



Redington Shores

TOWN OF REDINGTON SHORES, FLORIDA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2014

17425 Gulf Boulevard
Redington Shores FL 33708
727-397-5538

TOWN OF REDINGTON SHORES, FLORIDA

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED SEPTEMBER 30, 2014

Prepared by the
Department of Finance

TOWN OF REDINGTON SHORES, FLORIDA
COMMISSION - MAYOR FORM OF GOVERNMENT
TOWN COMMISSION

Bert Adams, Mayor-Commissioner

Lee Holmes, Vice Mayor-Commissioner

Tom Kapper, Commissioner

MaryBeth Henderson, Commissioner

John Branch, Commissioner

Town Attorney

James W. Denhardt

Town Clerk

Mary Palmer

INTRODUCTORY SECTION

TOWN OF REDINGTON SHORES, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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TOWN OF REDINGTON SHORES, FLORIDA

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LETTER OF TRANSMITTAL



Redington Shores

*17425 Gulf Boulevard
Redington Shores FL 33708
727-397-5538*

July 29 2015

To the Honorable Mayor, Board of Commissioners and Citizens of the Town of Redington Shores.

State law requires that every general purpose local government publish within 9 months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Davidson, Jamieson & Cristini, P.L., Certified Public Accountants, have issued an opinion on the Town of Redington Shoes financial statements for the year ended September 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Town of Redington Shores has operated under the Commissioner-Mayor form of government since incorporation in 1955. Policy making and legislative authority are vested in a governing Commission consisting of the mayor and four other members all elected on a non-partisan basis. The Mayor appoints the heads of various departments. Commission members serve two year terms, with two members elected every other year. The mayor is elected for a three year term. The mayor is elected at large; the remaining commission members are elected by district.

The Town of Redington Shores provides a full range of services, including police and fire protection, sanitation, the construction and maintenance of highways, streets and other infrastructure; and recreational/cultural activities.

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit requests for appropriation to the Mayor in June of each year. The Mayor and Town Clerk use these request as the starting point for developing a proposed budget. The Mayor and Town Clerk then present the proposed budget to the Commission for review. The Mayor and Town Clerk meet with the Financial Advisory Board to review the proposed budget and to bring forth recommendations to the Commission. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the Town's fiscal year.

LOCAL ECONOMY

The Town of Redington Shores, Florida is part of a region that has been going through a tough economic environment. The Town of Redington Shores is a residential community. The most recent estimate of property values shows an 8.04 percent increase in taxable values for 2015 as compared with 2014 values. For the next fiscal year, the outlook for the Town's revenue stream from the following sources should be positive: Franchise fees are anticipated to increase very minimally due to higher utility rates. On the other hand, infrastructure sales taxes and state revenue sharing are expected to stay steady if not decrease due to cautious consumer spending which is adversely affected by unstable gas prices.

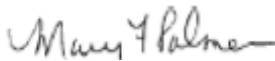
LONG TERM PLANNING/FUTURE INITIATIVE

The Town along with the other Barrier Island Communities belonging to the Barrier Island Governmental Council (BIG-C) still continues to work hand-in-hand with Pinellas County for the undergrounding of the utilities along Gulf Boulevard the main thoroughfare of the barrier island. The town has signed an Interlocal Agreement with the county to proceed with the project.

As part of the budgeting process, the Town prepares a Five Year Capital Improvement Plan (CIP), which is updated on an annual basis. The CIP is an important component of the Town's financial management process and should be considered when creating the annual operating budget. Annually the Commission reviews any infrastructure and capital asset requirements to determine which items need to be replaced or if any new additions are necessary.

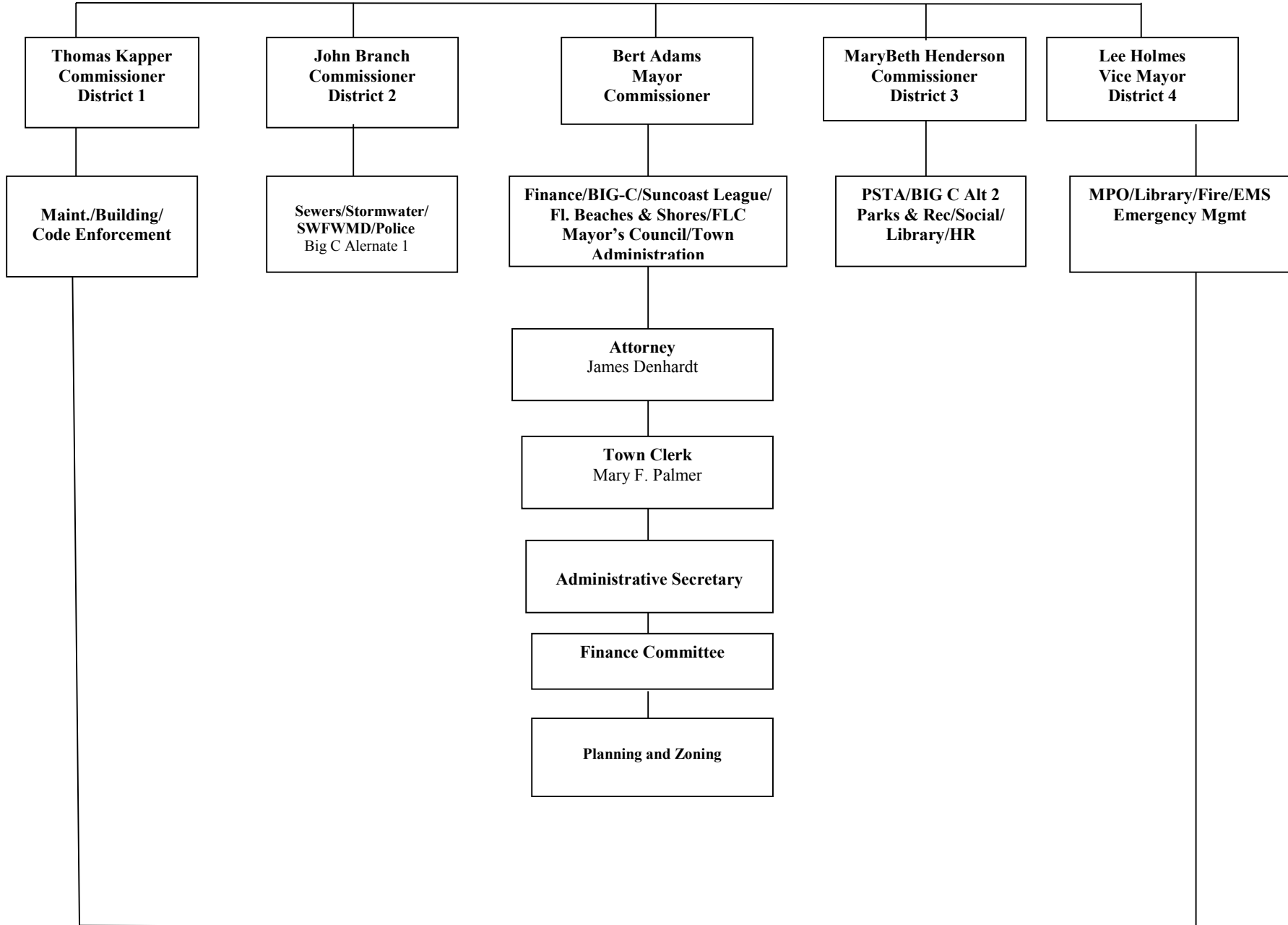
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the administration department. I wish to express our appreciation to everyone who contributed to the preparation of this report. Credit must also be given to the Mayor and Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Redington Shores' finances.

Respectfully Submitted,



Mary F. Palmer, MMC
Town Clerk/Treasurer

**Board of Commission
Town of Redington Shores**



TOWN OF REDINGTON SHORES, FLORIDA

LISTING OF TOWN OFFICIALS

ELECTED OFFICIALS

| | |
|---------------------------|--------------------|
| Mayor - Commissioner | Bert Adams |
| Vice Mayor - Commissioner | Lee Holmes |
| Commissioner | Tom Kapper |
| Commissioner | MaryBeth Henderson |
| Commissioner | John Branch |

APPOINTED OFFICIALS

| | |
|---------------|-------------------|
| Town Attorney | James W. Denhardt |
| Town Clerk | Mary Palmer |

FINANCIAL SECTION

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Combining and Individual Financial Statements
and Schedules

INDEPENDENT AUDITOR'S REPORT

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

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Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

The Honorable Mayor-Commissioner
and Town Commissioners
Town of Redington Shores, Florida

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund of the Town of Redington Shores, Florida (Town), as of and for the year ended September 30, 2014, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the AICPA Professional Standards, at Sections 601.55 and 601.56. 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 involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in

The Honorable Mayor-Commissioner
and Town Commissioners
Town of Redington Shores, Florida

order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 budgetary comparisons for the General Fund of the Town of Redington Shores, Florida, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor-Commissioner
and Town Commissioners
Town of Redington Shores, Florida

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Redington Shores, Florida's basic financial statements. The introductory section, sewer fund schedule of revenues, expenses and changes in net assets - budget and actual, capital assets schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The sewer fund schedule of revenues, expenses and changes in net assets - budget and actual and capital assets schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the sewer fund schedule of revenues, expenses and changes in net assets - budget and actual and capital assets schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, on our consideration of the Town of Redington Shores, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Redington Shores, Florida's internal control over financial reporting and compliance.

Davidson, Jamieson & Creative, P.L.

June 30, 2015

MANAGEMENT'S DISCUSSION
AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Redington Shores, Florida's (the "Town") Management's Discussion and Analysis ("MD&A") presents an overview of the Town's financial activities for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with the financial statements, which follow this section, taken as a whole.

Financial Highlights

- The assets of the Town of Redington Shores exceeded its liabilities at the close of fiscal year 2014 by **\$18,910,083** (net position). Of this amount **\$6,996,103** (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by **\$578,249**.

Overview of the Financial Statements.

This discussion and analysis are intended to serve as an introduction of the Town of Redington Shores basic financial statements. The Town of Redington Shores 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.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Redington Shores finances, using the accrual basis of accounting, which is similar to a private-sector business. There are two types of government-wide financial statements:

(1)The statement of net position presents information on all the Town of Redington Shores assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Redington Shores is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town of Redington Shores 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 Town of Redington Shores include general government, public safety, physical environment, transportation, and culture-recreation. The business-type activities of the Town of Redington Shores include sewer service and a parking operation where the fee for service typically covers all or most of the cost of operation including depreciation.

Fund financial statements. The accounts of the Town of Redington Shores are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriated. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Town's funds are presented in separate fund financial statements. These funds are presented on a governmental fund financial statement and a proprietary fund financial statement. The Town's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in GASB 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

Governmental 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 government'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 government's near-term financing decisions. Both the government 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 Town of Redington Shores maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund.

The Town of Redington Shores adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town of Redington Shores maintains one type of proprietary fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Redington Shores uses this to account for its sewer service.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes the general fund and business-type activities original budget and final budget in comparison to actual expenses.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. A large portion of the Town of Redington Shores net assets is its investment in capital assets (e.g. land, buildings and equipment). The Town of Redington Shores uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending, because the Town has no intention of selling these assets to generate spendable assets (i.e., cash). The following table reflects the condensed Statement of Net Position.

TOWN OF REDINGTON SHORES NET POSITION

Governmental Business-type Total
Activities Activities
September 30,

| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
|--------------------------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|
| Current Assets | 7,152,850 | 6,290,303 | 2,338,253 | 2,154,523 | 9,491,103 | 8,444,826 |
| Capital Assets (net of depreciation) | 12,031,330 | 12,673,111 | 574,770 | 612,813 | 12,606,100 | 13,285,924 |
| Total Assets (a) | 19,184,180 | 18,963,414 | 2,913,023 | 2,767,336 | 22,097,203 | 21,730,750 |
| Current Liabilities | 131,889 | 104,621 | 69,316 | 51,386 | 201,205 | 156,007 |
| Non-Current Liabilities | 2,975,284 | 3,234,691 | - | - | 2,975,284 | 3,234,691 |
| Total Liabilities (b) | 3,107,173 | 3,339,312 | 69,316 | 51,386 | 3,176,489 | 3,390,698 |
| Deferred Inflows of Resources | 10,631 | 8,218 | - | - | 10631 | 8218 |
| Net Position | | | | | | |
| Invested in capital assets(net) | 9,082,312 | 9,467,983 | 574,770 | 612,813 | 9,657,082 | 10,080,796 |
| Restricted | 2,256,898 | 1,565,326 | - | - | 2,256,898 | 1,565,326 |
| Unrestricted | 4,727,166 | 4,582,575 | 2,268,937 | 2,103,137 | 6,996,103 | 6,685,712 |
| Total Net Position (a-b) | 16,066,376 | 15,615,884 | 2,843,707 | 2,715,950 | 18,910,083 | 18,331,834 |

At the end of the current fiscal year, the Town of Redington Shores is able to report positive balances in all three categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government’s net position increased by \$578,249 during the current fiscal year.

Governmental activities/Business-Type activities

Governmental activities increased in the Town of Redington Shores net position by \$450,494. Business –type activities **increased** in the Town of Redington Shores net position by \$127,757.

The following schedule represents the revenues and expenses for the last two fiscal years.

TOWN OF REDINGTON SHORES CHANGES IN NET POSITION

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|-------------------------|------------|--------------------------|-----------|------------|------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Year End September 30, | | | | | | |
| Revenues: | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Program revenues: | | | | | | |
| Charges for services | 894,925 | 753,080 | 801,252 | 826,842 | 1,696,177 | 1,579,922 |
| Capital Grants | 19,257 | 25,293 | - | - | 19,257 | 25,293 |
| Total Program | 914,182 | 778,373 | 801,252 | 826,842 | 1,715,434 | 1,605,215 |
| Revenues | | | | | | |
| General revenues: | | | | | | |
| Land Dedication Fees | 144,925 | 32,040 | - | - | 144,925 | 32,040 |
| Property Taxes | 946,605 | 884,828 | - | - | 946,605 | 884,828 |
| Franchise fees | 207,299 | 202,594 | - | - | 207,299 | 202,594 |
| State revenue sharing | 51,752 | 51,427 | - | - | 51,752 | 51,427 |
| Half-cent sales tax | 123,318 | 117,386 | - | - | 123,318 | 117,386 |
| Local option gas tax | 31,052 | 31,077 | - | - | 31,052 | 31,077 |
| Infrastructure Sales | 200,779 | 188,130 | - | - | 200,779 | 188,130 |
| Surtax | | | | | | |
| Com. services tax | 109,604 | 112,322 | - | - | 109,604 | 112,322 |
| Other taxes | 9,466 | 8,553 | - | - | 9,466 | 8,553 |
| Investment earnings | 22,746 | 23,457 | 6,607 | 6,330 | 29,353 | 29,787 |
| Miscellaneous/other | 87,248 | 195,756 | 2,866 | 7,280 | 90,114 | 203,036 |
| Total General | 1,934,794 | 1,847,570 | 9,473 | 13,610 | 1,944,267 | 1,861,180 |
| Revenues | | | | | | |
| Total Revenues | 2,848,976 | 2,625,943 | 810,725 | 840,452 | 3,659,701 | 3,466,395 |
| Expenses: | | | | | | |
| General government | 466,681 | 395,385 | - | - | 466,681 | 395,385 |
| Public safety | 819,542 | 783,182 | - | - | 819,542 | 783,182 |
| Physical environment and Highways | 892,874 | 874,293 | - | - | 892,874 | 874,293 |
| Culture and recreation | 99,859 | 107,798 | - | - | 99,859 | 107,798 |
| Interest on Long Term Debt | 119,528 | 128,134 | - | - | 119,528 | 128,134 |
| Sewer | - | - | 682,968 | 779,880 | 682,968 | 779,880 |
| Total expenses | 2,398,484 | 2,288,792 | 682,968 | 779,880 | 3,081,452 | 3,068,672 |
| Change in Net Position | 450,492 | 337,151 | 127,757 | 60,572 | 578,249 | 397,723 |
| Net Position Beginning | 15,615,884 | 15,278,733 | 2,715,950 | 2,655,378 | 18,331,834 | 17,934,111 |
| Net Position End | 16,066,376 | 15,615,884 | 2,843,707 | 2,715,950 | 18,901,083 | 18,331,834 |

Financial Analysis of the Town's Funds

As noted earlier, the Town of Redington Shores uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town is in compliance with financial policies.

The focus of the Town of Redington Shores governmental funds are to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town of Redington Shores 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 Town of Redington Shores governmental funds reported an ending fund balance of \$7,039,421 an increase of \$830,656 in comparison with the prior year. Approximately 99.8% of the fund balance constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new general spending because it has already been committed for a variety of other restricted purposes.

The Town of Redington Shores proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the sewer fund at the end of the year amounted \$2,268,937. The total growth in net position was \$165,800 before depreciation. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Redington Shores business-type activities.

General Fund Budgetary Highlights

The General Fund budgetary estimates as amended, were favorable for both revenue and expenditures. Actual revenue exceeded budget by \$266,286. Actual expenditures were under budget by \$96,404.

Capital Assets

The Town of Redington Shores investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$12,605,800 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, equipment, park facilities and roads. The total decrease in the Town of Redington Shores investment in capital assets for the current fiscal year was \$680,124 (net of depreciation).

Major capital asset events during the current fiscal year included the following:

- Stormwater Quality Project (completed)
- Engineering fees related to future paving/drainage projects

TOWN OF REDINGTON SHORES CAPITAL ASSETS
(NET OF DEPRECIATION)

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|----------------------------|-------------------|-----------------------------|----------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| September 30, | | | | | | |
| Land | 2,256,898 | 2,481,698 | 8,091 | 8,091 | 2,264,989 | 2,489,789 |
| Construction in Progress | - | - | - | - | - | - |
| Building and improvements | 844,514 | 844,514 | - | - | 844,514 | 844,514 |
| Improvement other than bldgs. | 915,619 | 915,619 | 1,544,938 | 1,544,938 | 2,460,557 | 2,460,557 |
| Infrastructure | 10,696,370 | 10,696,370 | - | - | 10,696,370 | 10,696,370 |
| Equipment | 341,249 | 336,840 | 98,413 | 98,413 | 439,662 | 435,253 |
| Total Assets | 15,054,650 | 15,275,041 | 1,651,442 | 1,651,442 | 16,706,092 | 16,926,483 |
| Less Accumulated Depreciation | 3,023,320 | 2,601,930 | 1,076,672 | 1,038,629 | 4,099,992 | 3,640,559 |
| Total Net Assets | 12,031,330 | 12,673,111 | 574,770 | 612,813 | 12,606,100 | 13,285,924 |

Long-term debt.

The Town of Redington Shores had an outstanding bank loan of \$2,948,718 which was borrowed for the utility undergrounding project. It is backed by the full faith and credit of the Town.

Economic Factors and Next Year's Budget

The 2013-2014 budget does not reflect any material increases in rates for taxes/fees/services paid by its citizens.

Requests for Information

This financial report is designed to provide a general overview of the Town of Redington Shores finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Town Clerk, 17425 Gulf Boulevard, Redington Shores, FL 33708.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet - Governmental Funds
Reconciliation of the Balance Sheet to the Statement of
Net Position - Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities -
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual:
General Fund

Proprietary Fund Financial Statements

Statement of Net Position - Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Fund
Statement of Cash Flows - Proprietary Fund

Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

| ASSETS | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|--------------------------|
| Cash and cash equivalents | \$ 4,568,024 | \$ 2,152,352 | \$ 6,720,376 |
| Investments | 145,283 | 38,527 | 183,810 |
| Receivables (net of allowance for uncollectibles) | 162,989 | 147,374 | 310,363 |
| Prepaid expenses | 22,894 | - | 22,894 |
| Restricted assets: | | | |
| Temporarily restricted: | | | |
| Cash and cash equivalents | 2,253,660 | - | 2,253,660 |
| Capital Assets: | | | |
| Land | 2,256,898 | 8,091 | 2,264,989 |
| Buildings | 844,514 | - | 844,514 |
| Improvements other than buildings | 915,619 | 1,544,938 | 2,460,557 |
| Equipment | 341,249 | 98,413 | 439,662 |
| Infrastructure | 10,696,370 | - | 10,696,370 |
| Accumulated depreciation | <u>(3,023,320)</u> | <u>(1,076,672)</u> | <u>(4,099,992)</u> |
| Total Assets | 19,184,180 | 2,913,023 | 22,097,203 |
| LIABILITIES | | | |
| Accounts payable | 91,370 | 69,316 | 160,686 |
| Accrued payroll | 2,795 | - | 2,795 |
| Accrued interest payable | 37,724 | - | 37,724 |
| Noncurrent liabilities: | | | |
| Due within one year | 259,067 | - | 259,067 |
| Due in more than one year | <u>2,716,217</u> | <u>-</u> | <u>2,716,217</u> |
| Total Liabilities | 3,107,173 | 69,316 | 3,176,489 |
| Deferred inflows of resources: | | | |
| Occupational license collections | <u>10,631</u> | <u>-</u> | <u>10,631</u> |
| Total deferred inflows of resources | <u>10,631</u> | <u>-</u> | <u>10,631</u> |
| NET POSITION | | | |
| Invested in Capital Assets, net of related debt | 9,082,312 | 574,770 | 9,657,082 |
| Restricted for: | | | |
| Capital Projects | 2,256,898 | - | 2,256,898 |
| Unrestricted | <u>4,727,166</u> | <u>2,268,937</u> | <u>6,996,103</u> |
| Total Net Position | <u>\$ 16,066,376</u> | <u>\$ 2,843,707</u> | <u>\$ 18,910,083</u> |

See Notes to Financial Statements.

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

| Function/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|------------------|-------------------------|--|--|-----------------------------|---------------|
| | Expenses | Charges for Services | Capital Grants and Contributions | Primary Government | | |
| | | | | Governmental Activities | Business-type Activities | Total |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| General government | \$ 466,681 | \$ 180,880 | \$ - | \$ (285,801) | \$ - | \$ (285,801) |
| Public Safety | 819,542 | 329,323 | - | (490,219) | - | (490,219) |
| Physical environment | 892,874 | 346,038 | 19,257 | (527,579) | - | (527,579) |
| Culture and recreation | 99,859 | 38,684 | - | (61,175) | - | (61,175) |
| Interest on long-term debt | 119,528 | - | - | (119,528) | - | (119,528) |
| Total governmental activities | 2,398,484 | 894,925 | 19,257 | (1,484,302) | - | (1,484,302) |
| Business-Type Activities: | | | | | | |
| Sewer | 682,968 | 801,252 | - | - | 118,284 | 118,284 |
| Total business-type activities | 682,968 | 801,252 | - | - | 118,284 | 118,284 |
| Total primary government | \$ 3,081,452 | \$ 1,696,177 | \$ 19,257 | (1,484,302) | 118,284 | (1,366,018) |
| General Revenues: | | | | | | |
| Property taxes | | | | 946,605 | - | 946,605 |
| Franchise fees | | | | 207,299 | - | 207,299 |
| Unrestricted | | | | | | |
| Intergovernmental Revenues: | | | | | | |
| State Revenue sharing | | | | 51,752 | - | 51,752 |
| Communication services tax | | | | 109,604 | - | 109,604 |
| Half-cent sales tax | | | | 123,318 | - | 123,318 |
| Local option gas tax | | | | 31,052 | - | 31,052 |
| Infrastructure sales surtax | | | | 200,779 | - | 200,779 |
| Other taxes | | | | 9,466 | - | 9,466 |
| Capital Contributions | | | | 144,925 | - | 144,925 |
| Unrestricted investment earnings | | | | 22,746 | 6,607 | 29,353 |
| Gain on sale of capital assets | | | | 69,401 | - | 69,401 |
| Miscellaneous | | | | 17,847 | 2,866 | 20,713 |
| Total General Revenues and transfers | | | | 1,934,794 | 9,473 | 1,944,267 |
| Net Changes in Net Position | | | | 450,492 | 127,757 | 578,249 |
| Net Position, Beginning of Year | | | | 15,615,884 | 2,715,950 | 18,331,834 |
| Net Position, End of Year | | | | \$ 16,066,376 | \$ 2,843,707 | \$ 18,910,083 |

See Notes to Financial Statements.

TOWN OF REDINGTON SHORES, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

ASSETS

| ASSETS | <u>General</u> | <u>Capital Improvements</u> | <u>Total Governmental Funds</u> |
|---|-----------------------------|---------------------------------|---|
| Cash and cash equivalents | \$ 4,165,999 | \$ 402,025 | \$ 4,568,024 |
| Investments | 55,130 | 90,153 | 145,283 |
| Receivables (net of allowance for uncollectibles) | | | |
| Accounts | 62,020 | 7,891 | 69,911 |
| Intergovernmental: | | | |
| State | 36,861 | - | 36,861 |
| County | 7,791 | 48,426 | 56,217 |
| Prepaid items | 14,261 | - | 14,261 |
| Cash restricted | - | 2,253,660 | 2,253,660 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL ASSETS | \$ <u>4,342,062</u> | \$ <u>2,802,155</u> | \$ <u>7,144,217</u> |

LIABILITIES AND FUND BALANCES

| | | | |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Liabilities: | | | |
| Accounts payable | \$ 78,138 | \$ 13,232 | \$ 91,370 |
| Accrued payroll | 2,795 | - | 2,795 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | 80,933 | 13,232 | 94,165 |
| Deferred inflows of resources: | | | |
| Occupational license collections | 10,631 | - | 10,631 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total deferred inflows of resources | 10,631 | - | 10,631 |
| Fund balances: | | | |
| Nonspendable | 14,261 | - | 14,261 |
| Unassigned | 4,236,237 | 2,788,923 | 7,025,160 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | 4,250,498 | 2,788,923 | 7,039,421 |
| Total liabilities and fund balances | \$ <u>4,342,062</u> | \$ <u>2,802,155</u> | |

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|--|----------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental funds. | 12,039,963 |
| Long-term liabilities, including compensated absences, bank debt, and accrued interest expense are not due and payable in the current period and therefore are not reported in the Governmental funds. | <u>(3,013,008)</u> |
| Net position of governmental activities (page 11) | \$ <u>16,066,376</u> |

See Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

| | General | Capital Improvements | Total Governmental Funds |
|--|--------------|-------------------------|--------------------------------|
| REVENUES: | | | |
| Taxes: | | | |
| Property | \$ 946,605 | \$ - | \$ 946,605 |
| Franchise | 207,299 | - | 207,299 |
| Licenses and permits | 257,327 | - | 257,327 |
| Intergovernmental | 315,726 | 210,245 | 525,971 |
| Charges for services | 581,216 | 44,658 | 625,874 |
| Fines | 11,724 | - | 11,724 |
| Investment earnings | 13,334 | 9,412 | 22,746 |
| Contributions and Grants | 19,257 | - | 19,257 |
| Miscellaneous | 11,212 | 151,560 | 162,772 |
| Total Revenues | 2,363,700 | 415,875 | 2,779,575 |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 462,901 | - | 462,901 |
| Public safety | 813,946 | - | 813,946 |
| Physical environment | 501,223 | 15,501 | 516,724 |
| Culture and recreation | 72,940 | 3,960 | 76,900 |
| Debt service: | | | |
| Principal | - | 256,410 | 256,410 |
| Interest | - | 122,038 | 122,038 |
| Total Expenditures | 1,851,010 | 397,909 | 2,248,919 |
| Excess (Deficiency) of Revenues Over (under) Expenditures | 512,690 | 17,966 | 530,656 |
| Other Financial Sources (Uses): | | | |
| Proceeds from sale of surplus property | - | 300,000 | 300,000 |
| Transfers In | - | 150,000 | 150,000 |
| Transfers (out) | (150,000) | - | (150,000) |
| Total Other Financing Sources (Uses) | (150,000) | 450,000 | 300,000 |
| Net Change in Fund Balance | 362,690 | 467,966 | 830,656 |
| Fund Balance, Beginning of Year | 3,887,808 | 2,320,957 | 6,208,765 |
| Fund Balance, End of Year | \$ 4,250,498 | \$ 2,788,923 | \$ 7,039,421 |

See Notes to Financial Statements.

TOWN OF REDINGTON SHORES, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Changes in fund balances - total governmental funds \$ 830,656

Amounts reported for governmental activities in the statement of net position are different because:

Governmental funds report capital outlays as expenditures and sales proceeds as revenues. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

| | | |
|---------------------------------------|---------------|--|
| Proceeds from sales of capital assets | \$ (300,000) | |
| Expenditures for capital assets | 13,659 | |
| Less current year depreciation | (425,141) | |
| Gain on capital assets sold | <u>69,401</u> | |

(642,081)

The issuance of long-term debt (e.g. bank loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report on the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | | |
|---------------------------|--------------|---------|
| Payment of loan principal | \$ 256,410 | |
| Other credits | <u>(800)</u> | 255,610 |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | | |
|-------------------------------------|--------------|--------------|
| Accrued interest on bank loan - net | 3,310 | |
| Compensated absences | <u>2,997</u> | <u>6,307</u> |

Net change in net position of governmental activities \$ 450,492

See Notes to Financial Statements.

TOWN OF REDINGTON SHORES, FLORIDA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget- Positive (Negative)</u> |
|--|-------------------------|---------------------|-----------------------|--|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes: | | | | |
| Property | | | | |
| Ad valorem | \$ 935,878 | \$ 935,878 | \$ 946,605 | \$ 10,727 |
| Franchise fees | 220,000 | 220,000 | 207,299 | (12,701) |
| Licenses and permits | 90,700 | 90,700 | 257,327 | 166,627 |
| Intergovernmental | 310,728 | 310,728 | 315,726 | 4,998 |
| Charges for services | 522,508 | 522,508 | 581,216 | 58,708 |
| Fines | 7,600 | 7,600 | 11,724 | 4,124 |
| Investment earnings | 10,000 | 10,000 | 13,334 | 3,334 |
| Contributions and grants | - | - | 19,257 | 19,257 |
| Miscellaneous | - | - | 11,212 | 11,212 |
| | <u>2,097,414</u> | <u>2,097,414</u> | <u>2,363,700</u> | <u>266,286</u> |
| Total Revenues | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative | 58,825 | 58,825 | 64,694 | (5,869) |
| Financial and administrative | 461,987 | 461,987 | 394,918 | 67,069 |
| Facilities maintenance | 10,200 | 10,200 | 3,289 | 6,911 |
| | <u>531,012</u> | <u>531,012</u> | <u>462,901</u> | <u>68,111</u> |
| Total general government | | | | |
| Public Safety: | | | | |
| Police | 430,804 | 430,804 | 430,486 | 318 |
| Fire | 215,522 | 215,522 | 215,522 | - |
| Protective inspections | 171,496 | 171,496 | 167,938 | 3,558 |
| | <u>817,822</u> | <u>817,822</u> | <u>813,946</u> | <u>3,876</u> |
| Total public safety | | | | |
| Physical Environment: | | | | |
| Garbage and trash | 258,940 | 258,940 | 254,222 | 4,718 |
| Maintenance | 264,586 | 264,586 | 247,001 | 17,585 |
| | <u>523,526</u> | <u>523,526</u> | <u>501,223</u> | <u>22,303</u> |
| Total physical environment | | | | |
| Culture and Recreation: | | | | |
| Library | 34,554 | 34,554 | 34,554 | - |
| Parks and Recreation | 40,500 | 40,500 | 38,386 | 2,114 |
| | <u>75,054</u> | <u>75,054</u> | <u>72,940</u> | <u>2,114</u> |
| Total culture and recreation | | | | |
| | <u>1,947,414</u> | <u>1,947,414</u> | <u>1,851,010</u> | <u>96,404</u> |
| Total Expenditures | | | | |
| Excess of Revenues Over (Under) Expenditures | 150,000 | 150,000 | 512,690 | 362,690 |
| Other Financing Sources (Uses): | | | | |
| Transfer to Capital Improvements Fund | 150,000 | (150,000) | (150,000) | - |
| Total Other Financing Sources (Uses) | <u>(150,000)</u> | <u>(150,000)</u> | <u>(150,000)</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 362,690 | 362,690 |
| Fund Balance, Beginning of Year | <u>3,887,808</u> | <u>3,887,808</u> | <u>3,887,808</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 3,887,808</u> | <u>\$ 3,887,808</u> | <u>\$ 4,250,498</u> | <u>\$ 362,690</u> |

See Notes to Financial Statements.

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2014

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

ASSETS

| | <u>SEWER FUND</u> |
|---|-----------------------|
| CURRENT ASSETS: | |
| Cash and cash equivalents | \$ 2,152,352 |
| Investments | 38,527 |
| Accounts receivable, net of allowance for uncollectible accounts | <u>147,374</u> |
| TOTAL CURRENT ASSETS | 2,338,253 |
| | |
| NONCURRENT ASSETS: | |
| Capital Assets: | |
| Land | 8,091 |
| Improvements other than buildings | 1,544,938 |
| Equipment | <u>98,413</u> |
| TOTAL CAPITAL ASSETS | 1,651,442 |
| Less accumulated depreciation | <u>1,076,672</u> |
| TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION) | <u>574,770</u> |
| TOTAL ASSETS | <u>\$ 2,913,023</u> |

See Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2014

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

LIABILITIES AND FUND EQUITY

| | <u>SEWER FUND</u> |
|----------------------------|----------------------------|
| CURRENT LIABILITIES: | |
| Accounts payable | \$ <u>69,316</u> |
| TOTAL CURRENT LIABILITIES | <u>69,316</u> |
| | |
| TOTAL LIABILITIES | 69,316 |
| | |
| NET POSITION: | |
| Invested in capital assets | 574,770 |
| Unrestricted | <u>2,268,937</u> |
| | |
| TOTAL NET POSITION | \$ <u><u>2,843,707</u></u> |

See Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

| | <u>SEWER FUND</u> |
|-----------------------------------|----------------------------|
| OPERATING REVENUES: | |
| Charges for sales and service | \$ <u>801,252</u> |
| Total operating revenue | 801,252 |
| OPERATING EXPENSES: | |
| Materials and supplies | 163,447 |
| Treatment fees | 458,888 |
| Repairs and maintenance | 22,590 |
| Depreciation | <u>38,043</u> |
| Total operating expenses | <u>682,968</u> |
| OPERATING INCOME | 118,284 |
| NONOPERATING REVENUES (EXPENSES): | |
| Interest revenue | 6,607 |
| Other | <u>2,866</u> |
| Total nonoperating revenues | <u>9,473</u> |
| NET CHANGE IN NET POSITION | 127,757 |
| NET POSITION, OCTOBER 1 | <u>2,715,950</u> |
| NET POSITION, SEPTEMBER 30 | <u>\$ <u>2,843,707</u></u> |

See Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

| | <u>SEWER FUND</u> |
|---|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from customers and users | \$ 792,166 |
| Payments to suppliers for goods and services | <u>(626,993)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 165,173 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | |
| Transfers | <u>-</u> |
| NET CASH (USED) FOR NON-CAPITAL FINANCING ACTIVITIES | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Proceeds from sale of capital assets | - |
| Purchase of capital assets | <u>-</u> |
| NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES | - |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest on investments | <u>6,607</u> |
| NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES | <u>6,607</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 171,780 |
| CASH AND CASH EQUIVALENTS, OCTOBER 1 | <u>1,980,572</u> |
| CASH AND CASH EQUIVALENTS, SEPTEMBER 30 | <u>\$ 2,152,352</u> |

See Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

SEWER
FUND

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

| | |
|--|--------------------------|
| Operating income (loss): | \$ 118,284 |
| | |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Depreciation | 38,043 |
| Change in assets and liabilities: | |
| (Increase) decrease in accounts receivable | (9,101) |
| Increase (decrease) in accounts payable | <u>17,947</u> |
| Total adjustments | <u>46,889</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ <u><u>165,173</u></u> |

See Notes to Financial Statements.

NOTES TO
FINANCIAL STATEMENTS

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies

The Town of Redington Shores (town) maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the town's accounting policies are described below:

Reporting Entity - The town is a political subdivision of the State of Florida, located in Pinellas County in the west central portion of the state. The town was incorporated on August 30, 1955 under the provisions of the Laws of Florida, 1955, Section 35, Chapter 31209 and since that time has operated under the same charter. The town is approximately .36 square miles in area. The town is a full service municipality providing its citizens with a full complement of municipal services to include solid waste removal.

In evaluating how to define the Town of Redington Shores, Florida (the primary government), for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14.

This governmental accounting standard requires that this financial statement present the Town of Redington Shores (the primary government) and its component units, if any. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The town does not currently have any component units.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

Government-wide and fund financial statements - As discussed more fully in Note 2 the town has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." The government-wide financial statements required under this statement (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are 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 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. Fiduciary funds and component units that are fiduciary in nature (i.e. the pension trust funds) are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the same page or the page following each statement, which briefly explains the adjustments necessary to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

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 and fiduciary 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, intergovernmental revenues 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 town.

The town reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital improvements fund* accounts for the capital projects funded primarily by the infrastructure sales surtax.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

The town reports the following major proprietary funds:

Sewer fund - to account for the assets, operation and maintenance of the town's sewage collection system.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The town has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's sewer and solid waste functions and various other functions of the government. 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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and intergovernmental revenues.

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 revenue of the town's sewer enterprise fund is charges to customers for sales and services. Operating expenses for the enterprise fund 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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

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

Assets, Liabilities, and Net Position or Equity:

Deposits and investments - The town'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.

The town's investment policy is to maintain funds in investments which yield the highest possible efficiency and return within the limitations established by Florida Statutes, Chapter 166.261. Provisions of those statutes authorize the town to invest in:

- a) Florida State Board of Administration Local Government Pooled Investment Fund.
- b) Bonds, notes or other obligations of the United States or for which the credit of the United States is pledged for the payment thereof.
- c) Interest-bearing time deposits, savings accounts or collective investment funds in banks or savings and loan associations organized under the laws of the United States.
- d) Obligations of the federal farm credit banks and the Federal Home Loan Mortgage Corporation.
- e) Obligations of the Federal National Mortgage Association and the Government National Mortgage Association.

Investments in fixed income securities are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

The Florida State Board of Administration Local Government Surplus Funds Trust Fund (name changed to “Florida Prime”) has met the criteria to be considered a “2A-7 like” Investment Fund as defined by GASB Statement No. 31. Therefore, amortized cost may be used for valuation. The fair value of the town’s investment in this pool is determined by the pool’s share price (account balance).

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 either “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 outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Deferred Outflows of Resources/Deferred Inflows of Resources - Government Accounting Standards Board (GASB) Concept Statement No. 4 “Elements of Financial Statements” introduced two new elements of the financial statements in addition to Assets, Liabilities and Net Assets (changed to Net Position) which are:

Deferred Outflows of Resources - is a consumption of net assets by the government that is applicable to a future reporting period.

Deferred Inflows of Resources - is an acquisition of net assets by the government that is applicable to a future reporting period.

Government Accounting Standards Board (GASB) Statement No. 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” provides financial reporting guidance for Deferred Outflows of Resources and Deferred Inflows of resources and also identifies Net Position (replacing Net Assets) as the residual of all the elements (Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources) presented in a statement of financial position.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

Government Accounting Standards Board (GASB) Statement No. 65 “Items Previously Reported as Assets and Liabilities” establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

In implementing GASB Statement No. 65 the Town established that occupational licenses that were all billed in FY 2014 but are revenues of the subsequent year FY 2015, are to be classified as Deferred Inflows of Resources.

All tax, accounts and intergovernmental receivables, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles including those for the sewer enterprise fund.

Property Taxes - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the county property appraiser and county tax collector.

The tax levy of the town is established by the town commission prior to October 1 of each year and the Pinellas County Property Appraiser incorporates the town's millages into the total tax levy, which includes the Pinellas County School Board tax requirements. The town is permitted by state law to levy taxes up to ten mills of assessed valuation, exclusive of taxes levied for the payment of bonds. The 2014 millage rate assessed by the town was 2.0000.

All property is reassessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the executive director of the state department of revenue for review to determine if the rolls meet all of the appropriate requirements of state statutes.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the tax collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

Because of the Pinellas County Tax Collector's Office efficient system for selling tax certificates and remitting the proceeds to the town, any delinquent or uncollected property taxes at year end are immaterial. The town's tax calendar is as follows:

| | |
|-----------------|---------------------------|
| Valuation Date: | January 1 |
| Levy Date: | November 1 |
| Due Date: | March 31, succeeding year |
| Lien Date: | April 1, succeeding year |

Franchise Fees - The town's franchise fees are based on payments to the town which equal a percentage of the grantees' gross revenues net of any customer credits. The town's current grantees include the electric and the natural gas utilities.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, seawalls and stormlines), 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 more than \$200 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

During the fiscal year ended September 30, 2003 the town elected not to implement the retroactive addition of infrastructure assets acquired prior to October 1, 2003.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, if any, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, is depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|--------------------------------------|--------------|
| Buildings | 40 |
| Building improvements | 20 - 30 |
| Improvements other than buildings | 10 - 40 |
| Machinery and equipment | 5 - 10 |
| Infrastructure | 20 - 40 |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

Compensated absences - It is the town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Regular, full-time, permanent employees earn vacation and sick leave starting with the first day of employment.

Vacation leave is earned based on years of continuous and creditable service up to a maximum of ten days as of December 31 of each year.

An employee who has served one year or more and who voluntarily terminates employment with the town is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned at the rate of five sick days a year for the first year of service and ten days a year for the second year and over. Upon termination, providing the employee has two continuous years of service and that termination is not a dismissal, the employee is entitled to a lump-sum payment for all accrued unused sick leave in accordance with the following schedule:

| <u>Years of Service</u> | <u>Payment Upon Separations</u> |
|-------------------------|---------------------------------------|
| 2 through 6 years | 20% up to and not to exceed 200 hours |
| 7 through 19 years | 30% up to and not to exceed 240 hours |
| 20 years and up | 40% up to and not to exceed 400 hours |

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in long-term debt. No expenditure is reported for these amounts.

All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

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, business-type activities, or proprietary fund type statement of net assets.

Fund equity - In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Net position - The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components - net investment in capital assets, restrict, and unrestricted.

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the position of debt attributable to the unspent proceeds.

Restricted - This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$18,910,083 of restricted net position, of which \$2,256,898 is restricted by enabling legislation.

Unrestricted - This component consists of net position that does not meet the definition of “net investment in capital assets” and “restricted”.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

Nature and Purpose of Classifications of Fund Equity - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by

a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or

b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the Commission through a resolution are classified as committed fund balances. Amounts that are constrained by the Town's intent to be used for specific purposes but are not either restricted nor committed are classified as assigned fund balances. Assignments are made by the Town's management based on Commission direction. Non-spendable fund balances

include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the governmental funds.

Fund Balance Policy

The Town hereby establishes and will maintain Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balance shall be composed of non-spendable, restricted, committed, assigned and unassigned amounts.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

A Fund Balance Policy is adopted in order to secure and maintain investment-grade credit ratings, meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the Town, in accordance with policies established by the Town Commission.

This Fund Balance Policy establishes:

- a. Fund balance policy for the general fund;
- b. Reservations of fund balance for the general fund;
- c. The method of budgeting the amount of estimated unrestricted fund balance (also known as estimated beginning fund balance) available for appropriation during the annual budget adoption process (prior to the actual, audited fund balance being known) and what actions may need to be taken if the actual fund balance is significantly different than the budgeted fund balance; and
- d. Establish the spending order of fund balances.

RESTRICTED FUND BALANCE

Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation will be budgeted and reported in specific revenue funds, capital project funds or debt service funds.

COMMITTED FUND BALANCE

Commitment of fund balance may be made for such purposes including, but not limited to: a) major maintenance and repair projects; b) meeting future obligations resulting from a natural disaster; c) accumulating resources pursuant to stabilization arrangements; d) establishing reserves for disasters; and/or e) for setting aside amounts for specific projects.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

ASSIGNED FUND BALANCE

Assignment of fund balance may be: a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Assigned fund balance shall reflect management's intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

NON-SPENDABLE FUND BALANCE

Non-spendable fund balance is established to report items that are not expected to be converted to cash such as inventory and pre-paid items; items not currently in cash form such as long-term amounts of loans and notes receivable as well as property acquired for resale; and, items legally or contractually required to be maintained intact such as the corpus (or principle) of a permanent fund.

MINIMUM LEVEL OF UNASSIGNED FUND BALANCE

Unassigned fund balance is the residual classification for general fund and represents fund balance that has not been restricted, committed or assigned by specific purposes within the general fund.

If, after the annual audit, prior or committed or assigned fund balance causes the unassigned fund balance to fall below 17% of General Fund operating expenditures, the Commission will take necessary action to restore the unassigned fund balance to 17% of General Fund operating expenditures.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (Continued)

The Finance Commissioner and Town Clerk will prepare and submit a plan for assigned fund balance reduction, expenditure reductions and/or revenue increases to Town Commission. The Town shall take action necessary to restore the unassigned fund balance to acceptable levels within two years.

ASSIGNED FUND BALANCE

The Town hereby established the following assigned fund balance reserves in the General Fund:

Assignment to Subsequent Year's Budget - the subsequent year's budget fund balance reserve is assigned by Commission as set forth in the annual budget (and any amendments thereto) to appropriate a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over revenues.

Subsequent Events - Management has adopted the provisions set forth in GASB Statement No. 56, *Subsequent Events*, and has considered subsequent events through the date of the audit report which is the date that the financial statements were available to be issued.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position. The detail of this \$(3,013,008) difference is as follows:

| | |
|---|------------------------------|
| Bank loan | \$ (2,948,718) |
| Accrued interest | (37,724) |
| Compensated absences | <u>(26,566)</u> |
| Net adjustment to reduce <i>fund balance - total Governmental funds to arrive at net position - Governmental activities</i> | \$ <u><u>(3,013,008)</u></u> |

B. 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 position 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. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses.” The details of this \$(642,081) difference are as follows:

| | |
|---|----------------------------|
| Capital asset expenditures | \$ 13,659 |
| Net proceeds from sales of capital assets | (230,599) |
| Depreciation expense | <u>(425,141)</u> |
| Net adjustment to decrease <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i> | \$ <u><u>(642,081)</u></u> |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued).

The repayment of the bank loan does not have any effect on net position. Also deferred bank loan issuance costs are amortized in the statement of activities.

| | |
|---|-------------------|
| Payment of bank loan principal | \$ 256,410 |
| Other credits | <u>(800)</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities | <u>\$ 255,610</u> |

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$6,307 difference are as follows:

| | |
|--|-----------------|
| Accrued interest on bank loan - net | \$ 3,310 |
| Compensated absences | <u>2,997</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u>\$ 6,307</u> |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

3. Stewardship, Compliance, and Accountability

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and the enterprise funds and are controlled on a fund and department level. The town adopts project-length budgets for its capital improvements fund. All annual appropriations lapse at fiscal year end.

In accordance with the requirements of the town's charter, budgetary data for the town's enterprise fund have been reported in the individual fund section of this report. The town clerk is authorized to transfer budget amounts between line items of individual departments; however, any revision that alters the total expenditures of any department or fund must be approved by the town commission.

On or before July 31 of each year, all departments of the town submit requests for appropriation to the town clerk so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the town commission for review before August 31. The town commission holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the town clerk or the revenue estimates must be changed by an affirmative vote of a majority of the town commission.

Expenditures may not legally exceed budgeted appropriations at the departmental level. During the year one supplementary appropriation was necessary.

Excess of expenditures (expenses) over revenues - There were no funds that had an operating deficit for the fiscal year ended September 30, 2014.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

4. Deposits

At year-end the carrying amount of the town's deposits was \$8,974,036 and the bank balance was \$9,238,919. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act. Provisions of the act require that public deposits may only be made at qualified public depositories. The act requires each qualified public depository to deposit with the state treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

5. Investments

Investments that are not evidenced by securities that exist in physical or book-entry form include investments in open-ended mutual funds and pools managed by other governments.

| <u>Fair Value</u> | <u>Bond Rating</u> | <u>Weighted Average Duration (Years)</u> |
|-------------------|------------------------|--|
|-------------------|------------------------|--|

Investments not subject to categorization:

| | | | |
|--|--------------------------|-----------|-----|
| Florida State Board of Administration Local Government Surplus Funds Trust Fund (SBA) | \$ <u>183,810</u> | Not Rated | N/A |
| Total investments | \$ <u><u>183,810</u></u> | | |

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The town manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The town limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure bench marks.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

5. Investments (Continued)

Credit Risk - Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with chapter 218 of the Florida Statutes the town's investment guidelines limit its fixed income investments to a quality rating of 'A' or equivalent as rated by one or more recognized bond rating service at the time of purchase. Fixed income investments which are downgraded to 'BAA' or equivalent must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments which are downgraded below 'BAA' shall be liquidated immediately.

Custodial Credit Risk - Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third party custodian in the name of the Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. The investments in mutual funds are considered *unclassified* pursuant to the custodial credit risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form.

The town has adopted a written investment policy in accordance with Florida Statute 218(16). That statute is intended to minimize interest rate, credit and custodial risk by directing the town to invest only in authorized investments summarized as follows:

- (a) The Local Government Surplus Funds Trust Fund or any Intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02.
- (d) Direct obligations of the United States Treasury.
- (e) Federal agencies and instrumentalities.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

5. Investments (Continued)

- (f) Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

The State Board of Administration (SBA) was established on June 21, 1928, pursuant to chapter 14486, 1929, Laws of Florida. The SBA was subsequently created as a constitutional body corporate on January 1, 1943, under the provisions of senate joint resolution No. 324, 1941; approved by the electorate in November 1942. The SBA is composed of the Governor, as chairman, the state treasurer, as treasurer, and the state Comptroller, as Secretary, and provides the following services by law: (1) investment of funds of the Florida Retirement System (FRS); (2) administration of debt service funds; (3) investment of trust and agency funds; and (4) distribution of the “second gas tax.”

The local government pooled investment fund is governed by ch 19-7 of the Florida Administrative Code, which identifies the rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the local government pooled investment fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

Since the Florida State Board of Administration (SBA) local government pooled investment fund typically owns a substantial amount of treasury bills and notes, the fund has utilized security lending programs to generate supplemental income. This income is used to pay a significant portion of the fees associated with the fund which otherwise would have to be paid from regular fund earnings. Any residual is used to build the fund’s reserve on behalf of participants. Both of these goals have been accomplished without impacting the regular earnings in the fund with no change in the fund’s investment strategy. The investment in the Florida SBA pool is carried at the pool’s share price at September 30, 2014.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

5. Investments (Continued)

During the fiscal year ended September 30, 2007 the fund reported that 6% of the fund was held in securities that were in default, had defaulted or were extended; 8% of the fund was held in securities that were under stress due to credit issues and 86% of the fund was held in high quality money market investments. In an effort to strengthen the fund's liquidity, the fund was divided into two parts:

Fund A contained all money-market appropriate assets and

Fund B consisted of assets in default, impaired or held significant credit risk. This fund was closed without loss as of September 30, 2014.

The SBA Board adopted the following operating policy:

1. Shareholders were allowed to redeem (with no fees) from Fund A, the greater of
 - a) up to 37% of their holdings or
 - b) \$4 million
2. Establish a public-private partnership to allow shareholders to borrow cash against their shares.
3. Shareholders that need additional funds and were not able to make use of the credit facility may redeem Fund A shares subject to redemption fees.
4. Fund B shares are not liquid nor are they tradable.

During the fiscal year ended September 30, 2014, the fund was returned to full liquidity.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

6. Receivables

Receivables at of September 30, 2014 for the government's individual major funds, including the applicable allowances for uncollectible accounts, are summarized as follows:

| | <u>General</u> | <u>Capital Improvements</u> | <u>Sewer</u> | <u>Total</u> |
|---------------------------------------|-------------------|---------------------------------|-------------------|-------------------|
| Receivables: | | | | |
| Accounts | \$ 62,020 | \$ 7,891 | \$ 147,374 | \$ 217,285 |
| Intergovernmental | <u>44,652</u> | <u>48,426</u> | <u>-</u> | <u>93,078</u> |
| Gross receivables | 106,672 | 56,317 | 147,374 | 310,363 |
| Less: Allowance for uncollectibles | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net total receivables | <u>\$ 106,672</u> | <u>\$ 56,317</u> | <u>\$ 147,374</u> | <u>\$ 310,363</u> |

As the operator of a utility, (sewer) the town grants credit to their customers, substantially all of whom are town residents.

Revenues of the sewer fund are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to sewer sales \$ -0-

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

7. Interfund Transfers

Transfers were made from the General Fund to the Capital Improvements Fund for infrastructure improvements for the fiscal year ended September 30, 2014 as follows:

| | <u>Transfers In</u> | <u>Transfer Out</u> |
|---------------------------|-------------------------|-------------------------|
| General Fund | \$ - | \$ 150,000 |
| Capital Improvements Fund | <u>(150,000)</u> | <u>-</u> |
| Total | <u>\$ (150,000)</u> | <u>\$ 150,000</u> |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

8. Capital Assets

Capital asset activity for the year ended September 30, 2014 was as follows:

| | <u>Balance October 1, 2013</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance September 30, 2014</u> |
|--|--|-------------------------------|-------------------------------|---|
| <u>Governmental activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ <u>2,481,698</u> | \$ _____ - | \$ <u>(224,800)</u> | \$ <u>2,256,898</u> |
| Total capital assets, not being depreciated | 2,481,698 | - | (224,800) | 2,256,898 |
| Capital assets, being depreciated: | | | | |
| Buildings | 844,514 | - | - | 844,514 |
| Improvements other than buildings | 915,619 | - | - | 915,619 |
| Machinery and Equipment | 336,840 | 13,659 | (9,250) | 341,249 |
| Infrastructure | <u>10,696,370</u> | <u> </u> - | <u> </u> - | <u>10,696,370</u> |
| Total capital assets, being depreciated | 12,793,343 | 13,659 | (9,250) | 12,797,752 |
| Less accumulated depreciation for: | | | | |
| Buildings | (297,785) | (21,062) | - | (318,847) |
| Improvements other than buildings | (317,085) | (47,138) | - | (364,223) |
| Machinery and equipment | (241,711) | (18,339) | 3,751 | (256,299) |
| Infrastructure | <u>(1,745,349)</u> | <u>(338,602)</u> | <u> </u> - | <u>(2,083,951)</u> |
| Total accumulated depreciation | <u>(2,601,930)</u> | <u>(425,141)</u> | <u>3,751</u> | <u>(3,023,320)</u> |
| Total capital assets, being depreciated, net | <u>10,191,413</u> | <u>(411,482)</u> | <u>(5,499)</u> | <u>9,774,432</u> |
| Governmental activities | | | | |
| capital assets, net | <u>\$ 12,673,111</u> | <u>\$ (411,482)</u> | <u>\$ (230,299)</u> | <u>\$ 12,031,330</u> |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

8. Capital Assets (Continued)

| | Balance October 1, 2013 | Increases | Decreases | Balance September 30, 2014 |
|--|-------------------------------|--------------------|-------------|----------------------------------|
| <u>Business-type activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 8,091 | \$ - | \$ - | \$ 8,091 |
| Total capital assets, not being depreciated | 8,091 | - | - | 8,091 |
| Capital assets, being depreciated: | | | | |
| Improvements other than buildings | 1,544,938 | - | - | 1,544,938 |
| Machinery and Equipment | 98,413 | - | - | 98,413 |
| Total capital assets, being depreciated | 1,643,351 | - | - | 1,643,351 |
| Less accumulated depreciation for: | | | | |
| Improvements other than buildings | (964,125) | (30,938) | - | (995,063) |
| Machinery and equipment | (74,504) | (7,105) | - | (81,609) |
| Total accumulated depreciation | (1,038,629) | (38,043) | - | (1,076,672) |
| Total capital assets, being depreciated, net | 604,722 | (38,043) | - | 566,679 |
| Business-type activities capital assets, net | <u>\$ 612,813</u> | <u>\$ (38,043)</u> | <u>\$ -</u> | <u>\$ 574,770</u> |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

8. Capital Assets (Continued)

Depreciation expense for the fiscal year ended September 30, 2014 was charged to functions/programs of the primary government as follows:

Governmental activities:

| | | |
|---|----|-----------------------|
| General government | \$ | 20,436 |
| Public safety | | 5,596 |
| Physical environment | | 376,150 |
| Culture and recreation | | <u>22,959</u> |
| Total depreciation expenses - governmental activities | \$ | <u><u>425,141</u></u> |

Business-type activities:

| | | |
|---|----|----------------------|
| Sewer | \$ | <u>38,043</u> |
| Total depreciation expense - business-type activities | \$ | <u><u>38,043</u></u> |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

9. Details of Constraints on Fund Balances of Governmental Funds

| | <u>General Fund</u> | <u>Capital Improvements Fund</u> | <u>Total</u> |
|----------------------------|----------------------------|--|----------------------------|
| Fund balances: | | | |
| Nonspendable: | | | |
| Prepays | \$ 14,261 | \$ - | \$ 14,261 |
| Unassigned: | <u>4,236,237</u> | <u>2,788,923</u> | <u>7,025,160</u> |
| | | | |
| Total fund balances | \$ <u>4,250,498</u> | \$ <u>2,788,923</u> | \$ <u>7,039,421</u> |

Reserved Net Position - Sewer Fund

In 1981 a Sewer Fund reserve was created by ordinance which required five percent of all sewer service fees collected to be reserved. If approved by the Town Commission, the funds can be used for emergency repair and maintenance work in excess of \$20,000 per item. A summary of changes in the reserve is as follows:

| | |
|-----------------------------------|--------------------------|
| Balance at beginning of year | \$ 126,544 |
| Five percent of fees collected | 40,352 |
| Interest earned | <u>278</u> |
| Total available | 167,174 |
| Less amount approved for transfer | <u>-</u> |
| | |
| Balance at end of year | \$ <u>167,174</u> |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

10. Intra-Governmental Charges

The costs of certain general and administrative functions of the town are recorded and controlled in the general fund. These administrative costs have been allocated to the town's enterprise funds for the year ended September 30, 2014, as shown in the following table:

| <u>Enterprise Fund</u> | <u>Administrative Costs Allocated</u> |
|----------------------------|---|
| Sewer | \$ <u>150,000</u> |
| Total | \$ <u><u>150,000</u></u> |

11. Post-Employment Health Care Benefits

GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expenses, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's financial statements as an increase (or decrease) in the net OPEB obligation. The effective date for implementation of GASB 45 by the Town of Redington Shores is October 1, 2008. Accordingly, the Town did obtain an actuarial valuation in accordance with GASB 45 standards.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

11. Post-Employment Health Care Benefits (Continued)

Plan Description and Funding Policy

Employees who retire from the Town of Redington Shores (Town), and eligible dependents and survivors, are eligible to continue to participate in the Town's health insurance programs at the employee group rate which is determined annually by the Town and approved by the Town Commission. Retirees have 31 days to elect to enroll in the Town's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of September 30, 2014, a total of seven eligible retirees and dependents were participating in the Town's health program.

The Town provides no funding for any portion of the premiums after retirement. However, the Town recognizes that there may be an "implicit subsidy" arising as a result of the blended rate premium when retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

As of September 30, 2014, the current health care premiums for the Town's health plan are already age adjusted. Therefore, the contributions of the retirees and the age adjusted premiums would be equal. According to the Actuary, this would create a liability of \$0.

It is important to note that if the Town switches to a group plan with blended premiums or decides to pay for retirees healthcare benefits in the future, then this liability will no longer be \$0, and a full actuarial valuation will need to be performed.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

12. Long-Term Debt

Long-term debt includes a bank loan and accrued leave as of September 30, 2014:

A. Bank Loan

During 2006 the town obtained a \$5 million loan to fund the undergrounding of utilities. The loan is collateralized by the Non-Ad valorem revenue of the town. The loan bears an interest rate of 3.88% and matures in 2025. The remaining annual debt service requirements are as follows:

| <u>Year ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|-------------------|---------------------|
| 2015 | \$ 256,410 | \$ 106,948 | \$ 363,358 |
| 2016 | 256,410 | 101,974 | 358,384 |
| 2017 | 256,410 | 92,026 | 348,436 |
| 2018 | 256,410 | 82,077 | 338,487 |
| 2019 | 256,410 | 72,128 | 328,538 |
| 2020-2024 | 1,025,640 | 189,027 | 1,214,667 |
| 2025-2026 | <u>641,028</u> | <u>37,308</u> | <u>678,336</u> |
| | <u>\$ 2,948,718</u> | <u>\$ 681,488</u> | <u>\$ 3,630,206</u> |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

12. Long-Term Debt (Continued)

B. Change in Long-Term Obligations

| | Beginning of Year Balance <u>10/01/13</u> | Additions | Reductions | End of Year Balance <u>9/30/14</u> | Current |
|----------------------|--|------------------|-------------------|---|-------------------|
| Bank loan | \$ 3,205,128 | \$ - | \$ 256,410 | \$ 2,948,718 | \$ 256,410 |
| Net OPEB obligation | - | - | - | - | - |
| Compensated absences | <u>29,563</u> | <u>42,355</u> | <u>45,352</u> | <u>26,566</u> | <u>2,657</u> |
| | <u>\$ 3,234,691</u> | <u>\$ 42,355</u> | <u>\$ 301,762</u> | <u>\$ 2,975,284</u> | <u>\$ 259,067</u> |

Compensated absences are generally liquidated by the general fund.

There were no long-term obligations for the business-type activities.

As of September 30, 2014, the Town's Actuary has determined that the Town has no OPEB obligation.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

13. Risk Management

The town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In an effort to reduce the rising costs of commercial insurance, the town purchases its insurance coverage for liability and workers' compensation from a plan sponsored by the Florida League of Cities, Inc.

The plan is a public entity risk pool currently operating as a common risk management and insurance program for local municipalities. The town pays an annual premium to the plan for property coverage, liability and workers' compensation. The plan, through its various trusts, establishes premium rates based on members' experience and provides the insurance coverage for over 300 Florida municipalities. Each trust carries its own reinsurance coverage.

14. Contracts and Agreements

Police Protection - The town has contracted with the Town of Indian Shores, Florida for police protection through September 30, 2014 at an annual cost of \$430,486. The fee is adjusted annually to equal 35% of the Town of Indian Shores annual police budget.

Refuse Collection - The town has contracted with a private company for collection of refuse through September 30, 2019. Various fees are fixed until October 1, 2011 at which time they can be adjusted based upon the consumer price index. The costs for the fiscal year ended September 30, 2014 was \$254,222.

Public Library - The town has contracted with the Gulf Beaches Library, Inc. for library service for the year ending September 30, 2014 at a cost of \$34,554.

Fire Protection - The town has contracted with the Cities of Madeira Beach and Seminole, Florida for fire protection through September 30, 2020. The cost for the year ended September 30, 2014 was \$215,522. The cost for each subsequent year increases by the US Department of Labor Price Index.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

15. Contingent Liabilities

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

Although the town received federal grant funds during the fiscal year ended September 30, 2014, it is not subject to the program compliance audit by the grantee under the Office of Management and Budget circular A-133, "Audits of States, Local Governments and Non-profit Organizations".

The town has not entered into any operating leases with scheduled rent increases as of September 30, 2014.

16. Florida Retirement System

The town participates in the Florida Retirement System (FRS), a contributory cost sharing multiple employer public employee retirement system. All employees of the town hired prior to December 31, 1995 are required to participate in the FRS. The town contributes to FRS which is administered by the Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement. The FRS issues a publicly available financial report that may be obtained by writing to:

State of Florida-Division of Retirement
3639-C North Monroe Street
Tallahassee, Florida 32399

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

16. Florida Retirement System (Continued)

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates, established by state law, are determined using the entry-age actuarial funding method. Future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

Retirement benefits and the town's contribution rates are summarized as follows:

| Membership Category | Retirement Benefit | Vesting | Town Contribution Rate Actuarially Determined | Employer Contribution Rates |
|---------------------|--|--------------------------------------|---|--|
| | | | Employer Contribution Rates through June 30, 2014 | Employer Contribution Rates Beginning July 1, 2014 |
| Regular | Enrolled prior to July 1, 2011, 1.6% times years of service times average compensation (5 highest years) if age 62 with at least six years of service or 30 years of service at any age. | After 6 years of creditable service. | 7.37% of covered payroll | 7.26% of covered payroll |
| | Enrolled after July 1, 2011, 1.6% times years of services times average compensation (5 highest years) if age 65 with at least 8 years of service or 33 years of service at any age. | | | |
| Elected Officials | Enrolled prior to July 1, 2011, 3.0% times years of service times average compensation (5 highest years) if age 62 with at least six years of service or 30 years of service at any age | After 6 years of creditable service | 43.24% of covered payroll | 42.27% of covered payroll |
| | Enrolled after July 1, 2011, 3.0% times years of service times average compensation (5 highest years) if age 65 with at least 8 years of services or 33 years of service at any age. | | | |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

16. Florida Retirement System (Continued)

Deferred Retirement Option Program

The FRS Deferred Retirement Option Program (DROP) is available to a member when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5% if entering before July 1, 2011 and 1.30% if entering after July 1, 2011. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Employers must pay contributions at a rate of 5.44% of salary for all DROP participants. FRS also provides disability and survivors' benefits.

Participants in FRS contribute 3.0% of their wages.

The Town's contributions include 1.11% for a post-retirement health insurance subsidy. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute.

The contribution requirements of employers are established and may be amended by the Division of Retirement. The Town's contributions and its required contributions for the ten years ended September 30, 2014 are summarized as follows:

| <u>Year Ended September 30</u> | <u>Required Contribution</u> | <u>Percentage Contributed</u> |
|--|----------------------------------|-----------------------------------|
| 2005 | \$ 9,670 | 100% |
| 2006 | 11,814 | 100 |
| 2007 | 15,980 | 100 |
| 2008 | 16,749 | 100 |
| 2009 | 18,352 | 100 |
| 2010 | 18,886 | 100 |
| 2011 | 17,851 | 100 |
| 2012 | 12,143 | 100 |
| 2013 | 8,740 | 100 |
| 2014 | 14,971 | 100 |

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

17. Employee Retirement Systems (Continued)

Employees' Defined Contribution Plan

The town provides retirement benefits for all of its full-time employees not covered under the Florida Retirement System through a defined contribution plan administered by the Florida Municipal Trust Fund (Trust) as a third party administrator and investment advisor under their prototype profit-sharing plan and trust agreement. At September 30, 2013 there were four plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of employment. The town's contributions for each employee (and interest allocated to the employee's account) are fully vested after three years of continuous service. Town contributions for, and interest forfeited by, employees who leave employment before three years of service are used to reduce the town's current-period contribution requirement. Plan provisions and contribution requirements are established and may be amended by the town commission.

The town's total payroll in fiscal year 2014 was \$405,747. The town's contributions at 7.3% were calculated using the participants' salary amount of \$232,270. The town made the required contributions of \$16,956 for the fiscal year ended September 30, 2014.

The Employees' Defined Contribution Plan has not issued a stand alone financial report for the fiscal year ended September 30, 2014.

18. Recently Issued and Implemented Accounting Pronouncements

The following Government Accounting Standards were effective in fiscal year 2014 and were implemented early by the Town.

Government Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of GASB 65 are effect in fiscal year 2014. The

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**18. Recently Issued and Implemented
Accounting Pronouncements (Continued)**

Town chose to early implement this statement in fiscal year 2013. Its implementation has required the reclassification of certain liabilities as deferred inflows of resources in the Statement of Net Position and the Balance Sheet.

Government Accounting Standards Board (GASB) Statement No. 66, "Technical Corrections - 2012 an amendment of GASB Statements No. 10 and No.62". The amendment to GASB Statement No. 10 removes the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. The amendment to GASB Statement No. 62, modifies the specific guidance on accounting for (1) operating lease payments that vary from a straight line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The requirements of GASB 66 are effective in fiscal year 2014. Its implementation did not have any effect on the Town's financial statements.

Government Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans an amendment of GASB Statement No. 25". The objective of this Statement is to improve accounting and financial reporting by state and local governmental pension plans. The requirements of GASB 67 are effective in fiscal year 2014. Its implementation did not have any effect on the Town's financial Statements.

Government Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non Exchange Financial Guarantees". The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The requirements of GASB 70 are effective in fiscal year 2014. Its implementation did not have any effect on the Town's financial statements.

INDIVIDUAL FUND

AND

SCHEDULES OF CAPITAL ASSETS

ENTERPRISE FUND

Enterprise funds are used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges.

Sewer Fund - to account for the assets, operation, and maintenance of the town-owned sewer system.

TOWN OF REDINGTON SHORES, FLORIDA

SEWER ENTERPRISE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE) |
|---|------------------|--------------|-------------------|--|
| | ORIGINAL | FINAL | | |
| OPERATING REVENUES: | | | | |
| Charges for sales and services | \$ 755,000 | \$ 755,000 | \$ 801,252 | \$ 46,252 |
| Total operating revenues | 755,000 | 755,000 | 801,252 | 46,252 |
| OPERATING EXPENSES: | | | | |
| Materials and supplies | 237,846 | 237,846 | 163,447 | 74,399 |
| Treatment fees | 469,077 | 469,077 | 458,888 | 10,189 |
| Repairs and maintenance | 17,000 | 17,000 | 22,590 | (5,590) |
| Depreciation | - | - | 38,043 | (38,043) |
| Total operating expenses | 723,923 | 723,923 | 682,968 | 40,955 |
| OPERATING INCOME (LOSS) | 31,077 | 31,077 | 118,284 | 87,207 |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Interest revenue | 12,000 | 12,000 | 6,607 | (5,393) |
| Other | - | - | 2,866 | 2,866 |
| Total nonoperating revenues (expenses) | 12,000 | 12,000 | 9,473 | (2,527) |
| Income (loss) before contributions and transfers | 43,077 | 43,077 | 127,757 | 84,680 |
| Sewer fund reserves | 41,077 | 41,077 | - | (41,077) |
| NET CHANGE IN NET POSITION | 2,000 | 2,000 | 127,757 | 125,757 |
| NET POSITION, OCTOBER 1 | 2,715,950 | 2,715,950 | 2,715,950 | - |
| NET POSITION, SEPTEMBER 30 | \$ 2,717,950 | \$ 2,717,950 | \$ 2,843,707 | \$ 125,757 |

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

TOWN OF REDINGTON SHORES, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE(1)

SEPTEMBER 30, 2014 AND 2013

| | <u>2014</u> | <u>2013</u> |
|--|----------------------|----------------------|
| Governmental Funds Capital Assets: | | |
| Land | \$ 2,256,898 | \$ 2,481,698 |
| Buildings | 844,514 | 844,514 |
| Improvements other than buildings | 915,619 | 915,619 |
| Machinery and equipment | 341,249 | 336,840 |
| Infrastructure | <u>10,696,370</u> | <u>10,696,370</u> |
| Total Governmental Funds Capital Assets | <u>\$ 15,054,650</u> | <u>\$ 15,275,041</u> |
| Governmental Funds Capital Assets by Source: | | |
| General Fund | \$ 6,834,483 | \$ 7,054,874 |
| Capital improvements fund | <u>8,220,167</u> | <u>8,220,167</u> |
| Total Governmental Funds Capital Assets | <u>\$ 15,054,650</u> | <u>\$ 15,275,041</u> |

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

TOWN OF REDINGTON SHORES, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY⁽¹⁾

SEPTEMBER 30, 2014 AND 2013

| Function and Activity | 2014 | | | | | |
|--------------------------------|---------------|--------------|----------------------------------|---|------------|---------------------|
| | Total | Land | Buildings and Improvements | Improvements Other Than Buildings | Equipment | Infra- structure |
| General Government: | | | | | | |
| Finance and Administration | \$ 1,172,413 | \$ 352,016 | \$ 606,203 | \$ 104,906 | \$ 109,288 | \$ - |
| Total general government | 1,172,413 | 352,016 | 606,203 | 104,906 | 109,288 | - |
| Public Safety: | | | | | | |
| Code Enforcement | 48,345 | 13,503 | 21,561 | - | 13,281 | - |
| Civil Defense | 57,488 | - | - | - | 57,488 | - |
| Total public safety | 105,833 | 13,503 | 21,561 | - | 70,769 | - |
| Physical Environment: | | | | | | |
| Streets | 11,423,103 | 5,000 | 139,065 | 471,724 | 110,944 | 10,696,370 |
| Total physical environment | 11,423,103 | 5,000 | 139,065 | 471,724 | 110,944 | 10,696,370 |
| Culture and Recreation: | | | | | | |
| Parks and Recreation | 2,353,301 | 1,886,379 | 77,685 | 338,989 | 50,248 | - |
| Total culture and recreation | 2,353,301 | 1,886,379 | 77,685 | 338,989 | 50,248 | - |
| Total governmental fund | | | | | | |
| Capital Assets | \$ 15,054,650 | \$ 2,256,898 | \$ 844,514 | \$ 915,619 | \$ 341,249 | \$ 10,696,370 |

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

TOWN OF REDINGTON SHORES, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY⁽¹⁾

SEPTEMBER 30, 2014 AND 2013

| Function and Activity | 2013 | | | | | |
|--------------------------------|---------------|--------------|----------------------------------|---|------------|---------------------|
| | Total | Land | Buildings and Improvements | Improvements Other Than Buildings | Equipment | Infra- structure |
| General Government: | | | | | | |
| Finance and Administration | \$ 1,392,685 | \$ 576,816 | \$ 606,203 | \$ 104,906 | \$ 104,760 | \$ - |
| Total general government | 1,392,685 | 576,816 | 606,203 | 104,906 | 104,760 | - |
| Public Safety: | | | | | | |
| Code Enforcement | 48,345 | 13,503 | 21,561 | - | 13,281 | - |
| Civil Defense | 57,488 | - | - | - | 57,488 | - |
| Total public safety | 105,833 | 13,503 | 21,561 | - | 70,769 | - |
| Physical Environment: | | | | | | |
| Streets | 11,422,097 | 5,000 | 139,065 | 471,724 | 109,938 | 10,696,370 |
| Total physical environment | 11,422,097 | 5,000 | 139,065 | 471,724 | 109,938 | 10,696,370 |
| Culture and Recreation: | | | | | | |
| Parks and Recreation | 2,354,426 | 1,886,379 | 77,685 | 338,989 | 51,373 | - |
| Total culture and recreation | 2,354,426 | 1,886,379 | 77,685 | 338,989 | 51,373 | - |
| Total governmental fund | | | | | | |
| Capital Assets | \$ 15,275,041 | \$ 2,481,698 | \$ 844,514 | \$ 915,619 | \$ 336,840 | \$ 10,696,370 |

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

TOWN OF REDINGTON SHORES, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY⁽¹⁾

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

| <u>Function and Activity</u> | <u>Governmental Fund Capital Assets October 1, 2013</u> | <u>Additions</u> | <u>Deductions</u> | <u>Governmental Fund Capital Assets September 30, 2014</u> |
|------------------------------|---|------------------|-------------------|--|
| General Government: | | | | |
| Finance and Administration | \$ 1,392,685 | \$ 4,528 | \$ 224,800 | \$ 1,172,413 |
| Total general government | 1,392,685 | 4,528 | 224,800 | 1,172,413 |
| Public Safety: | | | | |
| Code Enforcement | 48,345 | - | - | 48,345 |
| Civil Defense | 57,488 | - | - | 57,488 |
| Total public safety | 105,833 | - | - | 105,833 |
| Physical Environment: | | | | |
| Streets | 11,422,097 | 1,006 | - | 11,423,103 |
| Total physical environment | 11,422,097 | 1,006 | - | 11,423,103 |
| Culture and Recreation: | | | | |
| Parks and Recreation | 2,354,426 | 8,125 | 9,250 | 2,353,301 |
| Total culture and recreation | 2,354,426 | 8,125 | 9,250 | 2,353,301 |
| Total governmental funds | | | | |
| Capital Assets | \$ 15,275,041 | \$ 13,659 | \$ 234,050 | \$ 15,054,650 |

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

STATISTICAL SECTION

This part of the Town of Redington Shores, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| Content | Page |
|---|-------------|
| Financial Trends | 65 |
| <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time</i> | |
| Revenue Capacity | 71 |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i> | |
| Debt Capacity | 75 |
| <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.</i> | |
| Operating Information | 79 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i> | |

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

COMMENTS ON THE STATISTICAL SECTION

September 30, 2014

The following statistical tables recommended by GASB Statement No. 44 are not included for the reasons stated below:

A table on the computation of legal debt margin has been omitted because the constitution of the state of florida, florida statutes 200.181 and the charter of the Town of Redington Shores, Florida set no legal debt margin.

Additional schedules which are felt to be useful to various users, principally investors, underwriters, and rating agencies, have been included in this section.

FINANCIAL TRENDS

TOWN OF REDINGTON SHORES, FLORIDA

NET POSITION BY COMPONENT
LAST SEVEN FISCAL YEARS
 (accrual basis of accounting)

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | | | |
| Invested in capital assets | \$ 9,082,312 | \$ 9,467,983 | \$ 9,571,391 | \$ 7,190,309 | \$ 9,767,070 | \$ 9,065,976 | \$ 7,271,720 |
| Restricted | 2,256,898 | 1,565,326 | 1,523,506 | 1,691,866 | 1,661,612 | 1,933,910 | 1,574,951 |
| Unrestricted | <u>4,727,166</u> | <u>4,582,575</u> | <u>4,183,836</u> | <u>6,378,344</u> | <u>3,684,592</u> | <u>3,462,858</u> | <u>4,120,587</u> |
| Total governmental activities net position | <u>\$ 16,066,376</u> | <u>\$ 15,615,884</u> | <u>\$ 15,278,733</u> | <u>\$ 15,260,519</u> | <u>\$ 15,113,274</u> | <u>\$ 14,462,744</u> | <u>\$ 12,967,258</u> |
| Business-type activities: | | | | | | | |
| Invested in capital assets | \$ 574,770 | \$ 612,813 | \$ 650,855 | \$ 689,256 | \$ 708,602 | \$ 729,447 | \$ 393,065 |
| Restricted | - | - | - | - | - | - | - |
| Unrestricted | <u>2,268,937</u> | <u>2,103,137</u> | <u>2,004,523</u> | <u>1,889,376</u> | <u>1,759,669</u> | <u>1,575,388</u> | <u>1,920,161</u> |
| Total business-type activities net position | <u>\$ 2,843,707</u> | <u>\$ 2,715,950</u> | <u>\$ 2,655,378</u> | <u>\$ 2,578,632</u> | <u>\$ 2,468,271</u> | <u>\$ 2,304,835</u> | <u>\$ 2,313,226</u> |
| Primary government: | | | | | | | |
| Invested in capital assets, | \$ 9,657,082 | \$ 10,080,796 | \$ 10,222,246 | \$ 7,879,565 | \$ 10,475,672 | \$ 9,795,423 | \$ 7,664,785 |
| Restricted | 2,256,898 | 1,565,326 | 1,523,506 | 1,691,866 | 1,661,612 | 1,933,910 | 1,574,951 |
| Unrestricted | <u>6,996,103</u> | <u>6,685,712</u> | <u>6,188,359</u> | <u>8,267,720</u> | <u>5,444,261</u> | <u>5,038,246</u> | <u>6,040,748</u> |
| | <u>\$ 18,910,083</u> | <u>\$ 18,331,834</u> | <u>\$ 17,934,111</u> | <u>\$ 17,839,151</u> | <u>\$ 17,581,545</u> | <u>\$ 16,767,579</u> | <u>\$ 15,280,484</u> |

TOWN OF REDINGTON SHORES, FLORIDA

CHANGES IN NET POSITION
LAST SEVEN FISCAL YEARS
 (accrual basis of accounting)

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|-----------------------|
| EXPENSES | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 466,681 | \$ 395,385 | \$ 403,584 | \$ 403,967 | \$ 455,471 | \$ 526,256 | \$ 427,644 |
| Public safety | 819,542 | 783,182 | 739,200 | 724,587 | 712,867 | 686,996 | 673,886 |
| Physical environment | 892,874 | 874,293 | 875,809 | 892,240 | 810,923 | 686,990 | 616,970 |
| Culture and recreation | 99,859 | 107,798 | 116,824 | 90,900 | 74,181 | 72,014 | 71,792 |
| Interest on long-term debt | 119,528 | 128,134 | 142,295 | 146,357 | 159,625 | 169,436 | 184,940 |
| Total governmental activities expenses | 2,398,484 | 2,288,792 | 2,277,712 | 2,258,051 | 2,213,067 | 2,141,692 | 1,975,232 |
| Business-type activities: | | | | | | | |
| Sewer | 682,968 | 779,880 | 689,311 | 652,694 | 592,660 | 766,749 | 712,814 |
| Total business-type activities expenses | 682,968 | 779,880 | 689,311 | 652,694 | 592,660 | 766,749 | 712,814 |
| Total primary government expenses | \$ 3,081,452 | \$ 3,068,672 | \$ 2,967,023 | \$ 2,910,745 | \$ 2,805,727 | \$ 2,908,441 | \$ 2,688,046 |
| PROGRAM REVENUES | | | | | | | |
| Governmental activities: | | | | | | | |
| Charges for services | \$ 894,925 | \$ 753,080 | \$ 650,333 | \$ 631,710 | \$ 634,535 | \$ 594,521 | \$ 634,581 |
| Capital grants and contributions | 19,257 | 25,293 | 8,704 | 69,741 | 423,714 | 1,091,376 | 223,866 |
| Total governmental activities program revenues | 914,182 | 778,373 | 659,037 | 701,451 | 1,058,249 | 1,685,897 | 858,447 |
| Business-type activities: | | | | | | | |
| Charges for services: | | | | | | | |
| Sewer | 801,252 | 826,842 | 753,222 | 753,712 | 754,027 | 748,041 | 758,926 |
| Total business-type activities revenues | 801,252 | 826,842 | 753,222 | 753,712 | 754,027 | 748,041 | 758,926 |
| Total primary government program revenues | \$ 1,715,434 | \$ 1,605,215 | \$ 1,412,259 | \$ 1,455,163 | \$ 1,812,276 | \$ 2,433,938 | \$ 1,617,373 |
| NET (EXPENSE) REVENUE | | | | | | | |
| Governmental activities | \$ (1,484,302) | \$ (1,510,419) | \$ (1,618,675) | \$ (1,556,600) | \$ (1,154,818) | \$ (455,795) | \$ (1,116,785) |
| Business-type activities | 118,284 | 46,962 | 63,911 | 101,018 | 161,367 | (18,708) | 46,112 |
| Total primary government net expense | \$ (1,366,018) | \$ (1,463,457) | \$ (1,554,764) | \$ (1,455,582) | \$ (993,451) | \$ (474,503) | \$ (1,070,673) |

TOWN OF REDINGTON SHORES, FLORIDA

CHANGES IN NET POSITION (CONTINUED)
LAST SEVEN FISCAL YEARS
 (accrual basis of accounting)

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Governmental Activities: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | \$ 946,605 | \$ 884,828 | \$ 886,208 | \$ 927,966 | \$ 1,033,368 | \$ 1,101,025 | \$ 964,927 |
| Franchise fees | 207,299 | 202,594 | 206,626 | 212,792 | 231,622 | 209,133 | 185,316 |
| Intergovernmental Revenues: | | | | | | | |
| Infrastructure sales surtax | 200,779 | 188,130 | 178,051 | 168,208 | 177,477 | 231,861 | 246,709 |
| Half-cent sales tax | 123,318 | 117,386 | 112,062 | 121,482 | 119,990 | 126,711 | 134,797 |
| Local option gas tax | 31,052 | 31,077 | 29,989 | 29,922 | 30,528 | 33,181 | 33,245 |
| Communication services tax | 109,604 | 112,322 | 115,080 | 111,360 | 114,273 | 133,412 | 116,409 |
| State revenue sharing | 51,752 | 51,427 | 51,810 | 51,588 | 51,015 | 50,582 | 51,572 |
| Other taxes | 9,466 | 8,553 | 9,308 | 5,556 | 7,658 | 4,649 | 4,133 |
| Capital contributions | 144,925 | 32,040 | 20,325 | 38,402 | 17,733 | 13,655 | 36,165 |
| Investment earnings | 22,746 | 23,457 | 23,929 | 22,636 | 7,294 | 36,892 | 95,321 |
| Gain on sale of capital assets | 69,401 | - | - | - | - | - | - |
| Miscellaneous | 17,847 | 195,756 | 3,501 | 13,933 | 14,390 | 10,180 | 9,168 |
| Total governmental activities | 1,934,794 | 1,847,570 | 1,636,889 | 1,703,845 | 1,805,348 | 1,951,281 | 1,877,762 |
| Business-type activities: | | | | | | | |
| Investment earnings | 6,607 | 6,330 | 9,100 | 8,206 | 1,713 | 8,870 | 21,140 |
| Gain on sale of capital assets | - | - | 2,550 | - | - | - | - |
| Miscellaneous | 2,866 | 7,280 | 1,185 | 1,137 | 356 | 1,447 | 498 |
| Total business-type activities | 9,473 | 13,610 | 12,835 | 9,343 | 2,069 | 10,317 | 21,638 |
| Total primary government | \$ 1,944,267 | \$ 1,861,180 | \$ 1,649,724 | \$ 1,713,188 | \$ 1,807,417 | \$ 1,961,598 | \$ 1,899,400 |
| CHANGE IN NET POSITION | | | | | | | |
| Governmental activities | \$ 450,492 | \$ 337,151 | \$ 18,214 | \$ 147,245 | \$ 650,530 | \$ 1,495,486 | \$ 760,977 |
| Business-type activities | 127,757 | 60,572 | 76,746 | 110,361 | 163,436 | (8,391) | 67,750 |
| Total primary government | \$ 578,249 | \$ 397,723 | \$ 94,960 | \$ 257,606 | \$ 813,966 | \$ 1,487,095 | \$ 828,727 |

TOWN OF REDINGTON SHORES, FLORIDA

PROGRAM REVENUES BY FUNCTIONS/PROGRAMS

LAST SEVEN FISCAL YEARS

(accrual basis of accounting)

| | <u>PROGRAM REVENUES</u> 2014 | <u>PROGRAM REVENUES</u> 2013 | <u>PROGRAM REVENUES</u> 2012 | <u>PROGRAM REVENUES</u> 2011 | <u>PROGRAM REVENUES</u> 2010 | <u>PROGRAM REVENUES</u> 2009 | <u>PROGRAM REVENUES</u> 2008 |
|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <u>FUNCTIONS/PROGRAMS</u> | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 180,880 | \$ 85,789 | \$ 85,025 | \$ 76,393 | \$ 187,108 | \$ 211,041 | \$ 260,027 |
| Public safety | 329,323 | 62,401 | 11,699 | 8,865 | 11,265 | 11,969 | 12,553 |
| Physical environment | 346,038 | 601,790 | 550,699 | 613,057 | 856,308 | 1,459,703 | 550,363 |
| Culture and recreation | 38,684 | 3,100 | 2,910 | 3,136 | 3,568 | 3,184 | 35,504 |
| Subtotal governmental activities | <u>894,925</u> | <u>753,080</u> | <u>650,333</u> | <u>701,451</u> | <u>1,058,249</u> | <u>1,685,897</u> | <u>858,447</u> |
| Business-type activities: | | | | | | | |
| Sewer | <u>801,252</u> | <u>826,842</u> | <u>753,222</u> | <u>753,712</u> | <u>754,027</u> | <u>748,041</u> | <u>758,926</u> |
| Subtotal business-type activities | <u>801,252</u> | <u>826,842</u> | <u>753,222</u> | <u>753,712</u> | <u>754,027</u> | <u>748,041</u> | <u>758,926</u> |
| Total primary government | <u>\$ 1,696,177</u> | <u>\$ 1,579,922</u> | <u>\$ 1,403,555</u> | <u>\$ 1,455,163</u> | <u>\$ 1,812,276</u> | <u>\$ 2,433,938</u> | <u>\$ 1,617,373</u> |

TOWN OF REDINGTON SHORES, FLORIDA

FUND BALANCES OF
GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(modified accrual basis of accounting)

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund: | | | | | | | |
| Nonspendable | \$ 14,261 | \$ 13,646 | \$ 6,801 | \$ 6,810 | \$ 6,382 | \$ 16,362 | \$ 18,175 |
| Unassigned | <u>4,236,237</u> | <u>3,874,162</u> | <u>3,592,553</u> | <u>3,404,702</u> | <u>3,213,788</u> | <u>2,994,005</u> | <u>3,024,669</u> |
| Total general fund | <u>\$ 4,250,498</u> | <u>\$ 3,887,808</u> | <u>\$ 3,599,354</u> | <u>\$ 3,411,512</u> | <u>\$ 3,220,170</u> | <u>\$ 3,010,367</u> | <u>\$ 3,042,844</u> |
| All Other Governmental Funds: | | | | | | | |
| Restricted, reported in: | | | | | | | |
| Capital improvements fund | \$ 2,253,660 | \$ 1,565,326 | \$ 1,523,506 | \$ 1,691,866 | \$ 1,661,612 | \$ 1,933,910 | \$ 1,573,213 |
| Unassigned, reported in: | | | | | | | |
| Capital improvements fund | <u>535,263</u> | <u>755,631</u> | <u>604,905</u> | <u>540,356</u> | <u>540,885</u> | <u>529,780</u> | <u>1,125,159</u> |
| Total all other governmental funds | <u>\$ 2,788,923</u> | <u>\$ 2,320,957</u> | <u>\$ 2,128,411</u> | <u>\$ 2,232,222</u> | <u>\$ 2,202,497</u> | <u>\$ 2,463,690</u> | <u>\$ 2,698,372</u> |

TOWN OF REDINGTON SHORES, FLORIDA

CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(modified accrual basis of accounting)

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|--|-------------------|-------------------|------------------|-------------------|--------------------|---------------------|---------------------|
| REVENUES | | | | | | | |
| Taxes | \$ 946,605 | \$ 884,828 | \$ 886,208 | \$ 927,966 | \$ 1,033,368 | \$ 1,101,025 | \$ 964,927 |
| Franchise fees | 207,299 | 202,594 | 206,626 | 212,792 | 231,622 | 209,133 | 185,316 |
| Licenses, fees and permits | 257,327 | 125,845 | 92,281 | 98,714 | 104,400 | 65,698 | 96,041 |
| Intergovernmental | 525,971 | 540,934 | 516,624 | 526,519 | 514,703 | 650,156 | 586,865 |
| Charges for services | 625,874 | 617,293 | 550,641 | 524,130 | 522,841 | 513,829 | 525,987 |
| Fines and forfeits | 11,724 | 9,942 | 7,412 | 8,865 | 11,265 | 11,969 | 12,553 |
| Contributions and grants | 19,257 | 25,293 | 8,704 | 69,741 | 423,714 | 1,021,616 | 223,866 |
| Interest earnings | 22,746 | 23,457 | 23,929 | 22,636 | 7,294 | 36,892 | 95,321 |
| Miscellaneous | 162,772 | 195,757 | 3,501 | 13,933 | 14,390 | 13,205 | 9,168 |
| Total revenues | 2,779,575 | 2,625,943 | 2,295,926 | 2,405,296 | 2,863,597 | 3,623,523 | 2,700,044 |
| EXPENDITURES | | | | | | | |
| General government | 462,901 | 396,035 | 481,371 | 456,256 | 1,221,873 | 503,452 | 1,806,515 |
| Public safety | 813,946 | 777,316 | 732,870 | 716,750 | 706,342 | 680,381 | 667,268 |
| Physical environment | 516,724 | 498,149 | 504,391 | 537,957 | 515,969 | 2,241,040 | 471,191 |
| Culture and recreation | 76,900 | 85,212 | 95,029 | 65,014 | 52,630 | 51,327 | 248,902 |
| Debt service: | | | | | | | |
| Principal | 256,410 | 256,410 | 256,410 | 256,410 | 256,410 | 256,410 | 256,410 |
| Interest | 122,038 | 131,821 | 141,824 | 151,842 | 161,764 | 171,726 | 181,606 |
| Total expenditures | 2,248,919 | 2,144,943 | 2,211,895 | 2,184,229 | 2,914,988 | 3,904,336 | 3,631,892 |
| Excess of revenues over (under) expenditures | 530,656 | 481,000 | 84,031 | 221,067 | (51,391) | (280,813) | (931,848) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Sale of surplus capital assets | 300,000 | - | - | - | - | - | - |
| Capital contributions | - | - | - | - | - | 13,655 | 36,165 |
| Transfers in | 150,000 | 150,000 | 150,000 | 210,245 | 320,411 | 630,073 | - |
| Transfers out | (150,000) | (150,000) | (150,000) | (210,245) | (320,411) | (630,073) | - |
| Total other financing sources (uses) | 300,000 | - | - | - | - | 13,655 | 36,165 |
| Net change in fund balances | \$ 830,656 | \$ 481,000 | \$ 84,031 | \$ 221,067 | \$ (51,391) | \$ (267,158) | \$ (895,683) |
| Debt service as a percentage of noncapital expenditures | <u>16.9%</u> | <u>18.3%</u> | <u>18.9%</u> | <u>22.9%</u> | <u>14.3%</u> | <u>21.1%</u> | <u>27.5%</u> |

REVENUE CAPACITY

TOWN OF REDINGTON SHORES, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST SEVEN FISCAL YEARS

| Fiscal Year | Assessed Valuations | | | | | | Assessed Values to Estimated Market | Percentage | | | Total Direct Tax Rate |
|----------------|---------------------|------------|----------------------|------------------|-----------------|----------------|--|------------------|---------|--------|--------------------------------|
| | Real Property | | Personal Property | Total Taxable | Total Exempt | Total All | | Yearly Increases | | | |
| | Residential | Commercial | | | | | | Taxable | Total | | |
| 2008 | \$ 649,722,140 | \$ - | \$ 8,517,190 | \$ 658,239,330 | \$ 191,543,460 | \$ 849,782,790 | 100 % | 0.44 % | 0.35 % | 1.5229 | |
| 2009 | 623,557,557 | - | 8,617,794 | 632,175,351 | 150,304,589 | 782,479,940 | 100 | (3.96) | (7.92) | 1.8016 | |
| 2010 | 525,711,180 | - | 8,233,513 | 533,944,693 | 110,581,354 | 644,526,047 | 100 | (15.54) | (17.63) | 2.0000 | |
| 2011 | 472,584,513 | - | 8,564,437 | 481,148,950 | 86,385,132 | 567,534,082 | 100 | (9.88) | (17.20) | 2.0000 | |
| 2012 | 447,002,357 | - | 8,100,823 | \$ 455,103,180 | 51,050,698 | 506,153,878 | 100 | (5.41) | (10.81) | 2.0000 | |
| 2013 | 460,100,642 | - | 7,877,334 | \$ 467,977,976 | 49,789,046 | 517,767,022 | 100 | 2.83 | 2.29 | 2.0000 | |
| 2014 | 484,108,041 | - | 8,252,620 | \$ 492,360,661 | 50,787,258 | 543,147,919 | 100 | 4.95 | 4.90 | 2.0000 | |

Source: Pinellas County Property Appraiser.

TOWN OF REDINGTON SHORES, FLORIDA

ASSESSED VALUATIONS, MILLAGE AND TAXES LEVIED AND COLLECTED
LAST SEVEN FISCAL YEARS

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total valuations | \$ 543,147,919 | \$ 517,767,022 | \$ 506,153,878 | \$ 567,534,082 | \$ 644,526,047 | \$ 782,479,940 | \$ 849,782,790 |
| Real estate exemptions: | | | | | | | |
| Government exemption | 11,843,274 | 11,754,120 | 11,733,678 | 12,814,733 | 17,122,107 | 16,446,500 | 18,359,800 |
| Institutional exemption | 36,000 | 36,000 | 905,528 | 341,874 | 401,953 | 420,800 | 547,900 |
| Assessment differential (F.S. 193.155) ⁽³⁾ | 33,372,434 | 23,676,352 | 17,950,000 | 33,884,761 | 55,617,605 | 93,783,314 | 152,602,186 |
| Individual or homestead exemptions | <u>5,535,550</u> | <u>14,322,574</u> | <u>20,461,492</u> | <u>39,343,764</u> | <u>37,439,689</u> | <u>39,653,975</u> | <u>20,033,574</u> |
| Total exemptions and adjustments | <u>50,787,258</u> | <u>49,789,046</u> | <u>51,050,698</u> | <u>86,385,132</u> | <u>110,581,354</u> | <u>150,304,589</u> | <u>191,543,460</u> |
| Total taxable valuation | \$ <u>492,360,661</u> | \$ <u>467,977,976</u> | \$ <u>455,103,180</u> | \$ <u>481,148,950</u> | \$ <u>533,944,693</u> | \$ <u>632,175,351</u> | \$ <u>658,239,330</u> |
| Millage levied | <u>2.0000</u> | <u>2.0000</u> | <u>2.0000</u> | <u>2.0000</u> | <u>2.0000</u> | <u>1.8016</u> | <u>1.5229</u> |
| Total taxes levied | \$ 984,721 | \$ 935,956 | \$ 910,207 | \$ 962,298 | \$ 1,067,889 | \$ 1,140,333 | \$ 1,002,433 |
| Less: Adjustments and discounts | <u>38,116</u> | <u>51,128</u> | <u>23,999</u> | <u>34,332</u> | <u>34,521</u> | <u>39,308</u> | <u>37,506</u> |
| Net taxes levied | \$ <u>946,605</u> | \$ <u>884,828</u> | \$ <u>886,208</u> | \$ <u>927,966</u> | \$ <u>1,033,368</u> | \$ <u>1,101,025</u> | \$ <u>964,927</u> |
| Net collected ⁽¹⁾⁽²⁾ | \$ <u>946,605</u> | \$ <u>884,828</u> | \$ <u>886,208</u> | \$ <u>927,966</u> | \$ <u>1,033,368</u> | \$ <u>1,101,025</u> | \$ <u>964,927</u> |

Source: Pinellas County Property Appraiser

⁽¹⁾ Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates. The Town, after all tax certificates are sold, has fully collected all ad valorem revenues

⁽²⁾ Net collected includes penalties or late payments.

⁽³⁾ Florida Statutes provide for a three percent maximum increase in annual taxable property values.

TOWN OF REDINGTON SHORES, FLORIDA

PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS (PER \$1,000)
LAST SEVEN FISCAL YEARS

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Town of Redington Shores: | | | | | | | |
| Operating | 2.0000 | 2.0000 | 2.0000 | 2.0000 | 2.0000 | 1.8016 | 1.5229 |
| Debt service | - | - | - | - | - | - | - |
| Total Town millage | <u>2.0000</u> | <u>2.0000</u> | <u>2.0000</u> | <u>2.0000</u> | <u>2.0000</u> | <u>1.8016</u> | <u>1.5229</u> |
| Pinellas County School Board: | | | | | | | |
| Operating | 8.0600 | 8.1222 | 8.3850 | 8.3400 | 8.3460 | 8.0160 | 7.7310 |
| Pinellas County: | | | | | | | |
| Operating | 5.2755 | 5.0727 | 4.8108 | 4.8730 | 4.8108 | 4.8108 | 4.8730 |
| Debt service | - | - | - | - | - | - | - |
| Total County millage | <u>5.2755</u> | <u>5.0727</u> | <u>4.8108</u> | <u>4.8730</u> | <u>4.8108</u> | <u>4.8108</u> | <u>4.8730</u> |
| County-wide millage set by other taxing authorities: | | | | | | | |
| -Pinellas Suncoast Transit Authority | 0.7305 | 0.7305 | 0.7305 | 0.5601 | 0.5601 | 0.5601 | 0.5601 |
| -Pinellas County Planning Council | 0.0160 | 0.0125 | 0.0125 | 0.0125 | 0.0125 | 0.0170 | 0.0170 |
| -Juvenile Welfare Board | 0.8981 | 0.8981 | 0.8337 | 0.7915 | 0.7915 | 0.7915 | 0.7384 |
| -South West Florida Water Management District | 0.3818 | 0.3928 | 0.3928 | 0.3770 | 0.3866 | 0.3866 | 0.3866 |
| -Pinellas Anclote River Basin | - | - | - | 0.2600 | 0.3200 | 0.3600 | 0.3701 |
| -EMS | 0.9158 | 0.9158 | 0.8506 | 0.5832 | 0.5832 | 0.5832 | 0.5832 |
| Total County-wide millage | <u>2.9422</u> | <u>2.9497</u> | <u>2.8201</u> | <u>2.5843</u> | <u>2.6539</u> | <u>2.6984</u> | <u>2.6554</u> |
| TOTAL | <u><u>18.2777</u></u> | <u><u>18.1446</u></u> | <u><u>18.0159</u></u> | <u><u>17.7973</u></u> | <u><u>17.8107</u></u> | <u><u>17.3268</u></u> | <u><u>16.7823</u></u> |

Source: Pinellas County Tax Collector

TOWN OF REDINGTON SHORES, FLORIDA

PROPERTY LEVIES AND COLLECTIONS
LAST SEVEN FISCAL YEARS

| Fiscal Year | Total Assessed Valuation | Taxable Assessed Valuation | Levy | Collections within the Fiscal Year of Levy | | Collections in Subsequent Years | Collections to Date | |
|-------------|--------------------------|----------------------------|--------------|--|--------------------|---------------------------------|---------------------|--------------------|
| | | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2008 | \$ 849,782,790 | \$ 658,239,330 | \$ 1,002,433 | \$ 963,852 | 96% | \$ 1,075 | \$ 964,927 | 96% |
| 2009 | 782,479,940 | 632,175,351 | 1,140,333 | 1,099,799 | 97 | 1,226 | 1,101,025 | 97 |
| 2010 | 644,526,047 | 533,944,693 | 1,067,889 | 1,032,107 | 97 | 1,261 | 1,033,368 | 97 |
| 2011 | 567,534,082 | 481,148,950 | 962,298 | 926,883 | 97 | 1,083 | 927,966 | 97 |
| 2012 | 506,153,878 | 455,103,180 | 910,207 | 885,145 | 97 | 1,053 | 886,208 | 97 |
| 2013 | 517,767,022 | 467,977,976 | 935,956 | 883,917 | 97 | 911 | 884,828 | 97 |
| 2014 | 543,147,919 | 492,360,661 | 984,721 | 945,264 | 96 | 1,341 | 946,605 | 96 |

(1) Florida Statutes provide for a discount of up to four percent for early retirement of ad valorem taxes. All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates. The Town, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

Source: Pinellas County Property Appraiser.

DEBT CAPACITY

TOWN OF REDINGTON SHORS, FLORIDA

PERCENTAGE OF ANNUAL GENERAL DEBT SERVICE TO
GENERAL GOVERNMENTAL EXPENDITURES -
BANK LOAN
LAST SEVEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Debt Service</u> | | <u>Total General Governmental Expenditures⁽¹⁾</u> | <u>Percentage of Debt Service to General Governmental Expenditures</u> |
|------------------------|----------------------|-----------------------|--|--|
| | <u>Bank Loan</u> | <u>Total Debt</u> | | |
| 2008 | \$ 438,016 | \$ 438,016 | \$ 3,631,892 | 12.06 % |
| 2009 | 428,136 | 428,136 | 3,904,336 | 10.97 |
| 2010 | 418,174 | 418,174 | 2,914,988 | 14.34 |
| 2011 | 408,252 | 408,252 | 2,184,229 | 18.69 |
| 2012 | 398,234 | 398,234 | 2,211,895 | 18.00 |
| 2013 | 388,231 | 388,231 | 2,144,934 | 18.10 |
| 2014 | 378,448 | 378,448 | 2,248,919 | 16.83 |

⁽¹⁾ Includes general and capital improvement

TOWN OF REDINGTON SHORES, FLORIDA

PLEDGED-REVENUE COVERAGE
LAST SEVEN FISCAL YEARS

| Fiscal Year | Non Ad Valorem Revenues | Ad Valorem Revenues | Essential Service Expenditures | Net Available Revenue | Debt Service | | Coverage ⁽¹⁾ |
|----------------|-------------------------------|------------------------|--------------------------------------|-----------------------------|--------------|------------|-------------------------|
| | | | | | Principal | Interest | |
| 2008 | \$ 1,771,282 | \$ 964,927 | \$ 3,193,876 | \$ (457,667) | \$ 256,410 | \$ 181,606 | (1.05) % |
| 2009 | 2,536,153 | 1,101,025 | 3,476,200 | 160,978 | 256,410 | 171,726 | 0.37 |
| 2010 | 1,830,229 | 1,033,368 | 2,496,814 | 366,783 | 256,410 | 161,764 | 0.87 |
| 2011 | 1,477,330 | 927,966 | 1,775,977 | 629,319 | 256,410 | 151,842 | 1.54 |
| 2012 | 1,409,718 | 886,208 | 1,813,661 | 482,265 | 256,410 | 141,824 | 1.21 |
| 2013 | 1,741,115 | 884,828 | 1,756,712 | 869,231 | 256,410 | 131,821 | 2.24 |
| 2014 | 2,132,970 | 946,605 | 1,870,471 | 1,209,104 | 256,410 | 122,038 | 3.19 |

⁽¹⁾ Required 1.25.

TOWN OF REDINGTON SHORES, FLORIDA

PERCENTAGE OF BANK LOAN
TO TAXABLE ASSESSED VALUATION AND NET BONDED DEBT
PER CAPITA
LAST SEVEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Population⁽¹⁾</u> | <u>Taxable Assessed Valuation</u> | <u>Bank Loan</u> | <u>Less Sinking Fund</u> | <u>Net Bank Loan</u> | <u>Percent of Net Bank Loan to Assessed Valuation</u> | <u>Net Bank Loan Per Capita</u> |
|--------------------|---------------------------------|-----------------------------------|------------------|--------------------------|----------------------|---|---------------------------------|
| 2008 | 2,500 | \$ 658,239,330 | \$ 4,487,180 | \$ - | \$ 4,487,180 | 0.68 | \$ 1,795 |
| 2009 | 2,500 | 632,175,351 | 4,230,770 | - | 4,230,770 | 0.67 | 1,692 |
| 2010 | 2,500 | 533,944,693 | 3,974,360 | - | 3,974,360 | 0.74 | 1,590 |
| 2011 | 2,500 | 481,148,950 | 3,717,950 | - | 3,717,950 | 0.77 | 1,490 |
| 2012 | 2,500 | 455,103,180 | 3,461,538 | - | 3,461,538 | 0.76 | 1,387 |
| 2013 | 2,500 | 467,977,967 | 3,205,128 | - | 3,205,128 | 0.68 | 1,282 |
| 2014 | 2,500 | 492,360,661 | 2,948,718 | - | 2,948,718 | 0.60 | 1,179 |

⁽¹⁾ U.S. Bureau of Census estimate and the University of Florida.

OPERATING
INFORMATION

TOWN OF REDINGTON SHORES, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS⁽²⁾ AND DIRECT REVENUE DEBT
SEPTEMBER 30, 2014

| | <u>Net General Obligation Bonded Debt Outstanding</u> | <u>Net General Nonself- Supporting Revenue Debt</u> | <u>Total</u> | <u>Percentage Applicable to Town of Redington Shores</u> | <u>Amount Applicable to Town of Redington Shores</u> |
|---|---|---|----------------------|--|--|
| Direct Debt: | | | | | |
| Town of Redington | \$ - | \$ 2,948,718 | \$ 2,948,718 | 100 % | \$ 2,948,128 |
| Overlapping debt: | | | | | |
| Pinellas County School Board ⁽¹⁾ | <u>\$ 19,075,000</u> | <u>\$ -</u> | <u>\$ 19,075,000</u> | 0.82 % | <u>156,415</u> |
| Total Overlapping debt | <u>\$ 19,075,000</u> | <u>\$ 2,948,718</u> | <u>\$ 22,023,718</u> | | |
| Total Direct and Overlapping debt | | | | | \$ <u>3,104,543</u> |
| RATIO: | | | | | |
| Overall debt to 2014 taxable value | | | | <u>0.63%</u> | |
| Overall debt per capita | | | | | \$ <u>1,242</u> |

(1) The Town's share is calculated based on the ratio of the 2014 County Taxable Value of \$59,761,190,167 to the Town's Taxable Value of \$492,360,661.

(2) The Town's has no direct general obligation bonded debt.

TOWN OF REDINGTON SHORES, FLORIDA

FULL-TIME EQUIVALENT
TOWN EMPLOYEES BY FUNCTION
LAST SEVEN FISCAL YEARS

| FUNCTION | Full-time Equivalent Employees as of September 30, | | | | | | |
|---------------------------------------|--|----------|----------|----------|----------|----------|----------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| General Government | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Safety: - General employees | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Physical Environment | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> | <u>7</u> | <u>7</u> | <u>7</u> |

TOWN OF REDINGTON SHORES, FLORIDA

OPERATING INDICATORS BY FUNCTION
LAST SEVEN FISCAL YEARS

| <u>FUNCTION</u> | Fiscal Year Ended September 30, | | | | | | |
|--------------------------|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Physical Environment: | | | | | | | |
| Resurfacing | - | - | - | - | 1.1 miles | 2.234 mi. | - |
| Pothole repaired | 3 | 5 | 6 | 4 | 3 | 3 | 2 |
| Cultural and Recreation: | | | | | | | |
| Pavilion rental | 60 | 52 | 42 | 38 | 35 | 38 | 1 |
| Sewer: | | | | | | | |
| New connections | - | 4 | 7 | 4 | 12 | 5 | 1 |
| Main breaks | - | - | - | - | - | - | 1 |
| Average consumption | 8,993 | 8,993 | 9,255 | 76,870 | 12,407 | 12,407 | 12,407 |

TOWN OF REDINGTON SHORES, FLORIDA

CAPITAL ASSETS STATISTICS
LAST SEVEN FISCAL YEARS

| <u>FUNCTION</u> | Fiscal Year Ended September 30, | | | | | | |
|--------------------------------|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Physical Environment: | | | | | | | |
| Streets (Miles) | 5.11 | 5.11 | 5.11 | 5.11 | 5.11 | 5.11 | 5.11 |
| Traffic signs | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| Culture and Recreation: | | | | | | | |
| Park acreage | 29.23 | 29.23 | 29.23 | 29.23 | 29.23 | 29.23 | 29.23 |
| Parks | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Tennis Courts | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Shuffle Board Court | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Volley Ball | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

TOWN OF REDINGTON SHORES, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 2014

| | | |
|--|-----------------|--|
| Date of Incorporation | August 30, 1955 | Term of Office: |
| Date First Charter Adopted | 1955 | Mayor - 3 Years, voted at large |
| Date Present Charter Adopted | 1955 | Commissioners - 2 Years, voted by district |
| | | Average Annual Temperature - 70.75 degrees |
| Form of Government: Mayor - Commission | | Average Annual Rainfall - 52.42 inches |
| Commission Composed of: Mayor and Four Commissioners | | Area - 0.36 square miles |

MUNICIPAL UTILITIES, SERVICES AND EVENTS

Parks and Recreation

- 1 playground in residential area - Spitzer Park
- 1 playground on Gulf Boulevard, with pavillion, grills, half basketball court, shuffle board court, volleyball, and park house (rental) with bathrooms and kitchen
- 1 nature park with walking trail, exercise stations, kayak launch, pavillions
- 1 Tennis Court

Parkland acreage - 29.23 acres recreation/open space

Major Annual Community Events

- Annual Holiday Tree Lighting
- Annual Town Picnic and Recycling Rally
- Annual Holiday Lighted Boat Parage
- Annual Santa Parade and House Decorating Contest

Cultural Facilities Available in Redington Shores and the Tampa Bay Area

- Gulf Beaches Public Library
- Suncoast Seabird Sanctuary
- Clearwater Marine Aquarium
- Salvador Dali Museum
- Heritage Village
- Florida Botanical Gardens
- Weedon Island preserve

OTHER REPORTS

TOWN OF REDINGTON SHORES

REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF THE
BASIC FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

AND

MANAGEMENT LETTER

AND

ATTESTATION REPORT
ON COMPLIANCE WITH SECTION 218.415
FLORIDA STATUTES

AND

MANAGEMENT MEMORANDUM
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2014

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

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Certified Public Accountants
Florida Institute of
Certified Public Accountants

The Honorable Mayor
and Town Commission
Town of Redington Shores, Florida

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the Town of Redington Shores, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Redington Shores, Florida's (Town) basic financial statements, and have issued our report thereon dated June 30, 2015.

Internal Control Over Financial Reporting

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

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

The Honorable Mayor
and Town Commissions
Town of Redington Shores, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Davidson, Jamison & Creative, P.L.

June 30, 2015

MANAGEMENT LETTER

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

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The Honorable Mayor and
Town Commission
Town of Redington Shores, Florida

We have audited the financial statements of the Town of Redington Shores, Florida as of and for the fiscal year ended September 30, 2014 and have issued our report thereon dated June 30, 2015.

We conducted our audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the AICPA Professional Standards AT Sections 601.55 and 601.56. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards* and Chapter 10.550 Rules of the Florida Auditor General. Disclosures in that report, which are dated June 30, 2015, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1, Rules of the Auditor General require that we address in the management letter, if not already addressed in the auditor's report on internal controls and compliance whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

The Honorable Mayor and
Town Commission
Town of Redington Shores, Florida

As required by the Rules of the Auditor General (Section 10.556(10)(a)) and (Section 10.557 (3)(c)), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment policy requirements of Section 218.415, Florida Statutes. In connection with our audit, we determined that the Town complied with Section 218.4154, Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(i)(2)), the scope of our audit included a review of possible recommendations to improve the local government entity's financial management. In connection with our audit we did not have any such recommendations.

The Rules of the Auditor General (Section 10.554(1)(i)(3)) requires address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. Note: Fraud, noncompliance with provisions of laws or regulations and contracts or grant agreements, or abuse that does not warrant the attention of those charged with governance or internal control deficiencies that are not material weaknesses or significant deficiencies may be reported in the management letter based on professional judgment. In connection with our audit, we did not have any findings which warranted the attention of those charged with governance.

The Rules of the Auditor General (Section 10.554(1)(i)(4)) requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Rule 10.553 unless disclosed in the notes to the financial statements. Legal authority includes the general law, special acts, ordinances, resolutions, or other means by which the local government entity was created and is governed. This disclosure has been included in the Town's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014.

The Rules of the Auditor General (Section 10.554(1)(i)5.a) requires that the auditor state whether or not the governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes and identify the specific condition or conditions met. During the course of our audit of the Town's financial statements for the fiscal year ended September 30, 2014, we found that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

The Honorable Mayor and
Town Commission
Town of Redington Shores, Florida

The Rules of the Auditor General (Section 10.554(1)(i)5.b) requires a statement as to whether or not the financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the current audit period. We determined that the Comprehensive Annual Financial Report for the Town for the fiscal year ended September 30, 2014 is in agreement with the annual financial report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2014.

The Rules of the Auditor General (Section 10.554(1)(i)5(c)(1)) and 10.556(8) requires that we apply financial condition assessment procedures. It is management's responsibility to monitor the Town's financial condition and our financial condition assessment was based in part on representations made by management and the review of financial information provided by them.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Davidson, Jamieson & Crestine, P.L.

June 30, 2015

ATTESTATION REPORT
ON COMPLIANCE WITH SECTION 218.415
FLORIDA STATUTES

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

1956 Bayshore Boulevard
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Certified Public Accountants
Florida Institute of
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and
Town Commission
Town of Redington Shores, Florida

We have examined the Town of Redington Shores, Florida 's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

Davidson, Jamieson & Cristini, P.L.

June 30, 2015

**MANAGEMENT MEMORANDUM
ON REVIEW
OF INTERNAL CONTROL STRUCTURE**

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

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June 30, 2015

The Honorable Mayor
and Town Commission
Town of Redington Shores, Florida

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the Town of Redington Shores, Florida as of and for the year ended September 30, 2014, and have issued our report thereon dated June 30, 2015.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated June 30, 2015. Disclosures in that report, if any, should be considered in conjunction with this management memorandum.

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

In planning and performing our audit of the financial statements of Town of Redington Shores, Florida we considered the Town's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we observed a matter that is an opportunity for strengthening internal control and operating efficiency.

The Honorable Mayor
and Town Council
Town of Redington Shores, Florida

2013-2014

- A. Operating Policies

2012-2013

- A. Accounting and Financial Reporting for Pensions

2013-2014

A. Operating Policies

During our procedural testing for the fiscal year ended September 30, 2014 we observed the following Town policies:

- A. Currently, the Town does not require the preparation of a purchase order for purchases of less than \$50. In view of the increases in the cost and volume of the Town's small purchase requirement this \$50 purchase order threshold requires staff to spend excessive amount of time administering this \$50 policy. We recommend that the Town adopt a policy that purchases under \$250 do not require the preparation of a purchase order.

- B. Likewise the Town's capitalization threshold for fixed asset purchases is currently set at \$200 for assets having an estimated useful life of at least two years. Any capital expenditure that costs \$200 in today's economy will not last more than twelve months. In light of the Government Finance Officers of America (GFOA's) preferred practice for fixed asset capitalization, we recommend that the Town set its fixed asset capitalization threshold at \$5,000 for purchases having a life of five years or more.

2012-2013

A. Accounting and Financial Reporting for Pensions

Effective for the fiscal year ending September 30, 2015, the Town will implement GASB Statement 68 which is an amendment of GASB Statement 27.

Under this Standard, the Town is required to report a liability on the government-wide statements of net position.

We recommended that the Town's Finance Director and Town Commission become familiar with this new standard.

This recommendation has been implemented.

* * * * *

This memorandum is intended solely for the use of the Mayor and Town Commission, the Pinellas County, Florida Board of Commissioners and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesy and assistance provided to us by the Town's personnel during our audit. We will review the status of the above comments during our next audit engagement. We have already discussed many of these comments and suggestions with Town personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

DAVIDSON, JAMIESON & CRISTINI, P.L.

MANAGEMENT RESPONSE



Redington Shores

*17425 Gulf Boulevard
Redington Shores FL 33708
727-397-5538*

July 29 2015

TOWN OF REDINGTON SHORES CHIEF EXECUTIVE'S ANSWERS TO AUDITOR'S MANAGEMENT LETTER

Operating Policies

- (1) The Commission will discuss the recommendation at an upcoming workshop meeting.
- (2) At the Commission meeting held on August 11, 2010, the Commission voted and approved for the Capitalization threshold to be \$5,000.00.

Mary F. Palmer, MMC
Town Clerk/Treasurer

MFP