$62,781, of which \$6,160 was interest payment on bonded indebtedness.

There were no new long-term debt agreements entered into during the current fiscal year.

SEGMENT INFORMATION

In 1997, the State of Florida provided \$ 410,000 to the City for improvements to the water pollution control system. Net revenues of the system, after reduction for debt service requirements and investment income on the bond interest and sinking fund are pledged for payment of bond principal and interest. Summary financial information for the Water Pollution Control fund is presented below:

CONDENSED STATEMENT OF NET ASSETS

ASSETS	
Current Assets	\$890,044
Restricted assets:	45,754
Capital assets	2,870,089

Total assets	3,805,887

LIABILITIES	
Current liabilities	311,437
Current liabilities payable from restricted assets	1,983
Noncurrent liabilities	554,817

Total liabilities	868,237

NET ASSETS	
Invested in capital assets, net of related debt	2,141,069
Restricted for bond payments	45,754
Unrestricted	750,827

Total net assets	\$2,937,650
	=====

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Charges for services - sewer (pledged against bonds)	\$2,024,626
Depreciation expense	331,431
Other operating expenses	1,230,446

Operating income	462,749
Nonoperating revenues (expenses):	
Investment Earnings	\$2,170
Interest and fees on bonds	(62,781)
Miscellaneous Revenues (Expense)	1,491

Change in net assets	403,629
Total net assets - beginning	2,534,021

Total net assets - ending	\$2,937,650
	=====

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided by (used in):	
Operating activities	\$634,424
Noncapital financing activities	0
Capital and related financing activities	(407,182)
Investing activities	50,513

Net increase (decrease)	277,755
Beginning cash and cash equivalents	55,086

Ending cash and cash equivalents	\$332,841
	=====

More detailed information can be found on pages C8 – C13.

RESTRICTED ASSETS

The balances in the restricted assets accounts of the Water Pollution Control enterprise fund are as follows:

Revenue bond current debt service account	\$ 14,880
Revenue bond renewal and replacement account	<u>30,874</u>
Total Restricted Assets	\$ <u>45,754</u>

NOTE E – OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, 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 as shown in the schedule on pages S24 and S25 of the Statistical Section. There have been no changes in insurance coverage during the current fiscal year. There were no changes in insurance coverage from the previous year and there were no instances in which settlements were in excess of insurance coverage in any of the prior three fiscal years. 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.

PUBLIC ASSISTANCE REIMBURSEMENTS

The Federal Emergency Management Agency (FEMA) determined that the City is eligible for public assistance for three hurricanes that affected the area during August and September 2004. The amount of these reimbursements is presently undeterminable and it is management's opinion that the final reimbursed amounts will not have a material effect on the City's financial statements.

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 plan. The plan is employer contributory only. For all other employees, the City has a defined contribution pension plan which consists of a 401(A) qualified plan. Employees contribute five (5) percent of their gross earnings and the City contributes slightly more than seven (7) percent. The City makes these contributions to the plan as a part of the regular weekly payroll process.

Florida Retirement System

Certain Public Safety employees are eligible to participate in the Florida Retirement System (the System), a defined benefit, cost-sharing multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State Division of Retirement. Employees do not contribute to the system. The plan covers approximately 592,000 full-time employees of various governmental units within the State.

The System provides for vesting of benefits after 6 years of credited service. Normal retirement benefits are available to public safety employees at or after age 55 with 6 or more years of service. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to normal retirement age. Benefits are based on years of service and average compensation, computed using the individual's five highest yearly earnings. Benefits are established by Chapter 121, Florida Statutes and Chapter 22B, Florida Administrative Code.

Employer contributions are based upon rates established by the State. These rates for "special risk" employees were 18.53% from October 1, 2003 through June 30, 2004 and remained the same from July 1, 2004 through September 30, 2004. The City's contribution to the System during the last three fiscal years was as follows:

<u>Fiscal year ending</u>	<u>Amount</u>
September 30, 2004	\$295,228
September 30, 2003	\$233,000
September 30, 2002*	\$227,000

*Participation in the System began December 1, 2001. Fiscal year ending 2002 amounts are, therefore, for a partial year. Amounts contributed are equal to the required contribution.

The System publishes an unaudited annual report that provides ten-year historical trend information about progress made in accumulating sufficient assets to pay benefits when due. The most recent available report is for the plan year ended June 30, 2002. That report may be obtained by writing the Division of Retirement, Research, Education & Policy Section, 2639-C North Monroe Street, Tallahassee FL 32399-1560, calling (850) 488-5706 or via the Internet at www.frs.state.fl.us.

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 slightly more than seven 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, 2003, those options included four (4) classifications as follows:

- Actively Managed Funds
- Model Portfolio Funds
(predefined combinations of Actively Managed Funds)
- Index Fund Series
- Mutual Fund Series

For the current fiscal year, employee contributions totaled \$198,033 and the City's contributions totaled \$137,503 for a grand total of \$335,536.

Employees are fully vested with the City's contribution after five years. If the employee terminates with the City with less than five years 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.

TRANSIT SYSTEM FUNDING CLOSING

During the fiscal year, the Transit System fund was closed since the City no longer operates its own transit system. At September 30, 2003, the fund had cash of \$5,737, an amount due to the General fund of \$6,914 and deficit net assets of \$1,177. All balances were closed via transfers to the General fund resulting in the General fund receiving cash and releasing the amount due.

D20

BLANK

REQUIRED SUPPLEMENTARY INFORMATION

The required supplementary information consists of budgetary comparison schedules for the General Fund and the Local Option Sales Tax Fund.

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes	\$2,625,200	\$2,625,200	\$2,702,145	\$76,945
Franchise Fees	537,000	537,000	536,886	(114)
Utility Services Taxes	487,500	487,500	450,434	(37,066)
Communication Services Tax	185,000	185,000	173,255	(11,745)
Licenses and Permits	274,000	274,000	337,715	63,715
Intergovernmental	939,140	939,140	978,828	39,688
Charges for Services	1,180,670	1,180,670	1,176,489	(4,181)
Fines and Forfeitures	175,000	175,000	136,988	(38,012)
Miscellaneous Revenues	58,500	58,500	23,166	(35,334)
Total Revenues	6,462,010	6,462,010	6,515,906	53,896
EXPENDITURES				
Current:				
General Government	1,075,930	1,075,930	1,127,834	(51,904)
Public Safety	3,420,990	3,420,990	3,358,318	62,672
Public Works	1,478,290	1,478,290	1,367,330	110,960
Culture and Recreation	421,530	421,530	454,869	(33,339)
Total Expenditures	6,396,740	6,396,740	6,308,351	88,389
Excess of revenues over expenditures	65,270	65,270	207,555	142,285
Other Financing Sources (Uses)				
Transfers Out	(88,510)	(88,510)	(89,687)	1,177
Total other financing sources (uses)	(88,510)	(88,510)	(89,687)	1,177
Excess (deficiency) of revenues and other sources over expenditures and other uses	(23,240)	(23,240)	117,868	141,108
Fund Balance - Beginning	956,052	956,052	956,052	
Fund Balance - Ending	\$932,812	\$932,812	\$1,073,920	\$141,108

E2

BLANK

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Local Option Sales Tax Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Sales Tax	\$630,000	\$630,000	\$668,174	\$38,174
Intergovernmental:				
Grant Revenue	53,000	\$53,000	166,368	113,368
Miscellaneous Revenues:				
Investment Earnings	8,000	\$8,000	4,927	(3,073)
Other Miscellaneous Revenue	0	0	28,806	28,806
Total Revenues	691,000	691,000	868,275	177,275
EXPENDITURES				
Current:				
Public Works	70,500	70,500	132,607	(62,107)
Capital Outlay	563,770	563,770	135,780	427,990
Total Expenditures	634,270	634,270	268,387	365,883
Excess of revenues over expenditures	56,730	56,730	599,888	543,158
Other Financing Sources (Uses)				
Transfers Out	(16,000)	(16,000)	0	(16,000)
Total other financing sources (uses)	(16,000)	(16,000)	0	(16,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	40,730	40,730	599,888	559,158
Fund Balance - Beginning	699,037	699,037	699,037	
Fund Balance - Ending	\$739,767	\$739,767	\$1,298,925	\$559,158

E4

BLANK

COMBINING FINANCIAL STATEMENTS

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

A description of each of the nonmajor funds follows on the next pages.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The ***Police Training Fund*** accounts for the police fines resource legally restricted to expenditure for advanced training for police officers. The fund is supplemented by a General Fund contribution designated for police training.

The ***County Gas Tax Fund*** accounts for the 6-cent county-wide gas tax that is legally restricted to expenditure for transportation items. By local policy, the City has chosen to use this funding source for the community's roadway maintenance, especially street asphalt overlays.

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

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The ***Public Works Equipment Sinking Fund*** accumulates interest income for subsequent purchases of Public Works capital equipment.

The ***Beach Improvement Fund*** is funded by parking meter and parking fines revenues plus interest. The funds are to be expended for the local share of beach renourishment projects, beach maintenance and parking meter maintenance.

The ***EMS Equipment Sinking Fund*** is funded by a portion of the funds the City receives from Pinellas County Emergency Medical Services. The funds are to be expended for subsequent purchases of EMS capital equipment.

The ***Police Contraband Forfeiture Fund*** is financed through the sale of property confiscated by the Police department and are to be expended for police equipment and facilities.

NONMAJOR ENTERPRISE FUNDS

The *Stormwater Management Fund* accounts for the operation and maintenance of the City's separate stormwater management system, as required by the National Pollution Discharge Elimination System (NPDES).

The *Recreation Center Fund* accounts for the operation and maintenance of the Treasure Bay Golf and Tennis facility.

**City of Treasure Island, Florida
Combining Balance Sheet
Non Major Governmental Funds
September 30, 2004**

	Special Revenue	Capital Projects	Total Non Major Governmental Funds
ASSETS			
Cash and cash equivalents	\$314,069	\$689,314	\$1,003,383
Receivables			
Accounts	5,759		5,759
	<hr/>		
Total assets	\$319,828	\$689,314	\$1,009,142
<hr/>			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	15,282	0	15,282
	<hr/>		
Total liabilities	15,282	0	15,282
<hr/>			
FUND BALANCES:			
Unreserved, reported in			
Special revenue funds	304,546		304,546
Capital projects funds		689,314	689,314
	<hr/>		
Total fund balances	304,546	689,314	993,860
<hr/>			
Total liabilities and fund balances	\$319,828	\$689,314	\$1,009,142
<hr/>			

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

City of Treasure Island
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
For the fiscal year ended September 30, 2004

	Special Revenue	Capital Projects	Total Non Major Governmental Funds
REVENUES			
Intergovernmental	\$210,981	\$39,504	\$250,485
Charges for Services	0	89,330	89,330
Fines and Forfeitures	3,741	62,272	66,013
Miscellaneous Revenues	17,813	5,610	23,423
Total Revenues	232,535	196,716	429,251
EXPENDITURES			
Current:			
Public Safety	19,548	22,670	42,218
Public Works	35,452	207,109	242,561
Capital Outlay	142,480	16,493	158,973
Total Expenditures	197,480	246,272	443,752
Excess (deficiency) of revenues over expenditures	35,055	(49,556)	(14,501)
Other Financing Sources			
Transfers In	20,000	0	20,000
Total other financing sources	20,000	0	20,000
Net Change in Fund Balances	55,055	(49,556)	5,499
Fund Balances - Beginning	249,491	738,870	988,361
Fund Balances - Ending	\$304,546	\$689,314	\$993,860

The accompanying notes are an integral part of this statement.

**City of Treasure Island, Florida
Combining Balance Sheet
Non Major Governmental Funds
Special Revenue Funds
September 30, 2004**

	Police Training	County Gas Tax	Transportation Trust	Total
ASSETS				
Cash and cash equivalents	\$14,657	\$173,827	\$125,585	\$314,069
Receivables				
Accounts		5,759		5,759
Total assets	\$14,657	\$179,586	\$125,585	\$319,828
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable			15,282	15,282
Total liabilities	0	0	15,282	15,282
FUND BALANCES:				
Unreserved, reported in Special revenue funds	14,657	179,586	110,303	304,546
Total fund balances	14,657	179,586	110,303	304,546
Total liabilities and fund balances	\$14,657	\$179,586	\$125,585	\$319,828

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

City of Treasure Island
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Special Revenue Funds
For the fiscal year ended September 30, 2004

	Police Training	County Gas Tax	Transportation Trust	Total
REVENUES				
Intergovernmental	\$	\$70,981	\$140,000	\$210,981
Fines and Forfeitures	3,741			3,741
Miscellaneous Revenues	68	848	16,897	17,813
Total Revenues	3,809	71,829	156,897	232,535
EXPENDITURES				
Current:				
Public Safety	19,548			19,548
Public Works		35,452		35,452
Capital Outlay			142,480	142,480
Total Expenditures	19,548	35,452	142,480	197,480
Excess (deficiency) of revenues over expenditures	(15,739)	36,377	14,417	35,055
Other Financing Sources				
Transfers In	20,000			20,000
Total other financing sources	20,000	0	0	20,000
Net Change in Fund Balances	4,261	36,377	14,417	55,055
Fund Balances - Beginning	10,396	143,209	95,886	249,491
Fund Balances - Ending	\$14,657	\$179,586	\$110,303	\$304,546

The accompanying notes are an integral part of this statement.

**City of Treasure Island, Florida
Combining Balance Sheet
Non Major Governmental Funds
Capital Projects Funds
September 30, 2004**

	Public Works Equipment Sinking	Beach Improvement	EMS Equipment Sinking	Police Contraband Forfeiture	Total
ASSETS					
Cash and cash equivalents	\$84,456	\$537,854	\$61,808	\$5,196	\$689,314
Total assets	\$84,456	\$537,854	\$61,808	\$5,196	\$689,314
LIABILITIES AND FUND BALANCES					
Liabilities:					
FUND BALANCES:					
Unreserved, reported in Capital projects funds	84,456	537,854	61,808	5,196	689,314
Total fund balances	84,456	537,854	61,808	5,196	689,314
Total liabilities and fund balances	\$84,456	\$537,854	\$61,808	\$5,196	\$689,314

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

City of Treasure Island
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Capital Projects Funds
For the fiscal year ended September 30, 2004

	Public Works Equipment Sinking	Beach Improvement	EMS Equipment Sinking	Police Contraband Forfeiture	Total
REVENUES					
Intergovernmental	\$	\$	\$39,504	\$	\$39,504
Charges for Services		89,330			89,330
Fines and Forfeitures		48,600		13,672	62,272
Miscellaneous Revenues	429	2,899	2,268	14	5,610
Total Revenues	429	140,829	41,772	13,686	196,716
EXPENDITURES					
Current:					
Public Safety			12,750	9,920	22,670
Public Works		207,109			207,109
Capital Outlay	0		16,493		16,493
Total Expenditures	0	207,109	29,243	9,920	246,272
Excess (deficiency) of revenues over expenditures	429	(66,280)	12,529	3,766	(49,556)
Net Change in Fund Balances	429	(66,280)	12,529	3,766	(49,556)
Fund Balances - Beginning	84,027	604,134	49,279	1,430	738,870
Fund Balances - Ending	\$84,456	\$537,854	\$61,808	\$5,196	\$689,314

The accompanying notes are an integral part of this statement.

City of Treasure Island, Florida
Combining Statement of Net Assets
Non Major Enterprise Funds
September 30, 2004

	Transit System	Stormwater Management	Recreation Center	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$	\$230,673	\$6,603	\$237,276
Accounts receivable		25,491		\$25,491
Total current assets	0	256,164	6,603	262,767
Noncurrent Assets:				
Capital assets:				
Buildings and system Improvements			73,547	\$73,547
Machinery and equipment		385,657	394,798	\$780,455
Less accumulated depreciation		73,611	22,475	\$96,086
		(105,521)	(321,259)	(\$426,780)
Total capital assets (net of accumulated depreciation)	0	353,747	169,561	523,308
Total noncurrent assets	0	353,747	169,561	523,308
Total assets	\$0	\$609,911	\$176,164	\$786,075

This statement continues on the following page.

City of Treasure Island, Florida
Combining Statement of Net Assets
Non Major Enterprise Funds
September 30, 2004

	Transit System	Stormwater Management	Recreation Center	Total
LIABILITIES				
Current Liabilities:				
Accounts payable	\$	\$	\$2,250	\$2,250
Due to other funds			112,851	\$112,851
Accrued compensated absences			3,579	\$3,579
Accrued wages payable		937	6,586	\$7,523
Total current liabilities	0	937	125,266	126,203
Total liabilities	0	937	125,266	126,203
NET ASSETS				
Invested in capital assets, net of related debt		353,747	169,561	\$523,308
Unrestricted		255,227	(118,663)	\$136,564
Total net assets	\$0	\$608,974	\$50,898	\$659,872

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

City of Treasure Island, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Non Major Enterprise Funds
For the fiscal year ended September 30, 2004

	Transit System	Stormwater Management	Recreation Center	Total
OPERATING REVENUES				
Charges for Services	\$	\$158,970	\$193,400	\$352,370
Total operating revenues	0	158,970	193,400	352,370
OPERATING EXPENSES				
Personal Services		47,723	216,755	\$264,478
Contractual Services		34,657	31,163	\$65,820
Materials, Supplies, Repairs and Utilities		12,443	56,347	\$68,790
Depreciation		22,610	30,962	\$53,572
Total operating expense	0	117,433	335,227	452,660
Operating income (loss)	\$0	\$41,537	(\$141,827)	(\$100,290)

This statement continues on the following page.

City of Treasure Island, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Non Major Enterprise Funds
For the fiscal year ended September 30, 2004

	Transit System	Stormwater Management	Recreation Center	Total
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	\$	\$998	\$11	\$1,009
Miscellaneous Revenues (Expense)			504	\$504
Total nonoperating revenues (expenses)	0	998	515	1,513
Income (loss) before transfers	0	42,535	(141,312)	(98,777)
Transfers in	1,177		68,510	\$69,687
NET INCOME (LOSS)	1,177	42,535	(72,802)	(29,090)
Change in net assets	1,177	42,535	(72,802)	(29,090)
Total net assets - beginning	(1,177)	566,439	123,700	\$688,962
Total net assets - ending	\$0	\$608,974	\$50,898	\$659,872

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

City of Treasure Island, Florida
Combining Statement of Cash Flows
Non Major Enterprise Funds
Fiscal year ended September 30, 2004

	Transit System	Stormwater Management	Recreation Center	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$	\$158,126	\$193,904	\$352,030
Payments to suppliers	(6,914)	(46,163)	(44,009)	(97,086)
Payments to employees		(47,723)	(216,755)	(264,478)
Net cash provided by (used in) operating activities	(6,914)	64,240	(66,860)	(9,534)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers to (from) other funds	1,177		68,510	69,687
Net cash provided (used) by noncapital financing activities	1,177	0	68,510	69,687

This statement continues on the following page.

City of Treasure Island, Florida
Combining Statement of Cash Flows
Non Major Enterprise Funds
Fiscal year ended September 30, 2004

	Transit System	Stormwater Management	Recreation Center	Total
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale and maturities of investment securities	2,561	73,847	2,206	78,614
Investment Earnings		998	11	1,009
Net cash provided by (used in) investing activities	2,561	74,845	2,217	79,623
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,176)	139,085	3,867	139,776
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,176	91,588	2,736	97,500
END OF YEAR	\$0	\$230,673	\$6,603	\$237,276
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$0	\$41,537	(\$141,827)	(\$100,290)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		22,610	30,962	53,572
Miscellaneous revenues (expenses)			504	504
Change in assets and liabilities:				
(Increase) Decrease in Accts receivable		(844)		(844)
Increase (Decrease) in Accts payable	(6,914)	937	41,590	35,613
(Increase) Decrease in Inventories			1,911	1,911
Total adjustments	(6,914)	22,703	74,967	90,756
Net cash provided (used) by operating activities	(\$6,914)	\$64,240	(\$66,860)	(\$9,534)

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

F14

BLANK

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

City of Treasure Island, Florida

Capital Assets Used in the Operation of Governmental Funds

Schedules by Source

(1)

September 30, 2004

Governmental funds capital assets:

Land	\$3,546,244
Building	1,245,456
Other improvements	5,745,355
Machinery and equipment	3,035,929

Total governmental funds capital assets	\$13,572,984
	=====

Investments in governmental funds capital assets by source:

General fund	\$12,114,582
Capital projects funds	1,241,020
Special assessment fund	217,382

Total governmental funds capital assets	\$13,572,984
	=====

(1) This schedule presents only the capital asset balances related to governmental funds.

G2

BLANK

City of Treasure Island, Florida

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

(1)

September 30, 2004

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery And Equipment	Total
GENERAL GOVERNMENT					
City Commission	\$	\$	\$	\$23,961	\$23,961
Administration	1,424,236		286,234	158,962	1,869,432
Finance				49,340	49,340
Other - Unclassified	748,950	758,372	2,303,396	1,267,382	5,078,100
Total - General Government	2,173,186	758,372	2,589,630	1,499,645	7,020,833
PUBLIC SAFETY					
Fire			36,106	489,947	526,053
Police			77,219	300,132	377,351
Marine Patrol				108,624	108,624
Community Improvement				56,162	56,162
Total Public Safety			113,325	954,865	1,068,190
PUBLIC WORKS					
Equipment and Vehicle maintenance				17,259	17,259
Beautification				102,868	102,868
Transit				121,998	121,998
Municipal Facilities			2,588,747	296,457	2,885,204
Total Public Works			2,588,747	538,582	3,127,329
CULTURE AND RECREATION	1,373,058	487,084	453,653	42,837	2,356,632
Total Governmental Funds Capital Assets	\$3,546,244	\$1,245,456	\$5,745,355	\$3,035,929	\$13,572,984

(1) This schedule presents only the capital asset balances related to governmental funds.

G4

BLANK

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes By Function and Activity

(1)

For the fiscal year ended September 30, 2004

Function and Activity	Governmental Funds Capital Assets 10/1/2003	Additions	Deletions	Governmental Funds Capital Assets 9/30/2004
GENERAL GOVERNMENT				
City Commission	\$23,961	\$	\$	\$23,961
Legal	0			0
Administration	1,869,432			1,869,432
Personnel	0			0
Finance	49,340			49,340
Other - Unclassified	5,078,100			5,078,100
Total General Government	7,020,833	0	0	7,020,833
PUBLIC SAFETY				
Fire	520,850	23,480	18,277	526,053
Police	308,456	98,423	29,528	377,351
Marine Patrol	96,429	12,195		108,624
Community Improvement	56,162			56,162
Total Public Safety	981,897	134,098	47,805	1,068,190
PUBLIC WORKS				
Equipment and Vehicle maintenance	17,259			17,259
Beautification	102,868			102,868
Transit	121,998			121,998
Municipal Facilities	2,748,500	193,180	56,476	2,885,204
Total Public Works	2,990,625	193,180	56,476	3,127,329
CULTURE AND RECREATION	2,350,402	6,230		2,356,632
Total Governmental Funds Capital Assets	\$13,343,757	\$333,508	\$104,281	\$13,572,984

(1) This schedule presents only the capital asset balances related to governmental funds.

G6

BLANK

OTHER SUPPLEMENTARY SCHEDULES

The following supplementary schedules are presented to provide greater detailed information than reported in the preceding financial statements. These schedules are not necessary for a fair presentation in conformity with Generally Accepted Accounting Principles.

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Police Training Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and Forfeitures:				
Police Education	\$5,000	\$5,000	\$3,741	(\$1,259)
Miscellaneous:				
Investment Earnings	100	100	68	(32)
Total Revenues	5,100	5,100	3,809	(1,291)
EXPENDITURES				
Current:				
Public safety	25,100	25,100	19,548	5,552
Total Expenditures	25,100	25,100	19,548	5,552
Excess (deficiency) of revenues over (under) expenditures	(20,000)	(20,000)	(15,739)	4,261
Other Financing Sources				
Transfers in	20,000	20,000	20,000	0
Total other financing sources	20,000	20,000	20,000	0
Excess of revenues and other sources over expenditures	0	0	4,261	4,261
Fund Balance - Beginning	10,396	10,396	10,396	
Fund Balance - Ending	\$10,396	\$10,396	\$14,657	\$4,261

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
County Gas Tax Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
County Gas Tax	\$67,500	\$67,500	\$70,981	\$3,481
Miscellaneous:				
Investment Earnings	2,900	2,900	848	(2,052)
Total Revenues	70,400	70,400	71,829	1,429
EXPENDITURES				
Current:				
Public works	0	36,000	35,452	548
Total Expenditures	0	36,000	35,452	548
Excess of revenues over expenditures	70,400	34,400	36,377	1,977
Fund Balance - Beginning	143,209	143,209	143,209	
Fund Balance - Ending	\$213,609	\$177,609	\$179,586	\$1,977

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Transportation Trust Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Grant Revenue			\$140,000	\$140,000
Miscellaneous:				
Transportation impact fees	\$2,000	\$2,000	16,541	14,541
Investment Earnings	1,000	1,000	356	(644)
Total Revenues	3,000	3,000	156,897	153,897
EXPENDITURES				
Capital Outlay	0	182,000	142,480	39,520
Total Expenditures	0	182,000	142,480	39,520
Excess (deficiency) of revenues over (under) expenditures	3,000	(179,000)	14,417	193,417
Fund Balance - Beginning	95,886	95,886	95,886	
Fund Balance - Ending	\$98,886	(\$83,114)	\$110,303	\$193,417

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Public Works Equipment Sinking Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Earnings	\$1,000	\$1,000	\$429	(\$571)
Total Revenues	1,000	1,000	429	(571)
EXPENDITURES				
Capital Outlay	0	0	0	0
Total Expenditures	0	0	0	0
Excess of revenues over expenditures	1,000	1,000	429	(571)
Fund Balance - Beginning	84,027	84,027	84,027	
Fund Balance - Ending	\$85,027	\$85,027	\$84,456	(\$571)

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Beach Improvement Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Parking meters/permits	\$54,500	\$54,500	\$81,889	\$27,389
Other charges for services	6,000	6,000	7,441	1,441
Fines and forfeitures:				
Parking fines	30,000	30,000	48,600	18,600
Miscellaneous:				
Investment Earnings	10,000	10,000	2,899	(7,101)
Total Revenues	100,500	100,500	140,829	40,329
EXPENDITURES				
Current:				
Public Works	145,270	200,000	207,109	(7,109)
Total Expenditures	145,270	200,000	207,109	(7,109)
Excess (deficiency) of revenues over (under) expenditures	(44,770)	(99,500)	(66,280)	33,220
Fund Balance - Beginning	604,134	604,134	604,134	
Fund Balance - Ending	\$559,364	\$504,634	\$537,854	\$33,220

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
EMS Equipment Sinking Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
EMS Funding	\$19,000	\$19,000	\$22,065	\$3,065
Grants	0	0	17,439	17,439
Miscellaneous:				
Investment Earnings	500	500	331	(169)
Contributions	0	0	1,937	1,937
Total Revenues	19,500	19,500	41,772	22,272
EXPENDITURES				
Current:				
Public safety	0	0	12,750	(12,750)
Capital Outlay	26,750	26,750	16,493	10,257
Total Expenditures	26,750	26,750	29,243	(2,493)
Excess (deficiency) of revenues over (under) expenditures	(7,250)	(7,250)	12,529	19,779
Other Financing Sources				
Transfers in	16,000	16,000	0	(16,000)
Total other financing sources	16,000	16,000	0	(16,000)
Excess (deficiency) of revenues and other sources over (under) expenditures	8,750	8,750	12,529	3,779
Fund Balance - Beginning	49,279	49,279	49,279	
Fund Balance - Ending	\$58,029	\$58,029	\$61,808	\$3,779

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Police Contraband Forfeiture Fund
For the Fiscal Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures:				
Contraband forfeitures	\$0	\$0	\$13,672	\$13,672
Miscellaneous:				
Investment Earnings	500	500	14	(486)
Total Revenues	500	500	13,686	13,186
EXPENDITURES				
Current:				
Public safety	2,500	19,500	9,920	9,580
Total Expenditures	2,500	19,500	9,920	9,580
Excess (deficiency) of revenues over (under) expenditures	(2,000)	(19,000)	3,766	22,766
Fund Balance - Beginning	1,430	1,430	1,430	
Fund Balance - Ending	(\$570)	(\$17,570)	\$5,196	\$22,766

H8

BLANK

III. STATISTICAL SECTION

STATISTICAL SECTION

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These schedules reflect social and economic data, and financial trends of the government.

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS

	GENERAL GOVERNMENT -----	PUBLIC SAFETY -----	PUBLIC WORKS -----
1995	\$715,794	\$1,946,893	\$957,392
1996	663,383	2,014,770	950,249
1997	714,292	2,144,310	988,014
1998	801,429	2,309,221	1,094,827
1999	967,745	2,367,023	1,064,285
2000	854,163	2,428,151	1,041,936
2001	949,201	2,730,759	1,104,809
2002	1,010,571	2,911,268	3,182,211
2003	1,100,764	3,174,864	1,510,473
2004	1,127,834	3,377,866	1,535,389

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

CULTURE & RECREATION	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
-----	-----	-----	-----
\$221,654	\$225,535	-0-	\$4,067,268
261,642	109,725	-0-	3,999,769
294,706	1,590,516	-0-	5,731,838
298,198	361,689	-0-	4,865,364
334,787	172,243	-0-	4,906,083
375,294	922,976	-0-	5,622,520
370,106	2,364,286	-0-	7,519,161
432,075	1,109,838	-0-	8,645,963
469,904	871,609	-0-	7,127,614
454,869	278,260	-0-	6,774,218

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

	TAXES -----	LICENSES & PERMITS -----	INTER- GOVERNMENTAL REVENUE -----
1995	\$2,352,142	\$75,110	\$841,485
1996	2,470,214	99,290	844,111
1997	2,468,732	130,249	846,783
1998	2,579,590	126,805	897,627
1999	3,097,870	167,237	953,480
2000	3,167,827	162,882	951,018
2001	3,373,748	181,998	972,298
2002	3,958,403	247,858	983,076
2003	4,147,362	291,389	996,572
2004	4,530,894	337,715	1,356,177

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

CHARGES FOR SERVICE	FINES & FORFEITURES	MISCELLANEOUS REVENUE	TOTAL
-----	-----	-----	-----
\$755,406	\$185,199	\$233,907	\$4,443,249
759,543	175,466	298,313	4,646,937
788,152	175,769	272,738	4,682,423
779,756	184,025	218,509	4,786,312
789,702	166,392	181,890	5,356,571
786,070	166,768	319,413	5,553,978
815,449	192,484	1,761,774	7,297,751
1,001,289	178,366	498,304	6,867,296
1,098,431	151,911	170,267	6,855,932
1,176,489	140,729	74,712	7,616,716

BLANK

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

	TOTAL TAXES	AD VALOREM TAXES	SALES TAXES	FRANCHISE TAXES	UTILITY SERVICE TAXES
	-----	-----	-----	-----	-----
1995	\$2,352,142	\$925,749	\$437,596 (2)	\$541,945	\$446,852
1996	2,470,214	929,841	461,542 (2)	586,611	492,220
1997	2,468,732	933,523	486,618 (2)	577,514	471,077
1998	2,579,590	946,752	537,135 (2)	602,144	493,559
1999	3,097,870	1,420,296	564,334 (2)	613,110	500,130
2000	3,167,827	1,462,116	601,663 (2)	614,015	490,033
2001	3,373,748	1,586,253	611,881 (2)	680,709	494,905
2002	3,958,403	2,043,204	616,698 (2)	643,695	654,806
2003	4,147,362	2,328,963	624,190 (2)	533,156	661,053
2004	4,530,894	2,702,145	668,174 (2)	536,886	623,689

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

(2) The local option sales tax was implemented in 1990 and was due to expire in 2000. A county-wide referendum in 1997 extends the tax until 2010.

CITY OF TREASURE ISLAND, FLORIDA
FINANCIAL STATISTICS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR ENDING	TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
1995	\$954,588	\$923,242	96.7%
1996	959,857	928,757	96.8%
1997	963,454	932,187	96.8%
1998	978,617	945,351	96.6%
1999	1,464,646	1,415,909	96.7%
2000	1,502,291	1,459,384	97.1%
2001	1,609,612	1,582,945	98.3%
2002	2,090,724	2,042,079	97.7%
2003	2,362,898	2,327,491	98.5%
2004	2,694,949	2,698,333	100.1%

DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS AS PERCENT OF CURRENT LEVY
-----	-----	-----
\$2,507	\$925,749	97.0%
1,084	929,841	96.9%
1,336	933,523	96.9%
1,401	946,752	96.7%
4,387	1,420,296	97.0%
2,732	1,462,116	97.3%
3,308	1,586,253	98.5%
1,125	2,043,204	97.7%
1,472	2,328,963	98.6%
3,812	2,702,145	100.3%

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

**ASSESSED VALUE, EXEMPTIONS AND
ESTIMATED ACTUAL VALUE
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)**

	GOVERNMENTAL EXEMPT	INSTITUTIONAL EXEMPT	DISABILITY EXEMPT	WIDOW(ER)'S' EXEMPT	(1) OTHER EXEMPT
1995	\$135,293	\$3,646	\$1,516	\$158	\$6
1996	138,834	3,691	1,867	151	7
1997	138,535	3,545	1,794	149	6
1998	138,769	3,571	1,893	143	0
1999	138,837	3,643	1,836	144	0
2000	139,437	3,663	1,724	147	0
2001	139,740	3,856	1,471	145	0
2002	142,962	3,870	1,728	140	0
2003	147,566	4,388	2,072	143	0
2004	152,149	6,365	2,516	147	0

NOTES: (1) Other includes Inventory Exemptions, County Held Certificates and Energy Service Exemptions.

(2) Beginning with 1996, tax roll increases on homestead properties were capped at the rate of inflation, not to exceed 3%.

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

CONSTITUTIONAL TAX EXEMPT	(2) ASSESSMENT DIFFERENTIAL VALUE OF CAPPED PARCELS	TAXABLE ASSESSED VALUE	JUST VALUE	ESTIMATED MARKET VALUE	RATIO OF JUST VALUE TO MARKET VALUE
\$57,188	\$0	\$607,399	\$805,206	\$947,301	85%
56,842	5,193	622,072	828,657	974,891	85%
57,131	5,396	630,863	837,419	985,199	85%
56,948	5,748	640,792	847,864	997,487	85%
58,182	16,529	657,618	876,789	1,031,516	85%
58,876	19,620	674,520	897,987	1,056,455	85%
59,517	41,332	722,707	968,768	1,139,727	85%
59,698	84,287	795,799	1,088,484	1,280,569	85%
60,043	153,373	899,398	1,266,983	1,490,568	85%
61,188	203,305	1,025,788	1,451,458	1,707,598	85%

CITY OF TREASURE ISLAND, FLORIDA
FINANCIAL STATISTICS
PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	CITY	SCHOOL DISTRICT	COUNTY	TOTAL
TAX RATES (IN MILLS)				
1995	1.5716	9.3590	8.0218	18.9524
1996	1.5430	9.3290	7.9221	18.7941
1997	1.5272	9.1760	7.9071	18.6103
1998	1.5272	9.1330	7.9071	18.5673
1999	2.2272	9.1100	7.9071	19.2443
2000	2.2272	8.6660	8.1582	19.0514
2001	2.2272	8.4330	8.4072	19.0674
2002	2.6272	8.4870	8.4572	19.5714
2003	2.6272	8.4490	8.4572	19.5334
2004	2.6272	8.2430	8.4572	19.3274
TAX LEVIES				
1995	954,588	5,684,647	4,872,433	11,511,669
1996	959,857	5,803,310	4,928,117	11,691,283
1997	963,454	5,788,799	4,988,297	11,740,550
1998	978,617	5,852,351	5,066,804	11,897,772
1999	1,464,646	5,990,898	5,199,849	12,655,393
2000	1,502,291	5,845,390	5,502,869	12,850,550
2001	1,609,612	6,094,586	6,075,940	13,780,138
2002	2,090,724	6,753,949	6,730,234	15,574,907
2003	2,362,898	7,599,014	7,606,389	17,568,301
2004	2,694,949	8,455,567	8,675,291	19,825,807

SOURCE: Pinellas County Property Appraiser's Office

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

SPECIAL ASSESSMENT COLLECTIONS

	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNTS DUE	TOTAL OUTSTANDING ASSESSMENTS
1995	0	0	N/A	0
1996	0	0	N/A	0
1997	0	0	N/A	0
1998	0	0	N/A	0
1999	0	0	N/A	0
2000	0	0	N/A	0
2001	0	0	N/A	0
2002	0	0	N/A	0
2003	0	0	N/A	0
2004	0	0	N/A	0

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

**COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2004**

LEGAL DEBT MARGIN - TOTAL DEBT (1)

Assessed Taxable Valuation - 2003 (2)		\$1,025,787,570

Debt Limit-3.5% of Assessed Valuation		35,902,565
Amount of Debt Applicable to Debt Limit:		
State of Florida Sewer Revenue Bond		\$85,000
LEGAL DEBT MARGIN		35,817,565

LEGAL DEBT MARGIN - ANNUAL DEBT (1)

Revenues Applicable to Debt Limit		
Total City Revenues		15,482,368
Less: State Revenue Sharing	158,859	
Causeway Revenue	4,045,623	4,204,482

Total Revenues Applicable to Debt Limit:		11,277,886
Debt Limit: 20% of Total Revenues		2,255,577
Annual Debt Service Applicable to Debt Limit		
Debt Service Fund Appropriations		31,260

LEGAL DEBT MARGIN		\$2,224,317

NOTES: (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) All ad valorem tax receipts during 2003-2004 were based on the assessment roll for 2003.

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

**RATIO OF GENERAL OBLIGATION DEBT SERVICE
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

	DEBT SERVICE REQUIREMENTS			GENERAL FUND EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
	PRINCIPAL	INTEREST	TOTAL		
1995	(1)				
1996	(1)				
1997	(1)				
1998	(1)				
1999	(1)				
2000	(1)				
2001	(1)				
2002	(2)				
2003	(2)				
2004	(2)				

NOTES: (1) The City's general obligation debt was repaid through revenues of the Water Pollution Control Enterprise Fund without the use of any ad valorem tax proceeds.

(2) The City had no general obligation debt.

BLANK

CITY OF TREASURE ISLAND, FLORIDA
FINANCIAL STATISTICS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2004

Not Applicable

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

**REVENUE BOND COVERAGE
CAUSEWAY FUND
LAST TEN FISCAL YEARS**

	GROSS REVENUE	EXPENSE (1)	NET REVENUE AVAILABLE FOR DEBT SERVICE
	-----	-----	-----
1995	\$1,924,366	\$912,444	\$1,011,922
1996	1,966,835	884,984	1,081,851
1997	1,958,345	944,405	1,013,940
1998	1,996,300	836,982	1,159,318
1999	1,951,481	935,167	1,016,314
2000	2,055,116	998,950	1,056,166
2001	2,358,175	1,085,443	1,272,732
2002	1,859,804	1,158,263	701,541
2003	4,458,746	1,246,174	3,212,572
2004	4,045,723	2,083,647	1,962,076

NOTES: (1) Exclusive of Depreciation, Bond Interest and Transfers to Other Funds.

DEBT SERVICE REQUIREMENTS

PRINCIPAL	INTEREST	TOTAL	COVERAGE
\$190,000	\$94,356	\$284,356	3.56
195,000	82,921	277,921	3.89
205,000	71,377	276,377	3.67
215,000	58,661	273,661	4.24
230,000	44,546	274,546	3.70
240,000	29,106	269,106	3.92
255,000	11,534	266,534	4.78
0	0	0	n/a
0	0	0	n/a
0	0	0	n/a

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

**REVENUE BOND COVERAGE
WATER POLLUTION CONTROL FUND
LAST TEN FISCAL YEARS**

	GROSS REVENUE	EXPENSE (1)	NET REVENUE AVAILABLE FOR DEBT SERVICE
	-----	-----	-----
1995	\$1,428,180	\$1,021,861	\$406,319
1996	1,445,791	1,091,742	354,049
1997	1,482,958	1,203,868	279,090
1998	1,435,293	1,311,179	124,114
1999	1,398,811	1,554,874	(156,063)
2000	1,446,838	1,730,935	(284,097)
2001	1,725,328	1,758,290	(32,962)
2002	1,956,740	1,190,134	766,606
2003	2,003,158	1,428,326	574,832
2004	2,028,287	1,230,446	797,841

NOTES: (1) Exclusive of Depreciation, Bond Interest and Transfers to Other Funds.

DEBT SERVICE REQUIREMENTS

PRINCIPAL	INTEREST	TOTAL	COVERAGE
\$15,000	\$15,300	\$30,300	13.41
15,000	14,063	29,063	12.18
15,000	13,237	28,237	9.88
17,500	12,413	29,913	4.15
20,000	11,450	31,450	(4.96)
10,000	10,350	20,350	(13.96)
20,000	9,240	29,240	(1.13)
30,000	9,270	39,270	19.52
25,000	7,560	32,560	17.65
25,000	6,260	31,260	25.52

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

**DEMOGRAPHIC STATISTICS
POPULATION FROM 1960 TO 2000**

YEAR (1)	POPULATION (CENSUS)	PERCENT INCREASE (DECREASE)
-----	-----	-----
1960	3,506	-----
1970	6,120	74.6
1980	6,316	3.2
1990	7,568	19.8
2000	7,450	(1.6)

POPULATION ESTIMATES FROM 2001 THROUGH 2009 (2)

YEAR	POPULATION ESTIMATE	PERCENT INCREASE (DECREASE)
-----	-----	-----
2001	7,471	0.3
2002	7,503	0.4
2003	7,508	0.1
2004	7,510	0.0
2005		
2006		
2007		
2008		
2009		

NOTES:

- (1) The City was incorporated on May 3, 1955. Data prior to 1960 is unavailable.
- (2) University of Florida, Bureau of Economic & Business Research

CITY OF TREASURE ISLAND

FINANCIAL STATISTICS

**PROPERTY VALUE, CONSTRUCTION
AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(IN THOUSAND OF DOLLARS)**

	JUST PROPERTY VALUE (1)	BUILDING PERMIT VALUE (2)	COMMERCIAL BANK DEPOSITS (3)	SAVINGS BANK DEPOSITS (4)
	-----	-----	-----	-----
1995	\$805,206	\$5,203	\$90,472	N/A
1996	828,657	4,895	49,857	15,835
1997	837,419	5,863	80,245	N/A
1998	847,864	2,152	84,367	N/A
1999	876,789	4,578	71,900	N/A
2000	897,987	5,423	75,850	N/A
2001	968,768	20,286	81,964	N/A
2002	1,088,484	22,378	90,768	N/A
2003	1,266,983	37,823	91,628	N/A
2004	1,451,458	29,629	95,876	N/A

NOTES: (1) Pinellas County Property Appraiser's Office.

(2) City of Treasure Island, Community Improvement Department.

(3) Includes, for current year, Bank of America and First National Bank.

(4) "N/A" indicates no Savings Bank Deposits for that year.

**CITY OF TREASURE ISLAND, FLORIDA
FINANCIAL STATISTICS
SCHEDULE OF INSURANCE COVERAGE
SEPTEMBER 30, 2003**

TYPE OF POLICY	PROVIDER	TYPE OF COVERAGE
Worker's Compensation	Florida Municipal Insurance Trust	Provisions of Florida's Worker's Compensation Act.
Comprehensive General		Contractual liability, incidental malpractice, personal injury, comprehensive automobile, police liability, errors & omissions, ambulance drivers' malpractice and athletic participation liability.
Property Insurance	"	Fire, extended coverages, vandalism and malicious mischief, special office contents on all buildings and contents, physical damage to automobiles.
Police & Fire Accident	"	Accidental death, disability and bodily injury sustained while Police Officer or Fire Fighter is acting in an official capacity for the City.
Windstorm & Flood	Florida Windstorm Underwriting	Peril of windstorm & flood on property and contents of building.
Underground Storage Tank Liability	Commerce & Industry	Accidental leakage from underground fuel tanks. Provides participation in State of Florida Recovery Program
Bonds	Florida Municipal Insurance Trust	Honesty Blanket Bond

LIMITS OF COVERAGE	TERM OF POLICY	ANNUAL PREMIUM
Statutory - Florida's Worker's Compensation Act	10/1/2003 to 9/30/2004	\$307,078
\$5,000,000 combined single limit for bodily injury and property damage liability coverage.	10/1/2003 to 9/30/2004	210,694
Stated Value	10/1/2003 to 9/30/2004	28,053
\$25,000 - Accidental Death & Dismemberment \$75,000 - Homicide Death Benefit	10/1/2003 to 9/30/2004	2,156
Stated Value	10/1/2003 to 9/30/2004	36,785
\$1,000,000 Each Incident	7/27/2004 to 7/27/2005	1,929
Honesty Blanket Bond - \$10,000 Money & Securities - Loss inside/outside premises \$ 5,000 Tollbooth - \$ 6,500 Depositors' Forgery - \$10,000	10/1/2003 to 9/30/2004	*

* Included in Property Insurance Coverage.

CITY OF TREASURE ISLAND, FLORIDA**FINANCIAL STATISTICS****PRINCIPAL TAXPAYERS**

TOTAL CITY TAXABLE ASSESSED VALUE - 2003 (1) \$1,025,787,570

TAXPAYERS	TYPE OF BUSINESS	2000 TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Bilmar Hotel	Hotel	\$9,442,300	0.92%
Sand Pebble Resort	Hotel	\$8,490,800	0.83%
Agnes E. Rice Enterprises	Restaurant/Marina	\$6,628,500	0.65%
Holiday Inn	Hotel	\$6,107,900	0.60%
Ramada Inn	Hotel	\$4,900,000	0.48%
Thunderbird	Hotel	\$3,800,000	0.37%
Richard M Slezak	Apartments	\$3,792,800	0.37%
Buccaneer Beach Resort	Hotel	\$3,553,400	0.35%
Trail's End	Motel	\$3,251,400	0.32%
Tahitian Treasure Island	Motel	\$3,120,000	0.30%

NOTES: (1) The 2003 assessment roll was the basis for ad valorem tax receipts received during 2003-2004.

SOURCE: Pinellas County Property Appraiser's Office.

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

GENERAL INFORMATION

The City of Treasure Island, Florida is located in Pinellas County on the Gulf of Mexico approximately halfway down the west coast of Florida and due west of the mainland City of St. Petersburg. The City is bounded on the west by the Gulf of Mexico, on the north by John's Pass, on the east by Boca Ciega Bay and on the south by Blind Pass. Treasure Island encompasses approximately 1.3 square miles of land, or 840 acres.

Pinellas County is a peninsula bounded on the east by Tampa Bay and on the west by the Gulf of Mexico. It is the second smallest county in land area (179,314 acres), but the most densely populated (4.8 persons per acre) of all Florida counties.

Although a relatively small city, it is an active community of involved citizens who take a genuine interest in the social, business and governing aspects of their island. The City uses several volunteer boards and committees, such as the Planning and Zoning Board, the Personnel Advisory Board and the Library Trustees. Also, the Treasure Island Volunteer Fire Company is active and conducts an annual fund drive, returning funds and equipment to our fire department. The Treasure Islettes is a City-wide organization that contributes to the City's beautification department and funds a scholarship fund for local residents. Each of the City's five neighborhoods has an active civic association that works with the City to keep the neighborhoods at their best.

Warm and relatively humid summers and mild and relatively dry winters characterize the climate of Treasure Island. The annual average high temperature of 82.8 degrees and low of 62 degrees results in a mean average year-round temperature of 72.4 degrees. The weather is most cooperative, with an amazing 98.9% probability of sunshine year-round.

Treasure Island was officially incorporated on May 3, 1955, consolidating the smaller communities of Sunshine Beach, Boca Ciega, Sunset Beach and Treasure Island. The government is the Commission/Manager form with the Mayor being elected at large for a three year term and four commissioners elected by districts for staggered two year terms. The City Manager serves the city as full-time chief executive officer providing day-to-day administration of policies determined by the City Commission. The present charter was adopted March 7, 1978.

The City has all governmental corporate and proprietary powers to enable it to conduct municipal government, perform municipal functions, and provide municipal services contemplated by statute or charter. These services include police and marine patrol, fire, building inspection, public works, recreation, causeway operations, storm and wastewater management, solid waste disposal, and general administrative services.

Police: Protection of persons and property is efficiently provided by a well-staffed police department, supplied with modern vehicles and equipment. A brief summary of employees and equipment follows:

Employees	21 sworn 9 civilian 1 Reserve Officer
Vehicles	4 Marked cars 3 Unmarked cars 2 patrol boats 2 4-wheel Drive Beach Patrol 1 Crime Watch van

The Police Department has a ratio of one police officer for every 372 residents, which is consistent with the recommended F.B.I. standard of one officer per 500 residents, and has contributed to the historically low crime rate in the city. In addition a reserve officer who accompanies patrolling officers on a regular basis supplements the police force. The police department further maintains periodic boat patrol of the twenty-three miles of shoreline. The Department maintains a holding cell for temporary holding of arrestees.

Fire: The Fire Department provides fire protection and emergency medical services with combination paid and volunteer personnel. The fire protection rating for Treasure Island is ISO Class 4.

Emergency Medical Services, under contract with Pinellas County, provides Paramedics and EMT's for first response with transport provided by the County's Ambulance Contractor.

All Fire and EMS dispatching is consolidated through the 911 emergency communications centers

Employees	13 paid 20 Volunteer
Vehicles	1 1,000 GPM Pumper 1 1,250 GPM Pumper 1 Rescue Truck 1 Squad Truck 1 Chief's Truck

Community Improvement: The Community Improvement Department provides services to builders, contractors and the general public through permits, inspections and assistance in code and zoning information. The department further enforces codes and ordinances that require permitting and licensing.

Public Works: The Public Works Department consists of six divisions: Equipment and Vehicle Maintenance, Beautification, Municipal Facilities, Solid Waste, Stormwater Management and Water Pollution Control.

- 1) **Equipment and Vehicle Maintenance:** This division provides maintenance on all city equipment, which includes 430 refuse dumpsters, riding mowers, lawn mowers and fifty vehicles.
- 2) **Beautification:** This division maintains the grounds on the Treasure Island Causeway and the parks within the city. There is a total of fifteen acres of turf and park areas, two acres of shrubs and three acres of street ends maintained.
- 3) **Municipal Facilities:** This division maintains the streets owned by the city. These include 18.5 miles of paved, two lane streets, 1.6 miles of paved, four lane streets and .2 miles of unimproved street ends. Assisted by Water Pollution Control personnel, they also perform special projects as approved in the operating budget. Also located in this division is the administration of the Public Works Department.
- 4) **Solid Waste:** this division provides the solid waste collection system and pick-ups occur on a regular schedule. 10,317 tons of solid waste were generated by the 2,400 users in Treasure Island during 2003/2004, including 1,177 tons of yard waste, 427 tons of recyclable material and 8,713 tons of other solid waste. Four packer trucks (rear loading) and ten city employees accomplish this collection. Yard wastes are taken to a yard waste-to-mulch facility, recyclable materials are taken to a separation facility, and all other solid wastes are hauled to the Pinellas County Refuse-to-Energy Facility in St. Petersburg, which is a forty mile round-trip.
- 5) **Stormwater Management:** This division maintains the City's separate stormwater sewer system as mandated under the National Pollution Discharge Elimination System. They perform projects related to stormwater management including preventive maintenance such as street sweeping. They swept 792 miles of streets during the fiscal year.
- 6) **Water Pollution Control:** Public Works operates and maintains the City's sewer collection and distribution system. The collection system consists of 22.2 miles of various sized gravity lines and 495 manholes. The distribution system consists of 11.7 miles of force mains, 12 pump stations and a master pump station which pumps an average of 1.5 million gallons of sewage a day to the Northwest Treatment Plant in St. Petersburg. They also assist Municipal Facilities in special projects. Statistical data for this division follows:

S30	<u>FISCAL YEAR ENDED</u>	<u>GALLONS PROCESSED (IN MILLIONS)</u>	<u>LINES CLEANED (LINEAL FT)</u>
	1995	607.00	81,890
	1996	543.78	87,185
	1997	535.86	130,539
	1998	555.88	150,548
	1999	547.96	146,880
	2000	664.50	88,253
	2001	542.92	47,261
	2002	547.06	44,615
	2003	577.33	53,991
	2004	548.06	37,260

Recreation: Recreational facilities and open space are of the utmost importance to the City of Treasure Island. The City is a resort and retirement community with a local economy which is heavily oriented to the service industries. This tourist and service industry is almost totally dependent upon access to recreation. Over 200 acres within Treasure Island are devoted to both active and passive recreation activities. These are summarized as follows.

<u>TYPE OF FACILITY</u>	<u>SIZE</u>	<u>REMARKS</u>
Rosselli Park	1.9 acres	Softball & Little League baseball field, tennis courts, playground, basketball hoop, pedestrian path, restrooms and a concession building.
City Hall Auditorium	4,500 sq. ft.	Operates as a shared facility with the City's Administrative Services.
T.I. Community Ctr. & Park	9,000 sq. ft. 3.5 acres	Operates as an all-purpose facility Jogging course, pavilion, open space & Community Center.
Treasure Bay	17.5 acres	Public facilities with tennis courts and Par 3 golf course.
Boat Landing Facilities	N/A	Primarily at street ends, they provide access to the water surrounding the city.
Public Beach	181 acres	The City's major recreational attraction, includes a beach sidewalk.
Municipal Marina	N/A	14 leased slips.
Isle of Palms Park	.25 acre	Playground and bocce ball.
T. I. Beach Pavilion	1.3 acres	City-owned Beach front.

In addition to the active recreational facilities as identified, there is also provision for more passive recreational pursuits. These passive pursuits are managed by the Recreation Department and range from physical education classes, such as aerobics, to cultural activities, such as the Art Guild. The recreational opportunities thus offered provide a broad range of opportunity and take place throughout the day and evening.

Causeway Operations: The City of Treasure Island owns, operates and maintains a causeway which spans Boca Ciega Bay between the City and St. Petersburg. Originally constructed in 1939, this causeway provides primary access to the city from the mainland. A ten-year history of vehicles passing over the bridge and number of bridge openings follows:

<u>FISCAL YEAR ENDING</u>	<u>VEHICLES PASSING</u>	<u>BRIDGE OPENINGS</u>
1995	6,424,387	10,209
1996	6,862,200	9,899
1997	6,613,604	10,413
1998	6,251,725	10,315
1999	6,251,013	12,028
2000	6,120,566	12,758
2001	6,042,796	12,025
2002	6,113,558	12,844
2003	5,923,997	12,869
2004	5,292,788	12,786

Transit System:

The Suncoast Beach Trolley is operated by the Pinellas Suncoast Transit Authority and serves all of the beach communities in Pinellas County. It allows passengers to travel from the southern tip of Pass-A-Grille Beach to Sand Key. The trolley has been in operation since December 31, 2000 and has proven itself very popular with residents and tourists alike.

BLANK