



Redington Shores

TOWN OF REDINGTON SHORES, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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, 2008

Prepared by the
Department of Finance

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

Bert Adams, Mayor-Commissioner

John Branch, Vice Mayor-Commissioner

Tom Kapper, Commissioner

Casey Wojcik, Commissioner

Lee Holmes, 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, 2008

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INTRODUCTORY SECTION

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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 15, 2009

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 12 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, 2008.

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, 2008. 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 Commission 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.

LOCAL ECONOMY

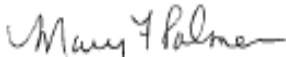
Due to its location between the Gulf of Mexico and the intracoastal waterway, the Town's major industry is tourism. There has been redevelopment of many areas which resulted in significant permit fees during the past several fiscal years. Due to the slow down in construction, these fees will be less than \$100,000 in the current fiscal year.

LONG TERM PLANNING/FUTURE INITIATIVE

As part of a long-term plan, the Town envisions extensive paving/drainage improvements for the entire Town. The first phases have been completed and construction continues on the final phases. The final phase of undergrounding the utilities for the entire Town at a cost in excess of \$5 million, for which the Town secured a \$5.0 million in 2006, was completed in mid-2008.

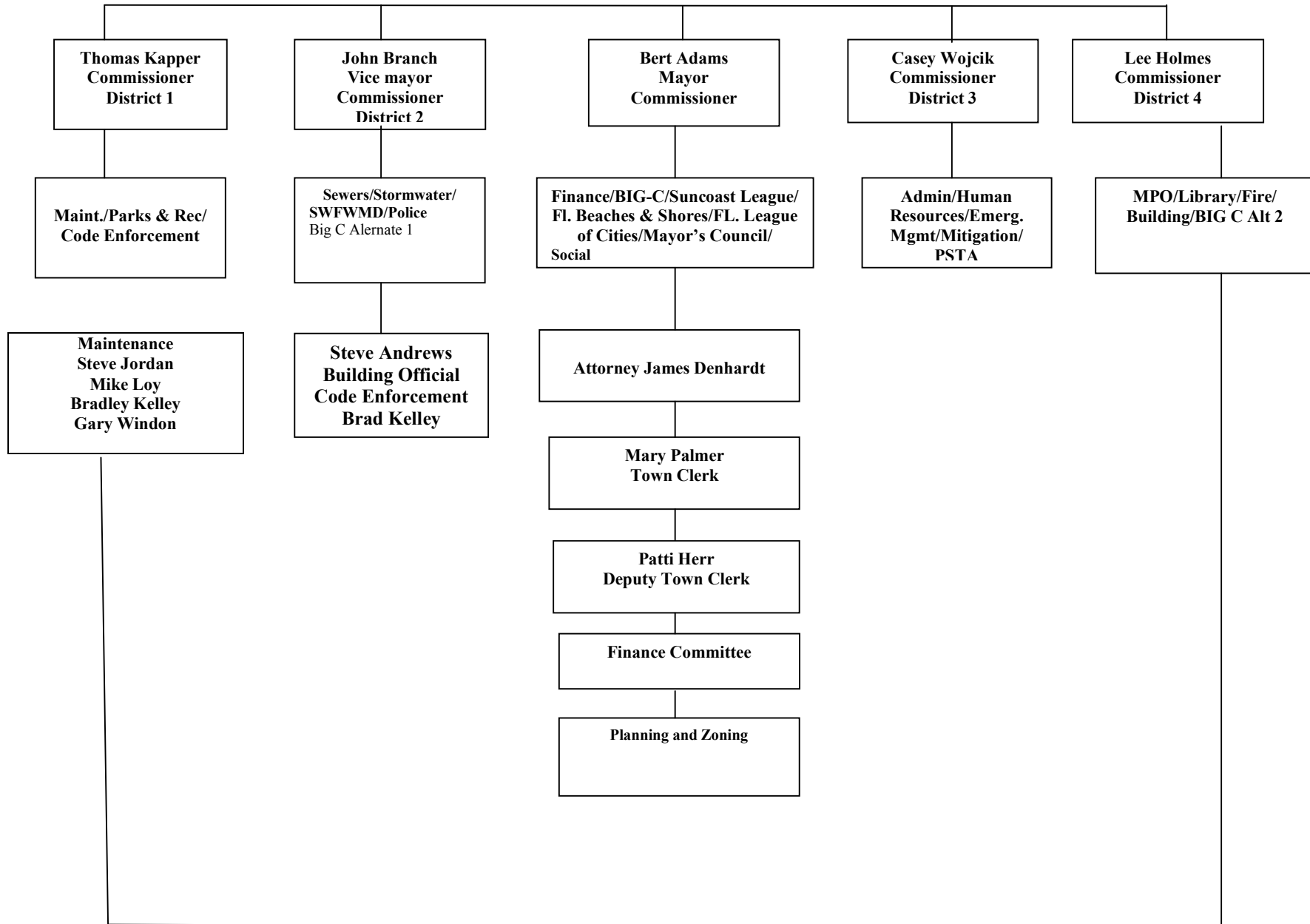
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the administration department. I wish to express our appreciation to everyone who contributed to the preparation of this report. Credit must also be given to the Mayor and Commissioners 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	John Branch
Commissioner	Tom Kapper
Commissioner	Casey Wojcik
Commissioner	Lee Holmes

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

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
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John N. Davidson, CPA, CVA
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Richard A. Cristini, CPA, CPPT, CGFM

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

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, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 and each major fund of the Town of Redington Shores, Florida, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *General Government Auditing Standards*, we have also issued our report dated July 13, 2009 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 the internal control over financial reporting or on compliance. That report is in integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The *accompanying management's discussion and analysis* on pages 4 through 9 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The *accompanying introductory section, capital asset schedules and statistical tables* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *capital asset schedules* have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The *introductory section and statistical tables* have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on them.

Davidson, Jamison & Cristiani, P.C.

July 13, 2009

MANAGEMENT'S DISCUSSION
AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Redington Shores, we offer readers of the Town of Redington Shores financial statements this narrative overview and analysis of the financial activities of the Town of Redington Shores for the fiscal year ended September 30, 2008.

Financial Highlights

- The assets of the Town of Redington Shores exceeded its liabilities at the close of the most recent fiscal year by \$15,280,484 (net assets). Of this amount \$6,015,415 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$828,727.

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, in a manner similar to a private-sector business.

The statement of net assets 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 assets may serve as a useful indicator of whether the financial position of the Town of Redington Shores is improving or deteriorating.

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

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.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Redington Shores, like other state and local governments, uses fund accounting to

ensure and demonstrate compliance with finance-related legal requirements. The funds of the Town of Redington Shores are the governmental fund and proprietary fund.

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.

Government-wide Financial Analysis

As noted earlier, net assets 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.

TOWN OF REDINGTON SHORES NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Year End September 30,						
Current Assets	\$ 6,752,708	\$ 5,960,301	\$ 1,882,217	\$ 1,974,070	\$ 8,634,925	\$ 7,934,371
Capital Assets					-	-
(net of depreciation)	10,384,792	11,784,233	397,928	393,065	10,782,720	12,177,298
Total Assets (a)	17,137,500	17,744,534	2,280,145	2,367,135	19,417,645	20,111,669
Current Liabilities	161,439	262,263	34,671	53,909	196,110	316,172
Non-current Liabilities	4,769,780	4,515,013	-	-	4,769,780	4,515,013
Total Liabilities (b)	4,931,219	4,777,276	34,671	53,909	4,965,890	4,831,185
Net Assets					-	-
Invested in capital						
assets (net)	5,641,202	7,297,053	397,928	393,065	6,039,130	7,690,118
Restricted	1,412,212	1,574,951	-	-	1,412,212	1,574,951
Unrestricted	5,152,867	4,095,254	1,847,546	1,920,161	7,000,413	6,015,415
Total Net Assets (a-b)	\$ 12,206,281	\$ 12,967,258	\$ 2,245,474	\$ 2,313,226	\$ 14,451,755	\$ 15,280,484

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 assets, 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 assets increased by \$828,727 during the current fiscal year. Most of this increase resulted from 1) Collection of taxes and fees which are restricted or designated for specific purposes; 2) Investment earnings; 3) Grants restricted for specific projects.

Governmental activities/Business-Type activities

Governmental activities increased in the Town of Redington Shores net assets by \$760,977. Business – type activities increased in the Town of Redington Shores net assets by \$67,750.

Key elements of this increase are as follows:

TOWN OF REDINGTON SHORES CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Revenues:						
Program revenues:						
Charges for services	\$ 691,393	\$ 634,581	\$ 732,872	\$ 758,926	\$ 1,424,265	\$ 1,393,507
Capital Grans	41,249	223,866			41,249	223,866
Total Program Revenues	732,642	858,447	732,872	758,926	1,465,514	858,447
General Revenues:						
Land Dedication Fees	94,878	36,165	-	-	94,878	36,165
Property Taxes	1,017,793	964,927	-	-	1,017,793	964,927
Franchise fees	177,165	185,316	-	-	177,165	185,316
State revenue sharing	52,667	51,572	-	-	52,667	51,572
Half-cent sales tax	132,164	134,797	-	-	132,164	134,797
Local option gas tax	22,737	33,245	-	-	22,737	33,245
Infrastructure Sales Surtax	245,244	246,709	-	-	245,244	246,709
Com. services tax	107,823	116,409	-	-	107,823	116,409
Other taxes	3,142	4,133	-	-	3,142	4,133
Investment earnings	368,929	95,321	84,043	21,140	452,972	116,461
Miscellaneous/other	22,349	9,168		498	22,349	9,666
Total General Revenues	2,244,891	1,877,762	84,043	21,638	2,328,934	1,899,400
Total Revenues	2,977,533	2,736,209	816,915	780,564	3,794,448	3,516,773
Expenses:						
General government	439,126	427,644	-	-	439,126	427,644
Public safety	631,026	673,886	-	-	631,026	673,886
Physical environment and Highways	517,080	616,970	-	-	517,080	616,970
Culture and recreation	78,958	71,792	-	-	78,958	71,792
Interest on Long Term Debt	188,338	184,940	-	-	188,338	184,940
Sewer			682,368	712,814	682,368	712,814
Total expenses	1,854,528	1,975,232	682,368	712,814	2,536,896	2,688,046
Change in Net Assts	1,123,005	760,977	134,547	67,750	1,257,552	828,727
Net Assets Beginning	11,083,276	12,206,281	2,110,929	2,245,476	13,194,205	14,451,757
Net Assets End	\$12,206,281	\$12,967,258	\$2,245,476	\$2,313,226	\$14,451,757	\$ 15,280,484

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 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 fund reported ending fund balance of \$5,741,216, a decrease of \$895,683 in comparison with the prior year, due primarily to the utility undergrounding project. Approximately 72% 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 assets of the sewer fund at the end of the year amounted to \$1,920,161. The total growth in net assets was \$67,750. 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 Town implemented procedures during the 2007-2008 fiscal year that provided additional oversight of the budgetary process. These procedures included more timely review of financial information by administration and the engagement of an outside consultant. The General Fund budgetary estimates as amended were favorable for both revenue and expenditures. Actual revenue exceeded budget by \$32,000.00. Actual expenditures were under budget by \$36,500.00.

Capital Assets

The Town of Redington Shores investment in capital assets for its governmental and business-type activities as of September 30, 2008, amounts to \$12,177,298 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, equipment, park facilities and roads. The total increase in the Town of Redington Shores investment in capital assets for the current fiscal year was \$1,394,578 (net of depreciation).

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

- Undergrounding of utilities (completed)
- Engineering fees related to future paving/drainage projects

**TOWN OF REDINGTON SHORES CAPITAL ASSETS
(NET OF DEPRECIATION)**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
Year End September 30,						
	2007	2008	2007	2008	2007	2008
Land	\$ 2,481,698	\$ 2,481,698	\$ 8,091	\$ 8,091	\$ 2,489,789	\$ 2,489,789
Construction in Progress	4,239,085	359,719	-	11,039	4,239,085	370,758
Building and improvements	840,702	844,514	-	-	840,702	844,514
Improvement other than bldgs	419,284	684,156	1,169,088	1,169,088	1,588,372	1,853,244
Infrastructure	2,630,407	7,825,135	-	-	2,630,407	7,825,135
Equipment	271,848	287,564	85,449	85,449	357,297	373,013
Total Assets	10,883,024	12,482,786	1,262,628	1,273,667	12,145,652	13,756,453
Less Accumulated Depreciation	498,232	698,553	864,700	880,602	1,362,932	1,579,155
Total Net Assets	\$ 10,384,792	\$ 11,784,233	\$ 397,928	\$ 393,065	\$ 10,782,720	\$ 12,177,298

Long-term debt.

The Town of Redington Shores had an outstanding bank loan of \$4,487,180 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 Town has been awarded several grants for construction of various capital projects, which should commence during the 2008-2009 fiscal year. The 2008-2009 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 Finance Director, 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 Assets
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet - Governmental Funds
Reconciliation of the Balance Sheet to the Statement of
Net Assets - 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 Assets - Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Assets -
Proprietary Fund
Statement of Cash Flows - Proprietary Fund

Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2008

ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 4,079,734	\$ 1,508,348	\$ 5,588,082
Investments	224,740	59,598	284,338
Receivables (net of allowance for uncollectibles)	288,536	133,351	421,887
Prepaid expenses	30,170	33,964	64,134
Due to/from other funds	(238,809)	238,809	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	1,575,930	-	1,575,930
Capital Assets:			
Land	2,481,698	8,091	2,489,789
Construction in progress	359,719	11,039	370,758
Buildings	844,514	-	844,514
Improvements other than buildings	684,156	1,169,088	1,853,244
Equipment	287,564	85,449	373,013
Infrastructure	7,825,135	-	7,825,135
Accumulated depreciation	<u>(698,553)</u>	<u>(880,602)</u>	<u>(1,579,155)</u>
 Total Assets	 17,744,534	 2,367,135	 20,111,669
LIABILITIES			
Accounts payable	183,901	53,909	237,810
Accrued payroll	14,858	-	14,858
Unearned revenue	6,593	-	6,593
Accrued interest payable	56,911	-	56,911
Noncurrent liabilities:			
Due within one year	258,910	-	258,910
Due in more than one year	<u>4,256,103</u>	<u>-</u>	<u>4,256,103</u>
 Total Liabilities	 <u>4,777,276</u>	 <u>53,909</u>	 <u>4,831,185</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	7,297,053	393,065	7,690,118
Restricted for:			
Capital Projects	1,574,951	-	1,574,951
Unrestricted	<u>4,095,254</u>	<u>1,920,161</u>	<u>6,015,415</u>
 Total Net Assets	 <u>\$ 12,967,258</u>	 <u>\$ 2,313,226</u>	 <u>\$ 15,280,484</u>

See Notes to Financial Statements.

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

<u>Function/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	Primary Government		
				<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary Government:						
Governmental Activities:						
General government	\$ 427,644	\$ 260,027	\$ -	\$ (167,617)	\$ -	\$ (167,617)
Public Safety	673,886	12,553	-	(661,333)	-	(661,333)
Physical environment	616,970	326,497	223,866	(66,607)	-	(66,607)
Culture and recreation	71,792	35,504	-	(36,288)	-	(36,288)
Interest on long-term debt	184,940	-	-	(184,940)	-	(184,940)
Total governmental activities	<u>1,975,232</u>	<u>634,581</u>	<u>223,866</u>	<u>(1,116,785)</u>	<u>-</u>	<u>(1,116,785)</u>
Business-Type Activities:						
Sewer	712,814	758,926	-	-	46,112	46,112
Total business-type activities	<u>712,814</u>	<u>758,926</u>	<u>-</u>	<u>-</u>	<u>46,112</u>	<u>46,112</u>
Total primary government	<u>\$ 2,688,046</u>	<u>\$ 1,393,507</u>	<u>\$ 223,866</u>	<u>(1,116,785)</u>	<u>46,112</u>	<u>(1,070,673)</u>
General Revenues:						
Property taxes				964,927	-	964,927
Franchise fees				185,316	-	185,316
Unrestricted				-	-	-
Intergovernmental Revenues:						
State Revenue sharing				51,572	-	51,572
Communication services tax				116,409	-	116,409
Half-cent sales tax				134,797	-	134,797
Local option gas tax				33,245	-	33,245
Infrastructure sales surtax				246,709	-	246,709
Other taxes				4,133	-	4,133
Capital Contributions				36,165	-	36,165
Unrestricted investment earnings				95,321	21,140	116,461
Gain on sale of capital assets				-	-	-
Miscellaneous				9,168	498	9,666
Transfers				-	-	-
Total General Revenues and transfers				<u>1,877,762</u>	<u>21,638</u>	<u>1,899,400</u>
Changes in Net Assets				760,977	67,750	828,727
Net Assets, Beginning of Year				<u>12,206,281</u>	<u>2,245,476</u>	<u>14,451,757</u>
Net Assets, Ending of Year	<u>\$ 12,967,258</u>	<u>\$ 2,313,226</u>	<u>\$ 15,280,484</u>			

See Notes to Financial Statements.

TOWN OF REDINGTON SHORES, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2008

ASSETS

ASSETS	General	Capital Improvements Fund	Total Governmental Funds
Cash and cash equivalents	\$ 3,189,594	\$ 890,140	\$ 4,079,734
Investments	85,281	139,459	224,740
Receivables (net of allowance for uncollectibles):			
Accounts	54,411	8,066	62,477
Intergovernmental:			
State	18,880	54,826	73,706
County	2,353	150,000	152,353
Due from other funds	-	27,940	27,940
Prepaid items	16,437	-	16,437
Cash restricted	1,738	1,574,192	1,575,930
TOTAL ASSETS	\$ 3,368,694	\$ 2,844,623	\$ 6,213,317

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 37,650	\$ 146,251	\$ 183,901
Accrued payroll	14,858	-	14,858
Unearned revenue	6,593	-	6,593
Due to other funds	266,749	-	266,749
Total liabilities	325,850	146,251	472,101

Fund balances:

Reserved for:			
Capital Projects	1,738	1,573,213	1,574,951
Prepaid items	16,437	-	16,437
Unreserved reported in:			
General Fund	3,024,669	-	3,024,669
Capital improvements fund	-	1,125,159	1,125,159
Total fund balances	3,042,844	2,698,372	5,741,216

Total liabilities and fund balances	\$ 3,368,694	\$ 2,844,623	
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental funds.	11,784,233
Loan costs	13,733
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.	(4,571,924)

Net assets of governmental activities (page 10)	\$ 12,967,258
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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, 2008

	<u>General</u>	<u>Infrastructure</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes:			
Property	\$ 964,927	\$ -	\$ 964,927
Franchise	185,316	-	185,316
Licenses and permits	96,041	-	96,041
Intergovernmental	339,067	247,798	586,865
Charges for services	478,780	47,207	525,987
Fines	12,553	-	12,553
Investment earnings	43,743	51,578	95,321
Contributions and Grants	7,615	216,251	223,866
Miscellaneous	8,273	895	9,168
	<hr/>	<hr/>	<hr/>
Total Revenues	2,136,315	563,729	2,700,044
 EXPENDITURES:			
Current:			
General government	399,801	1,406,714	1,806,515
Public safety	667,268	-	667,268
Physical environment	471,191	-	471,191
Culture and recreation	51,872	197,030	248,902
Debt service:			
Principal	-	256,410	256,410
Interest	-	181,606	181,606
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,590,132	2,041,760	3,631,892
Excess (Deficiency) of Revenues Over (Under) Expenditures	546,183	(1,478,031)	(931,848)
Other Financial Sources (Uses):			
Transfers in	-	437,975	437,975
Transfers (out)	(437,975)	-	(437,975)
Capital contributions	-	36,165	36,165
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(437,975)	474,140	36,165
Net Change in Fund Balance	108,208	(1,003,891)	(895,683)
Fund Balance, Beginning of Year	<hr/>	<hr/>	<hr/>
	2,934,636	3,702,263	6,636,899
Fund Balance, End of Year	<hr/> <u>\$ 3,042,844</u>	<hr/> <u>\$ 2,698,372</u>	<hr/> <u>\$ 5,741,216</u>

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, 2008

Fund balances - total governmental funds \$ (895,683)

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

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

Expenditures for capital assets	\$ 1,599,762	
Less current year depreciation	<u>(200,321)</u>	1,399,441

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 assets. 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	
Amortization of loan costs	<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	3,252	
Compensated absences	(1,643)	
Loss on abandonment of equipment	<u>-</u>	<u>1,609</u>

Change in net assets of governmental activities \$ 760,977

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, 2008

	<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	\$ 952,994	\$ 952,994	\$ 964,927	\$ 11,933
Franchise fees	125,000	185,000	185,316	316
Licenses and permits	173,275	103,575	96,041	(7,534)
Intergovernmental	318,045	315,905	339,067	23,162
Charges for services	463,350	463,350	478,780	15,430
Fines	15,600	10,450	12,553	2,103
Investment earnings	88,000	54,500	43,743	(10,757)
Miscellaneous	3,500	18,500	15,888	(2,612)
Total Revenues	<u>2,139,764</u>	<u>2,104,274</u>	<u>2,136,315</u>	<u>32,041</u>
Expenditures:				
Current:				
General Government:				
Legislative	40,800	40,800	63,270	(22,470)
Financial and administrative	165,042	142,500	193,875	(51,375)
Facilities maintenance	338,121	335,191	142,656	192,535
	<u>543,963</u>	<u>518,491</u>	<u>399,801</u>	<u>118,690</u>
Public Safety:				
Police	391,470	381,470	378,156	3,314
Fire	185,067	185,067	185,068	(1)
Protective inspections	74,845	77,845	104,044	(26,199)
	<u>651,382</u>	<u>644,382</u>	<u>667,268</u>	<u>(22,886)</u>
Physical Environment:				
Garbage and trash	267,586	242,500	240,487	2,013
Maintenance	127,231	127,232	187,710	(60,478)
Lighting and other	84,000	40,000	42,994	(2,994)
	<u>478,817</u>	<u>409,732</u>	<u>471,191</u>	<u>(61,459)</u>
Culture and Recreation:				
Library	40,000	40,000	40,180	(180)
Parks and Recreation	14,000	14,000	11,692	2,308
	<u>54,000</u>	<u>54,000</u>	<u>51,872</u>	<u>2,128</u>
Total Expenditures	<u>1,728,162</u>	<u>1,626,605</u>	<u>1,590,132</u>	<u>36,473</u>
Excess of Revenues Over (Under) Expenditures	411,602	477,669	546,183	68,514
Other Financing Sources (Uses):				
Transfer to Capital Improvements Fund	(437,975)	(437,975)	(437,975)	-
Total Other Financing Sources (Uses)	<u>(437,975)</u>	<u>(437,975)</u>	<u>(437,975)</u>	<u>-</u>
Net Change in Fund Balance	(26,373)	39,694	108,208	68,514
Fund Balance, Beginning of Year	<u>2,934,636</u>	<u>2,934,636</u>	<u>2,934,636</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,908,263</u>	<u>\$ 2,974,330</u>	<u>\$ 3,042,844</u>	<u>\$ 68,514</u>

See Notes to Financial Statements.

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF NET ASSETS

PROPRIETARY FUND

SEPTEMBER 30, 2008

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

ASSETS

	<u>SEWER FUND</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,508,348
Investments	59,598
Accounts receivable, net of allowance for uncollectible accounts)	133,351
Due from other funds	238,809
Prepaid expenses	<u>33,964</u>
TOTAL CURRENT ASSETS	<u>1,974,070</u>
NONCURRENT ASSETS:	
Capital Assets:	
Land	8,091
Improvements other than buildings	1,180,127
Equipment	<u>85,449</u>
TOTAL CAPITAL ASSETS	1,273,667
Less accumulated depreciation	<u>880,602</u>
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	<u>393,065</u>
TOTAL ASSETS	<u>\$ 2,367,135</u>

See Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA

STATEMENT OF NET ASSETS

PROPRIETARY FUND

SEPTEMBER 30, 2008

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

LIABILITIES AND FUND EQUITY

	<u>SEWER FUND</u>
CURRENT LIABILITIES:	
Accounts payable	\$ <u>53,909</u>
TOTAL CURRENT LIABILITIES	<u>53,909</u>
TOTAL LIABILITIES	53,909
NET ASSETS:	
Invested in capital assets	393,065
Unrestricted	<u>1,920,161</u>
TOTAL NET ASSETS	\$ <u><u>2,313,226</u></u>

See Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

	<u>SEWER FUND</u>
OPERATING REVENUES:	
Charges for sales and service	\$ <u>758,926</u>
Total operating revenue	758,926
OPERATING EXPENSES:	
Materials and supplies	178,208
Repairs and maintenance	48,434
Treatment fees	470,270
Depreciation	<u>15,902</u>
Total operating expenses	<u>712,814</u>
OPERATING INCOME	46,112
NONOPERATING REVENUES (EXPENSES):	
Interest revenue	21,140
Other	<u>498</u>
Total nonoperating revenues	<u>21,638</u>
Income before contributions and transfers	67,750
Capital contributions	-
Transfers in	-
Transfers out	<u>-</u>
CHANGE IN NET ASSETS	67,750
TOTAL NET ASSETS, OCTOBER 1	<u>2,245,476</u>
TOTAL NET ASSETS, SEPTEMBER 30	\$ <u><u>2,313,226</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, 2008

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

	<u>SEWER FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 748,180
Payments to suppliers for goods and services	(630,458)
Other	<u>498</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	118,220
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	-
Transfers to other funds	<u>(245,346)</u>
NET CASH (USED) FOR NON-CAPITAL FINANCING ACTIVITIES	<u>(245,346)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from sale of capital assets	-
Purchase of capital assets	<u>(11,039)</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(11,039)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(131,954)
Proceeds from sales and maturities of investments	72,854
Interest on investments	<u>21,140</u>
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	<u>(37,960)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(176,125)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>1,684,473</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 1,508,348</u>

See Notes to Financial Statements

TOWN OF REDINGTON SHORES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

SEWER
FUND

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

Operating income:	\$	46,112
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation		15,902
Change in assets and liabilities:		
(Increase) decrease in accounts receivable		(10,746)
Increase (decrease) in accounts payable		19,240
(Increase) decrease in prepaid expenses		<u>47,712</u>
Total adjustments		<u>72,108</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u><u>118,220</u></u>

See Notes to Financial Statements.

NOTES TO
FINANCIAL STATEMENTS

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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, 2008

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 assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. 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, 2008

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, 2008

1. Summary of Significant Accounting Policies (Continued)

The town reports the following major proprietary funds:

Sewer- 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, 2008

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 Assets 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, 2008

1. Summary of Significant Accounting Policies (Continued)

The Florida State Board of Administration Local Government Pooled Investment Fund 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.”

Unearned revenue - Occupational licenses are measurable, but not available, as of the end of the fiscal year and thus are shown as unearned revenue. The unearned revenue will be recognized as revenue in the fiscal year that it becomes available.

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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

1. Summary of Significant Accounting Policies (Continued)

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 2008 millage rate assessed by the town was 1.5229.

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.

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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

1. Summary of Significant Accounting Policies (Continued)

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.

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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

1. Summary of Significant Accounting Policies (Continued)

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

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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

1. Summary of Significant Accounting Policies (Continued)

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.

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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

1. Summary of Significant Accounting Policies (Continued)

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. Designations of fund balance represent tentative management plans that are subject to change.

Net assets - Net assets of the government-wide and proprietary funds are categorized as invested in capital assets net of related debt or unrestricted. The first category represents net assets related to capital assets.

2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. The detail of this \$4,571,924 difference is as follows:

Bank loan	\$ 4,487,180
Accrued interest	56,911
Compensated absences	<u>27,833</u>
Net adjustment to reduce <i>fund balance - total Governmental funds to arrive at net assets - Governmental activities</i>	<u>\$ 4,571,924</u>

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. 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 \$1,399,441 difference are as follows:

Capital asset expenditures	\$ 1,599,762
Depreciation expense	<u>(200,321)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net assets of governmental activities	\$ <u><u>1,399,441</u></u>

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

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

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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).

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 \$(1,609) difference are as follows:

Accrued interest on bank loan - net	\$ 3,252
Compensated absences	<u>(1,643)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u><u>1,609</u></u>

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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

3. Stewardship, Compliance, and Accountability (Continued)

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 - One governmental fund had an operating deficit for the fiscal year ended September 30, 2008 summarized as follows:

Fund	Operating Deficit
Capital improvements	\$ <u><u>(1,003,891)</u></u>

The town commission intends to use available fund balances in this fund to cover the above deficit.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

4. Deposits

At year-end the carrying amount of the town's deposits was \$7,164,012 and the bank balance was \$8,221,278. 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 Pooled Investment Fund (SBA)	\$ <u>284,338</u>	Not Rated	N/A
Total investments	\$ <u><u>284,338</u></u>		

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

5. Investments (Continued)

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 benchmarks.

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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

5. Investments (Continued)

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.
- (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.”

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

5. Investments (Continued)

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, 2008.

Subsequent to 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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

5. Investments (Continued)

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, 2008, the SBA Board announced that the fund was on track to return to full liquidity by the fiscal year ending September 30, 2009. Further, although these financial statements include a loss allowance of \$56,748 as of September 30, 2008, the SBA Board expects that the SBA fund securities will pay in full at maturity.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

6. Receivables

Receivables at of September 30, 2008 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	\$ 54,411	\$ 8,066	\$ 133,351	\$ 195,828
Intergovernmental	<u>21,233</u>	<u>204,826</u>	<u>-</u>	<u>226,059</u>
Gross receivables	75,644	212,892	133,351	421,887
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 75,644</u>	<u>\$ 212,892</u>	<u>\$ 133,351</u>	<u>\$ 421,887</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, 2008

7. Due From (To)

Due from (due to) other funds from the general fund as of September 30, 2008 are summarized as follows:

	<u>Due From</u>	<u>DueTo</u>
Capital improvements fund	\$ -	\$ 27,940
Sewer Fund	<u>-</u>	<u>238,809</u>
Total	<u>\$ -</u>	<u>\$ 266,749</u>

The Board has sufficient funds available to repay these amounts subsequent to September 30, 2008.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

8. Capital Assets

Capital asset activity for the year ended September 30, 2008 was as follows:

	Balance October 1, 2007	Increases	Decreases	Balance September 30, 2008
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 2,481,698	\$ -	\$ -	\$ 2,481,698
Construction in progress	<u>4,239,085</u>	<u>90,754</u>	<u>3,970,120</u>	<u>359,719</u>
Total capital assets, not being depreciated	6,720,783	90,754	3,970,120	2,841,417
Capital assets, being depreciated:				
Buildings	840,702	3,812	-	844,514
Improvements other than buildings	419,284	264,872	-	684,156
Machinery and Equipment	271,848	15,716	-	287,564
Infrastructure	<u>2,630,407</u>	<u>5,194,728</u>	<u>-</u>	<u>7,825,135</u>
Total capital assets, being depreciated	4,162,241	5,479,128	-	9,641,369
Less accumulated depreciation for:				
Buildings	(170,516)	21,254	-	(191,770)
Improvements other than buildings	(79,764)	26,681	-	(106,445)
Machinery and equipment	(154,219)	25,149	-	(179,368)
Infrastructure	<u>(93,733)</u>	<u>127,237</u>	<u>-</u>	<u>(220,970)</u>
Total accumulated depreciation	<u>(498,232)</u>	<u>200,321</u>	<u>-</u>	<u>(698,553)</u>
Total capital assets, being depreciated, net	<u>3,664,009</u>	<u>5,278,807</u>	<u>-</u>	<u>8,942,816</u>
Governmental activities capital assets, net	<u>\$ 10,384,792</u>	<u>\$ 5,369,561</u>	<u>\$ 3,970,120</u>	<u>\$ 11,784,233</u>

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

8. Capital Assets (Continued)

The government has active construction projects as of September 30, 2008. The projects include water quality construction. At year end the Town has remaining commitments with contractors and engineers as follows:

	<u>September 30, 2008</u>	
	<u>Estimated Project Amount</u>	<u>Construction in Progress</u>
Governmental Activities:		
Water quality project	\$ <u>2,948,000</u>	\$ <u>359,719</u>
 Total governmental capital asset construction in progress	 \$ <u>2,948,000</u>	 \$ <u>359,719</u>
 Business-type Activities:		
Sewer lift stations	\$ <u>401,000</u>	\$ <u>11,039</u>
 Total business-type capital asset construction in progress	 \$ <u>401,000</u>	 \$ <u>11,039</u>

Funding for the cost of these water quality projects will be provided by the capital improvements fund.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

8. Capital Assets (Continued)

	Balance October 1, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2008</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 8,091	\$ -	\$ -	\$ 8,091
Construction in progress	<u>-</u>	<u>11,039</u>	<u>-</u>	<u>11,039</u>
Total capital assets, not being depreciated	8,091	11,039	-	19,130
Capital assets, being depreciated:				
Improvements other than buildings	1,169,088	-	-	1,169,088
Machinery and Equipment	<u>85,449</u>	<u>-</u>	<u>-</u>	<u>85,449</u>
Total capital assets, being depreciated	1,254,537	-	-	1,254,537
Less accumulated depreciation for:				
Improvements other than buildings	(802,527)	12,374	-	(814,901)
Machinery and equipment	<u>(62,173)</u>	<u>3,528</u>	<u>-</u>	<u>65,701</u>
Total accumulated depreciation	<u>(864,700)</u>	<u>15,902</u>	<u>-</u>	<u>880,602</u>
Total capital assets, being depreciated, net	<u>389,837</u>	<u>(15,902)</u>	<u>-</u>	<u>373,935</u>
Business-type activities capital assets, net	<u>\$ 397,928</u>	<u>\$ (4,863)</u>	<u>\$ -</u>	<u>\$ 393,065</u>

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

8. Capital Assets (Continued)

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

Governmental activities:

General government	\$ 28,004
Public safety	6,618
Physical environment	145,779
Culture and recreation	<u>19,920</u>
Total depreciation expenses - governmental activities	<u><u>\$ 200,321</u></u>

Business-type activities:

Sewer	<u>\$ 15,902</u>
Total depreciation expense - business-type activities	<u><u>\$ 15,902</u></u>

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

9. Designated Fund Balance/Designated Net Assets

A. Designated Fund Balance - Governmental Funds

A reserved fund balance indicates those portions of fund balances that are legally segregated for a specific use or not available for appropriation or expenditure. A designated fund balance is created through action of the Town Commission and may be changed at their discretion. The town's reserves and designations for the General Fund at September 30, 2008 are as follows:

	<u>General Fund</u>	<u>Capital Improvements Fund</u>
Designated for		
Capital outlay	\$ -	\$ 764,768
Other expenditures	<u>291,667</u>	<u>-</u>
Total	<u>\$ 291,667</u>	<u>\$ 764,768</u>

B. Designated Net Assets - 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	\$ 450,032
Five percent of fees collected	37,401
Interest earned	<u>9,092</u>
Total available	496,525
Less amount approved for transfer	<u>-</u>
Balance at end of year	<u>\$ 496,525</u>

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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, 2008, 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>

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

11. Long-Term Debt

Long-term debt includes a bank loan and accrued leave as of September 30, 2008:

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>
2009	\$ 256,410	\$ 171,615	\$ 428,025
2010	256,410	161,667	418,077
2011	256,410	151,718	408,128
2012	256,410	141,769	398,179
2013	256,410	131,821	388,231
2014-2018	1,282,050	509,872	1,791,922
2019-2023	1,282,050	261,054	1,543,104
2024-2026	<u>641,030</u>	<u>37,407</u>	<u>678,437</u>
	<u>\$ 4,487,180</u>	<u>\$ 1,566,923</u>	<u>\$ 6,054,103</u>

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

11. Long-Term Debt (Continued)

B. Change in Long-Term Obligations

	Beginning of Year <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	End of Year <u>Balance</u>	<u>Current</u>
Bank loan	\$ 4,743,590	\$ -	\$ (256,410)	\$ 4,487,180	\$ 256,410
Compensated absences	<u>26,190</u>	<u>10,903</u>	<u>(9,260)</u>	<u>27,833</u>	<u>2,500</u>
	<u>\$ 4,769,780</u>	<u>\$ 10,903</u>	<u>\$ (265,670)</u>	<u>\$ 4,515,013</u>	<u>\$ 258,910</u>

Compensated absences are generally liquidated by the general fund.

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

12. 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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

13. Contracts and Agreements

Police Protection - The town has contracted with the Town of Indian Shores, Florida for police protection through September 30, 2011 at an annual cost of \$377,532. 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, 2008 was \$238,398.

Public Library - The town has contracted with the Gulf Beaches Library, Inc. for library service for the year ending September 30, 2008 at a cost of \$40,180.

Fire Protection - The town has contracted with the Cities of Madeira Beach and Seminole, Florida for fire protection through September 30, 2010. The cost for the year ended September 30, 2008 was \$185,067. The cost for each subsequent year increases by the US Department of Labor Price Index.

14. 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, 2008, 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, 2008.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

15. Florida Retirement System

The town participates in the Florida Retirement System (FRS), a non-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

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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

15. Florida Retirement System (Continued)

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

<u>Membership Category</u>	<u>Retirement Benefit</u>	<u>Vesting</u>	<u>Town Contributions Rate Actuarially Determined</u>
			<u>Employer Contribution Rates At 9/30/08</u>
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	9.85% of covered payroll
Executive	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age	After 6 years of creditable service	16.53% of covered payroll

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%. 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 10.91% of salary for all DROP participants. FRS also provides disability and survivors' benefits.

The District'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.

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

15. Florida Retirement System (Continued)

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 eleven years ended September 30, 2008 are summarized as follows:

<u>Year Ended September 30</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
1998	\$ 25,778	100%
1999	22,597	100
2000	15,975	100
2001	12,921	100
2002	19,998	100
2003	9,985	100
2004	7,266	100
2005	9,670	100
2006	11,814	100
2007	15,980	100
2008	16,749	100

TOWN OF REDINGTON SHORES, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

16. 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, 2008 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 2008 was \$346,944. The town's contributions at 7.3% were calculated using the participants' salary amount of \$161,164. The town made the required contributions of \$11,765 for the fiscal year ended September 30, 2008.

The Employees' Defined Contribution Plan has not issued a stand alone financial report for the fiscal year ended September 30, 2008.

INDIVIDUAL FUND

FINANCIAL SCHEDULES

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 ASSETS - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
OPERATING REVENUES:			
Charges for sales and services	\$ 750,000	\$ 758,926	\$ 8,926
Total operating revenues	750,000	758,926	8,926
OPERATING EXPENSES:			
Materials and supplies	203,500	178,208	25,292
Treatment fees	470,500	470,270	230
Repairs and maintenance	62,000	48,434	13,566
Depreciation	-	15,902	(15,902)
Total operating expenses	736,000	712,814	23,186
OPERATING INCOME	14,000	46,112	32,112
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	32,000	21,140	(10,860)
Gain (loss) on disposal of capital assets	-	-	-
Other	-	498	498
Total nonoperating revenues (expenses)	32,000	21,638	(10,362)
Income (loss) before contributions and transfers	46,000	67,750	21,750
Capital contributions	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
CHANGE IN NET ASSETS	46,000	67,750	21,750
NET ASSETS, OCTOBER 1	2,245,476	2,245,476	-
NET ASSETS, SEPTEMBER 30	\$ 2,291,476	\$ 2,313,226	\$ 21,750

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, 2008 AND 2007

Governmental Funds Capital Assets:

Land	\$ 2,481,698	\$ 2,481,698
Buildings	844,514	840,702
Improvements other than buildings	684,156	419,284
Machinery and equipment	287,564	271,848
Construction in progress	359,719	4,239,085
Infrastructure	<u>7,825,135</u>	<u>2,630,407</u>
Total Governmental Funds Capital Assts	<u>\$ 12,482,786</u>	<u>\$ 10,883,024</u>

Governmental Funds Capital Assets by Source:

General Fund	\$ 6,188,898	\$ 5,813,744
Capital improvements fund	<u>6,293,888</u>	<u>5,069,280</u>
Total Governmental Funds Capital Assets	<u>\$ 12,482,786</u>	<u>\$ 10,883,024</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, 2008 AND 2007

Function and Activity	Total	Land	2008				
			Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra- structure
General Government:							
Finance and Administration	\$ 1,392,714	\$ 576,816	\$ 721,938	\$ -	\$ 93,960	-	\$ -
Total general government	1,392,714	576,816	721,938	-	93,960	-	-
Public Safety:							
Code Enforcement	41,820	13,503	21,561	-	6,756	-	-
Civil Defense	50,510	-	-	-	50,510	-	-
Total public safety	92,330	13,503	21,561	-	57,266	-	-
Physical Environment:							
Streets	8,659,664	5,000	24,043	358,228	87,539	359,719	7,825,135
Total physical environment	8,659,664	5,000	24,043	358,228	87,539	359,719	7,825,135
Culture and Recreation:							
Parks and Recreation	2,338,078	1,886,379	76,972	325,928	48,799	-	-
Total culture and recreation	2,338,078	1,886,379	76,972	325,928	48,799	-	-
Total governmental fund							
Capital Assets	\$ 12,482,786	\$ 2,481,698	\$ 844,514	\$ 684,156	\$ 287,564	\$ 359,719	\$ 7,825,135

⁽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, 2008 AND 2007

Function and Activity	2007						
	Total	Land	Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra- structure
General Government:							
Finance and Administration	\$ 1,391,327	\$ 576,816	\$ 721,938	\$ -	\$ 92,573	-	\$ -
Total general government	1,391,327	576,816	721,938	-	92,573	-	-
Public Safety:							
Code Enforcement	41,820	13,503	21,561	-	6,756	-	-
Civil Defense	50,510	-	-	-	50,510	-	-
Total public safety	92,330	13,503	21,561	-	57,266	-	-
Physical Environment:							
Streets	7,149,060	5,000	24,043	165,865	84,660	4,239,085	2,630,407
Total physical environment	7,149,060	5,000	24,043	165,865	84,660	4,239,085	2,630,407
Culture and Recreation:							
Parks and Recreation	2,250,307	1,886,379	73,160	253,419	37,349	-	-
Total culture and recreation	2,250,307	1,886,379	73,160	253,419	37,349	-	-
Total governmental fund							
Capital Assets	\$ <u>10,883,024</u>	\$ <u>2,481,698</u>	\$ <u>840,702</u>	\$ <u>419,284</u>	\$ <u>271,848</u>	\$ <u>4,239,085</u>	\$ <u>2,630,407</u>

⁽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, 2008

<u>Function and Activity</u>	<u>Governmental Fund Capital Assets October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Fund Capital Assets September 30, 2008</u>
General Government:				
Finance and Administration	\$ <u>1,391,327</u>	\$ <u>1,387</u>	\$ <u>-</u>	\$ <u>1,392,714</u>
Total general government	1,391,327	1,387	-	1,392,714
Public Safety:				
Code Enforcement	41,820	-	-	41,820
Civil Defense	<u>50,510</u>	<u>-</u>	<u>-</u>	<u>50,510</u>
Total public safety	<u>92,330</u>	<u>-</u>	<u>-</u>	<u>92,330</u>
Physical Environment:				
Streets	<u>7,149,060</u>	<u>1,510,604</u>	<u>-</u>	<u>8,659,664</u>
Total physical environment	7,149,060	1,510,604	-	8,659,664
Culture and Recreation:				
Parks and Recreation	<u>2,250,307</u>	<u>87,771</u>	<u>-</u>	<u>2,338,078</u>
Total culture and recreation	<u>2,250,307</u>	<u>87,771</u>	<u>-</u>	<u>2,338,078</u>
Total governmental funds				
Capital Assets	\$ <u><u>10,883,024</u></u>	\$ <u><u>1,599,762</u></u>	\$ <u><u>-</u></u>	\$ <u><u>12,482,786</u></u>

⁽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	60
<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	66
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	70
<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	74
<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, 2008

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 ASSETS BY COMPONENT

LAST FISCAL YEAR

(accrual basis of accounting)

	<u>2008</u>
Governmental activities:	
Invested in capital assets	\$ 7,271,720
Restricted	1,574,951
Unrestricted	<u>4,120,587</u>
Total governmental activities net assets	\$ <u><u>12,967,258</u></u>
Business-type activities:	
Invested in capital assets	\$ 393,065
Restricted	-
Unrestricted	<u>1,920,161</u>
Total business-type activities net assets	\$ <u><u>2,313,226</u></u>
Primary government:	
Invested in capital assets,	\$ 7,664,785
Restricted	1,574,951
Unrestricted	<u>6,040,748</u>
	\$ <u><u>15,280,484</u></u>

TOWN OF REDINGTON SHORES, FLORIDA

CHANGES IN NET ASSETS
LAST FISCAL YEAR
(accrual basis of accounting)

	<u>2008</u>
EXPENSES	
Governmental Activities:	
General government	\$ 427,644
Public safety	673,886
Physical environment	616,970
Culture and recreation	71,792
Interest on long-term debt	<u>184,940</u>
Total governmental activities expenses	<u>1,975,232</u>
Business-type activities:	
Sewer	<u>712,814</u>
Total business-type activities expenses	<u>712,814</u>
Total primary government expenses	<u>\$ 2,688,046</u>
PROGRAM REVENUES	
Governmental activities:	
Charges for services	\$ 634,581
Capital grants and contributions	<u>223,866</u>
Total governmental activities program revenues	858,447
Business-type activities:	
Charges for services:	
Sewer	<u>758,926</u>
Total business-type activities revenues	<u>758,926</u>
Total primary government program revenues	<u>\$ 1,617,373</u>
NET (EXPENSE) REVENUE	
Governmental activities	\$ (1,116,785)
Business-type activities	<u>46,112</u>
Total primary government net expense	<u>\$ (1,070,673)</u>

TOWN OF REDINGTON SHORES, FLORIDA

CHANGES IN NET ASSETS (CONTINUED)
LAST FISCAL YEAR
 (accrual basis of accounting)

	2008
Governmental Activities:	
Taxes:	
Property taxes	\$ 964,927
Franchise fees	185,316
Intergovernmental Revenues:	
Infrastructure sale surtax	246,709
Sales taxes	134,797
Local option gas tax	33,245
Communications	
services tax	116,409
State revenue sharing	51,572
Other taxes	4,133
Capital contributions	36,165
Investment earnings	95,321
Miscellaneous	9,168
Gain on sale of capital assets	-
Transfers	-
	-
Total governmental activities	1,877,762
Business-type activities:	
Capital contributions	-
Investment earnings	21,140
Gain on sale of capital assets	-
Miscellaneous	498
Transfers	-
	-
Total business-type activities	21,638
Total primary government	\$ 1,899,400
CHANGE IN NET ASSETS	
Governmental activities	\$ 760,977
Business-type activities	67,750
Total primary government	\$ 828,727

TOWN OF REDINGTON SHORES, FLORIDA

PROGRAM REVENUES BY FUNCTIONS/PROGRAMS

LAST FISCAL YEAR

(accrual basis of accounting)

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>
	<u>2008</u>
Governmental Activities:	
General government	\$ 260,027
Public safety	12,553
Physical environment	550,363
Culture and recreation	<u>35,504</u>
Subtotal governmental activities	<u>858,447</u>
Business-type activities:	
Sewer	<u>758,926</u>
Subtotal business-type activities	<u>758,926</u>
Total primary government	\$ <u><u>1,617,373</u></u>

TOWN OF REDINGTON SHORES, FLORIDA

FUND BALANCES OF
GOVERNMENTAL FUNDS
LAST FISCAL YEAR

(modified accrual basis of accounting)

	<u>2008</u>
General Fund:	
Reserved	\$ 18,175
Unreserved, undesignated	<u>3,024,669</u>
Total general fund	<u>\$ 3,042,844</u>
All Other Governmental Funds:	
Reserved, reported in:	
Capital improvements fund	\$ 1,573,213
Unreserved, reported in:	
Capital improvements fund	<u>1,125,159</u>
Total all governmental funds	<u>\$ 2,698,372</u>

TOWN OF REDINGTON SHORES, FLORIDA

CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS

LAST FISCAL YEAR

(modified accrual basis of accounting)

	<u>2008</u>
REVENUES	
Taxes	\$ 964,927
Franchise fees	185,316
Licenses, fees and permits	96,041
Intergovernmental	586,865
Charges for services	525,987
Fines and forfeits	12,553
Contributions and grants	223,866
Interest earnings	95,321
Miscellaneous	<u>9,168</u>
Total revenues	2,700,044
EXPENDITURES	
General government	1,806,515
Public safety	667,268
Physical environment	471,191
Culture and recreation	248,902
Debt service:	
Principal	256,410
Interest	<u>181,606</u>
Total expenditures	<u>3,631,892</u>
Excess of revenues over (under) expenditures	(931,848)
OTHER FINANCING SOURCES (USES)	
Capital contributions	36,165
Sale of equipment	-
Transfers in	-
Transfers out	<u>-</u>
Total other financing sources (uses)	<u>36,165</u>
Net change in fund balances	<u>\$ (895,683)</u>
Debt service as a percentage of noncapital expenditures	<u>27.5%</u>

REVENUE CAPACITY

TOWN OF REDINGTON SHORES, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST FISCAL YEAR

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

Source: Pinellas County Property Appraiser.

TOWN OF REDINGTON SHORES, FLORIDA

ASSESSED VALUATIONS, MILLAGE AND TAXES LEVIED AND COLLECTED
LAST FISCAL YEAR

	<u>2008</u>
Total valuations	\$ 849,782,790
Real estate exemptions:	
Government exemption	18,359,800
Institutional exemption	547,900
Assessment differential (F.S. 193.155) ⁽³⁾	152,602,186
Individual or homestead exemptions	<u>20,033,574</u>
Total exemptions and adjustments	<u>191,543,460</u>
Total taxable valuation	\$ <u>658,239,330</u>
Millage levied	<u>1.5229</u>
Total taxes levied	\$ 1,002,433
Less: Adjustments and discounts	<u>37,506</u>
Net taxes levied	\$ <u>964,927</u>
Net collected ⁽¹⁾⁽²⁾	\$ <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 FISCAL YEAR

	<u>2008</u>
Town of Redington Shores:	
Operating	1.5229
Debt service	<u>-</u>
Total Town millage	1.5229
Pinellas County School Board:	
Operating	7.7310
Pinellas County:	
Operating	4.8730
Debt service	<u>-</u>
Total County millage	4.8730
County-wide millage set by other taxing authorities:	
-Pinellas Suncoast Transit Authority	0.5601
-Pinellas County Planning Council	0.0170
-Juvenile Welfare Board	0.7384
-South West Florida Water Management District	0.3866
-Pinellas Anclote River Basin	0.3701
-EMS	<u>0.5832</u>
Total County-wide millage	<u>2.6554</u>
TOTAL	<u><u>16.7823</u></u>

Source: Pinellas County Tax Collector

TOWN OF REDINGTON SHORES, FLORIDA

PROPERTY LEVIES AND COLLECTIONS
LAST FISCAL YEAR

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%

(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 FISCAL YEAR

<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 %

⁽¹⁾ Includes general and capital improvement

TOWN OF REDINGTON SHORES, FLORIDA

PLEDGED-REVENUE COVERAGE
LAST FISCAL YEAR

<u>Fiscal Year</u>	<u>Non Ad Valorem Revenues</u>	<u>Ad Valorem Revenues</u>	<u>Essential Service Expenditures</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage⁽¹⁾</u>
					<u>Principal</u>	<u>Interest</u>	
2008 \$	1,771,282 \$	964,927 \$	3,193,876 \$	(457,667) \$	256,410 \$	181,606	(1.05) %

⁽¹⁾ Required 1.25.

TOWN OF REDINGTON SHORES, FLORIDA

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

<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

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

TOWN OF REDINGTON SHORES, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS⁽²⁾ AND DIRECT REVENUE DEBT
SEPTEMBER 30, 2008

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Net General Nonsell- 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	\$ -	\$ 4,487,180	\$ 4,487,180	100 %	\$ 4,487,180
Overlapping debt:					
Pinellas County School Board ⁽¹⁾	\$ 34,640,000	\$ -	\$ 34,640,000	0.73 %	\$ 252,872
Pinellas County, Florida	<u>-</u>	<u>44,035,000</u>	<u>44,035,000</u>	0.73	<u>321,565</u>
Total Overlapping debt	<u>\$ 34,640,000</u>	<u>\$ 48,522,180</u>	<u>\$ 83,162,180</u>		<u>\$ 5,061,617</u>

RATIO:

Overall debt to 2008 taxable value	<u>0.73%</u>
Overall debt per capita	\$ <u>2,025</u>

(1) The Town's share is calculated based on the ratio of the 2008 County Taxable Value of \$90,263,206,667 to the Town's Taxable Value of \$658,239,330.

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

OPERATING

INFORMATION

TOWN OF REDINGTON SHORES, FLORIDA

FULL-TIME EQUIVALENT
TOWN EMPLOYEES BY FUNCTION
LAST FISCAL YEAR

<u>FUNCTION</u>	Full-time Equivalent Employees as of <u>September 30,</u> <u>2008</u>
General Government	2
Public Safety: - General employees	4
Physical Environment	<u>1</u>
Total	<u><u>7</u></u>

TOWN OF REDINGTON SHORES, FLORIDA

OPERATING INDICATORS BY FUNCTION
LAST FISCAL YEAR

<u>FUNCTION</u>	<u>Fiscal Year Ended September 30,</u> <u>2008</u>
Physical Environment:	
Resurfacing	-
Pothole repaired	2
Cultural and Recreation:	
Pavilion rental	1
Sewer:	
New connections	1
Main breaks	1
Average consumption	12,407

TOWN OF REDINGTON SHORES, FLORIDA

CAPITAL ASSETS STATISTICS
LAST FISCAL YEAR

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

TOWN OF REDINGTON SHORES, FLORIDA

MISCELLANEOUS STATISTICAL DATA
September 30, 2008

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
Form of Government: Mayor - Commission		Average Annual Temperature - 70.75 degrees
Commission Composed of: Mayor and Four Commissioners		Average Annual Rainfall - 52.42 inches
		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

People Attending

Annual Holiday Tree Lighting	250
Annual Town Picnic and Recycling Rally	400
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

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

MANAGEMENT MEMORANDUM
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2008

DAVIDSON, JAMIESON & CRISTINI, P.L.
Certified Public Accountants

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

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

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*

We have audited the basic financial statements of the Town of Redington Shores, Florida (Town) as of and for the year ended September 30, 2008 and have issued our report thereon dated July 13, 2009.

We conducted our audit in accordance with 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.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants pursuant to Chapter 10.550, "Local Governmental Entity Audits," rules of the Auditor General, noncompliance with which could have a direct and material effect on the determination of financial statement accounts. 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 that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor

and Town Council
Town of Redington Shores, Florida

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

However, we noted matters involving the internal control over financial reporting that we have reported to management of the Town in a separate memorandum dated Date, 2008.

This report is intended solely for the Mayor and Town Council, 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.

Davidson, Jamieson & Cristiani, P.C.

July 13, 2009

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, 2008 and have issued our report thereon dated July 13, 2009.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting. Disclosures in that report, which are dated July 13, 2009 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. Those rules (Section 10.554(1)(i)(1) 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 not otherwise addressed in the auditor's report pursuant to Rule 10.557(3)(b)(2). There were no findings or recommendations made on internal control and compliance issues during the preceding annual financial audit.

As required by the Rules of the Auditor General (Section 10.554(1)(i)(2)), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Town complied with Section 218.415, Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(i)(3)), 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 found no material weakness or reportable conditions involving the entity's financial management.

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

The Rules of the Auditor General (Section 10.554(1)(i)(4)) requires disclosures in the management letter of the following matters if not already addressed in the auditor's report on internal controls and compliance. Violations of laws, regulations, contracts, or grant agreements, or abuse that have occurred or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential.

None of these matters were observed during our audit of the Town's financial statements for the fiscal year ended September 30, 2008.

The Rules of the Auditor General (Section 10.554(1)(i)(5)) requires that the management letter include the following.

For matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment:

- a. Violations of laws, regulations, contracts, or grant agreements, or abuse that have occurred, or are likely to have occurred.
- b. Control deficiencies that are not significant deficiencies, including, but not limited to:
 - 1) Improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements).
 - 2) Failures to properly record financial transactions.
 - 3) Inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

None of the above matters were observed during our audit of the Town's financial statements for the fiscal year ended September 30, 2008.

The Rules of the Auditor General (Section 10.554(1)(i)(6)) require 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. For county agencies, legal authority disclosure shall include a reference to a county charter, if applicable. This disclosure has been included in the Town's Comprehensive Annual financial Report for the fiscal year ended September 30, 2008.

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

The Rules of the Auditor General (Section 10.554(1)(i)(7)(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, 2008, we found that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

The Rules of the Auditor General (Section 554(1)(i)(7)(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 and, if not, explanations of any significant differences. We determined that the Comprehensive Annual Financial Report for the Town for the fiscal year ended September 30, 2008 is in agreement with the financial report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2008.

The Rules of the Auditor General (Section 554(1)(i)(7)(c)) requires the following information regarding the auditor's application of financial condition assessment procedures pursuant to Rule 10.556(7):

- 1) A statement that the auditor applied financial condition assessment procedures pursuant to Rule 10.556(7).

We applied these financial condition assessment procedures and found no deteriorating financial conditions during our audit of the Town's financial statements for the fiscal year ended September 30, 2008.

This management letter is intended solely for the information of the Town, 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 those specified parties.

Davidson, Jamison & Coitner, P.C.

July 13, 2009

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

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

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July 13, 2009

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

We have audited the basic financial statements and the individual fund and account group financial statements and schedules of the Town as of and for the year ended September 30, 2008, and have issued our report thereon dated July 13, 2009.

We have issued our Report On Compliance and Internal Accounting Controls in Accordance with *Governmental Auditing Standards* dated July 13, 2009. 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 basic financial statements of the Town 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 several matters that are opportunities for strengthening internal control and operating efficiency.

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

We present our observations and recommendations under the following captions for your consideration:

CURRENT YEAR

Credit Card Statements
Capital Equipment Threshold

PRIOR YEAR

Insurance Coverage
Budget Amendments
Investment Policy
Bank Accounts

CURRENT YEAR

Credit Card Statements

During our procedural tests of the Town's cash disbursements control system we observed that the Town Clerk was performing several procedures which were not conducive to maintaining a reasonable level of segregation of duties.

One area which has been identified as a problem in other Pinellas County cities is the review and oversight of credit card statements to guard against the mis-use of the Town's credit card account. Please note that our tests of the Town's credit card statements did not reveal any improper expenditures.

Since the Town Clerk pays bills, makes cash entries into the Town's general ledger and reconciles the Town's bank statements, we recommend that the Mayor review the Town's credit card statements on an unannounced periodic basis. This procedure will provide a level of comfort for both the Town Clerk and the Town Commissioners.

Capital Equipment Threshold

During our audit of the Town's capital equipment we observed that the threshold for capitalization is set at \$200. While this capitalization level might have been reasonable at some previous time the costs for goods and services in 2009 have increased substantially.

The National Government Finance Officer's Association in its recently issued preferred practice statement on the control of capital equipment recommends that a government's capitalization threshold should be at least \$5,000. The Town could still maintain a control list of capital assets costing less than this \$5,000 floor for inventory purposes.

Setting the Town's capitalization threshold at the \$5,000 level will reduce the Town's bookkeeping and professional costs to record, track and depreciate these small expenditures.

PRIOR YEAR

Insurance Coverage

In a prior year we noted that the Town hall building appeared to be underinsured by several hundred thousand dollars. While the coverage now appears adequate, we noted another matter during the current audit. The generator was insured for \$400,000 rather than \$40,000. The Town Clerk has requested and received credit for the overpayment of premium for two years. The Town needs to appoint a Commissioner or some other individual to have the responsibility of reviewing the Town's insurance coverage annually.

We understand that the Mayor and the Commission are reviewing this matter.

Budget Amendments

A budget is used as authorization and guide for revenues and expenditures during the year. As the budget estimates revenue and expenditures a year in advance, it is inevitable that circumstances will change. This is particularly true when large construction projects are involved. As it becomes evident that material amounts of budgeted revenue and/or expenditures will not be realized, the budget should be amended. Historically, the Town has had little need to amend the budget. However, current construction projects were not commenced as early as anticipated and permit fees were considerably lower than anticipated due to the construction slow down. This resulted in significant budget variances in revenue and expenditures. The budget should be constantly reviewed and amended when the budgeted amounts are not going to be attained. The budget was not amended during this current year even through there were material variances between the budget and actual revenue and expenditures.

This recommendation has been implemented.

PRIOR YEAR (CONTINUED)

Investment Policy

As the Town has historically invested all its excess funds with the State Board of Administration's Local Government Surplus Trust Funds Investment Pool (SBA), it did not deem it necessary to have a formal investment policy. However, due to recent events with the SBA and the resulting withdrawal of a majority of the funds, we recommended to the Town Clerk and Mayor that a written policy be created. Earlier this year the Commission approved such a policy. We recommend that the Town monitor the policy and modify it as needed.

This recommendation has been implemented.

Bank Accounts

It is imperative that the Town monitor signature authority on all bank accounts. During the current audit we noted that a former Commissioner was still an authorized signer on a Town's account. After each change of Commissioners, the Town should review all signature authority and make appropriate changes.

This recommendation has been implemented.

* * * * *

This memorandum is intended solely for the use of the Mayor and Town Council, 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 if 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 20, 2009

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

ACCOUNTING PROCEDURES

1. Credit Card Statements

The Mayor will review the Town's credit card statements as recommended.

2. Capital Equipment Threshold

The Town will discuss this recommendation at a workshop meeting.

Mary F. Palmer, MMC
Town Clerk/Treasurer

MFP