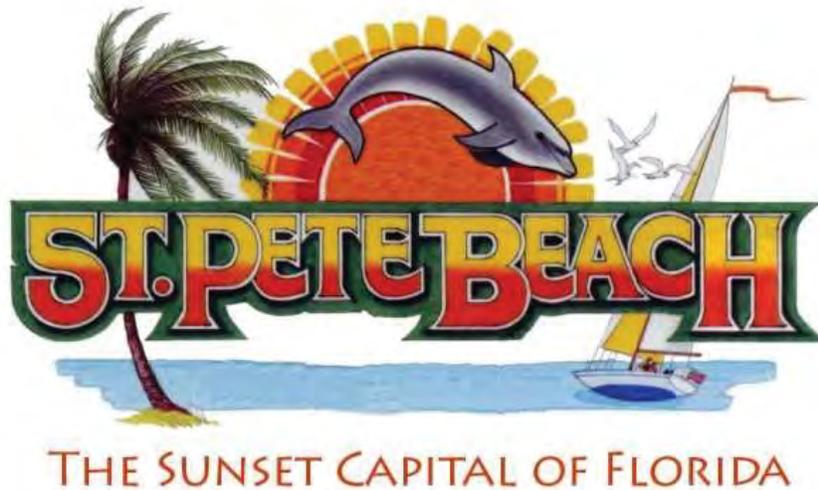


# **CITY OF ST. PETE BEACH, FLORIDA**

## **Comprehensive Annual Financial Report**

**For the Year Ended September 30, 2015**



**CITY OF ST. PETE BEACH, FLORIDA**

**Comprehensive  
Annual Financial Report**

**For the Year Ended September 30, 2015**

**Prepared by Finance Department**

CITY OF ST. PETE BEACH,  
FLORIDA

CITY COMMISSION / CITY MANAGER  
FORM OF GOVERNMENT

CITY COMMISSION

Maria Lowe  
MAYOR

Teresa Finnerty  
VICE-MAYOR

Melinda Pletcher

Domonick Falkenstein

Gregory Premer

CITY OFFICIALS

Wayne Saunders  
CITY MANAGER

CITY CLERK  
Rebecca Haynes

CITY ATTORNEY  
Andrew Dickman

ADMINISTRATIVE SERVICES DIRECTOR  
Elaine Edmunds

FIRE CHIEF  
James Kilpatrick

COMMUNITY DEVELOPMENT DIRECTOR  
Jennifer Bryla

INTERIM PUBLIC SERVICES DIRECTOR  
John Kretzer

RECREATION DIRECTOR  
Jennifer McMahon

## **Introductory Section**

**CITY OF ST. PETE BEACH, FLORIDA**

**SEPTEMBER 30, 2015**

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## **Letter of Transmittal**



THE SUNSET CAPITAL OF FLORIDA

155 Corey Avenue  
St. Pete Beach, FL 33706-1839  
[www.stpetebeach.org](http://www.stpetebeach.org)

May 28, 2016

The Honorable Mayor and City Commission  
City of St. Pete Beach, Florida

The Comprehensive Annual Financial Report of the City of St. Pete Beach, Florida, for the fiscal year ended September 30, 2015, is submitted herewith pursuant to Florida law and the Rules of the Auditor General of the State of Florida. This Annual Financial Report was prepared by the Finance Division and represents the official report of the City's financial condition and results of operations to the citizens of St. Pete Beach, City Commission, City administrative personnel, investment firms, rating agencies, and other interested persons.

Responsibilities for both the accuracy of the presented data and the completeness of the presentation, including all disclosures, rest with the City. We believe the data is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of the City's operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

To provide a reasonable basis for making these representations, management maintains an internal control structure that provides reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statement in accordance with accounting principles. The concept of reasonable assurance recognized that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. We believe that the City's internal accounting controls adequately safeguard assets and provide assurance of proper recording of financial transactions.

The City's financial statements have been audited by Wells, Houser & Schatzel, P. A., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Pete Beach for the year ended September 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of St. Pete Beach's financial statements for the fiscal year ended September 30, 2015, and are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report on Page 1.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of St. Pete Beach's MD&A can be found immediately following the Report of the Independent Auditor.

## THE REPORTING ENTITY

The funds related to the City of St. Pete Beach that are included in our Comprehensive Annual Financial Report represent those funds for which the primary government is financially accountable. There are no other entities or organizations for which the City of St. Pete Beach is financially accountable that should be included in the Comprehensive Annual Financial Report. The criteria used in determining the reporting entity are consistent with the Government Accounting Standards Board (GASB) Statement 14, which defines a reporting entity. Based on these criteria, the various funds (being all the funds of the City) shown in the Table of Contents are included in this report.

## PROFILE OF THE GOVERNMENT

The City of St. Pete Beach is a busy resort community located on a barrier island with direct access to the Gulf of Mexico and connects to the mainland near St. Petersburg by a free causeway and to the other barrier islands by bridges. In 1957 all four towns on Long Key merged into St. Petersburg Beach. The City of St. Petersburg Beach was chartered in 1957. In an effort to keep its identity separate from the City of St. Petersburg, the City changed its name to St. Pete Beach in 1994.

The City operates under the City Commission/City Manager form of government. The City Commission is composed of a mayor and four commission members and as a group is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members to various statutory and advisory boards, the City Manager, the City Attorney and the City Clerk.

The City has a land area of approximately two and one quarter square miles and a year round resident population of 9,373. The beautiful beaches of the City are a major attraction. The population swells during full season with a combination of seasonal residents and vacationers.

The City provides the full range of municipal services normally associated with a city of its size, including fire and emergency medical protection, street construction and maintenance, planning and zoning, recreation and parks, library, as well as general administrative services. In addition, wastewater services, reclaimed water and stormwater management are provided under the enterprise fund concept whereby user charges are set by the City Commission to ensure adequate coverage of operating expenses and payments of outstanding debt as well as the recovery of the cost of capital improvements through the recognition of depreciation. On January 6, 2013 the City dissolved the police department and contracted with the Pinellas County Sheriff's Office for police protection. Pinellas County provides potable water and jail/court systems.

The annual budget serves as the foundation for the City's financial planning and control. Department directors are required to submit their budget requests to the City Manager, who then uses these requests as the starting point for developing a proposed budget. The City Manager is required by the City Charter to present the proposed budget to the City Commission. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may transfer any unencumbered appropriation or portion thereof between classifications of expenditures within a department. The City Commission may, by ordinance, make additional appropriations or transfer any unencumbered appropriation from any department or from reserves to another department. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

## LOCAL ECONOMY AND OUTLOOK

The City of St. Pete Beach is one of twenty-four incorporated municipalities within Pinellas County. It is a community of combined residential and recreational interests. The City is located at the southern end of Pinellas County, Florida and is the second largest producer of tourist tax revenue in the county. The tourist industry plays an intricate part of our local economy. When there is a decline in the economy, it is felt in our community. After several years of declining tourism, the City of St. Pete Beach has experienced an increase in tourism during the past three years.

St. Pete Beach property values increased for the third year in a row in fiscal year 2015 after several years of declining property values. Since the property values have increased, the millage rate that would be required to generate the same amount of tax revenue as the previous year is 2.6823 compared to the 2014 millage rate of 2.8569.

The choice to outsource police protection was decided by a referendum vote of the City residents in January 2013. In an effort to return some of the savings to the taxpayers, the City Commission adopted a millage for fiscal year 2014 of 2.8569 which was equal the millage set in fiscal year 2012.

During the recession, various infrastructure projects were placed on hold and overall maintenance was decreased. In an effort to address these needs throughout the city, the millage rate was increased in fiscal year 2015 from 2.8569 to 3.1500. This increase resulted in an additional \$622,000 of ad valorem revenue.

**LONG-TERM FINANCIAL PLANNING**

The City prepares a five-year Capital Improvements Program (CIP), which is updated annually. The CIP is an integral component of the City’s financial management system even though this document does not appropriate funds. A copy of the CIP is available on the City’s website at [www.stpetebeach.org](http://www.stpetebeach.org).

The latest CIP was adopted by the City Commission for FY 2016 through FY 2020. This document projects the City’s major capital expenditures and related operating expenditures for a rolling five-year period. Projections are updated during the annual budget process.

Current CIP projections were developed assuming a gradual upturn in the national and local economies. The following schedule summarizes projected increases in major rates. Future property tax projections are to be determined (TBD), due to uncertainty regarding recent and future property tax reform initiatives and changes in the economy.

The City implemented a stormwater fee which was assessed on all property tax bills beginning November 1, 2010. The initial fee was \$36 per property. These monies were used to hire a consultant to determine an equitable equivalent residential unit (ERU) for future charges. The ERU rate was determined to be \$44.30 and was implemented in fiscal year 2012.

The City has contracted with rate consultants to review both the wastewater and stormwater rates. The results of their analysis are reflected in the table below.

<b>Projected Property Tax and Utility Rate Increases</b>					
	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>
Property Tax (mills)	7.49%	TBD	TBD	TBD	TBD
Wastewater	9.75%	8.25%	8.25%	TBD	TBD
Reclaimed Water	0%	TBD	TBD	TBD	TBD
Stormwater Fee – Annual Assessment					
Tier 1 – Flat Fee	45%	3%	3%	3%	3%
Tier 2 Per ERU	25%	35%	13.5%	12%	10.5%

**MAJOR INITIATIVES**

Part of the increase in ad valorem revenue has been used to increase the transfer to the capital projects fund from \$1,825,000 in fiscal year 2014 to \$1,904,000 in fiscal year 2015. A higher level of effort is needed for

The Honorable Mayor and City Commission  
May 28, 2016

infrastructure, particularly in the area of street rehabilitation. Revenue and expenditure projections have been carefully monitored to adjust quickly to any variances identified.

The millage rate was increased in fiscal year 2015 to address the various infrastructure projects capital purchases that had been delayed during the recession. Increased dollars were budgeted for the Public Services Department to better maintain resources throughout the city. The increased millage rate of 3.1500 resulted in an increase in ad valorem tax revenue of \$622,000 from the previous year had the millage been kept the same at 2.8569 mills and \$992,500 more in revenue if the millage rate had been set at the roll-back rate of 2.6823 mills.

The City has local retirement plans for police officers, firefighters and union general employees. Even though police services have been outsourced, the City is still responsible for the unfunded liability of the plan. The City is concerned about the increasing unfunded actuarial accrued liabilities on all three pension funds. Thru the collective bargaining process, all three funds have been significantly modified. A hybrid plan has been established with reduced benefits in the defined benefit plan partially offset by the addition of a defined contribution plan. In this way, employees will shoulder some of the burden of volatility in the markets.

During fiscal year 2015, the City issued \$21,000,000 in bonds. There were three separate bond issues that will be paid back over periods ranging from 15 to 30 years. Monies are dedicated to three large road projects, wastewater and stormwater system improvements and a planned future expansion of the library.

The Wastewater and Reclaimed Water Funds were previously reported as special revenue funds and were converted to enterprise funds in fiscal year 2010. The Stormwater Fund, established in November 2010, is funded by two separate assessments on the property tax bill. The City Commission had established a policy to set fees for these activities that are designed to recover the cost of providing services including capital costs such as depreciation and debt service. Fees are charged to external users for the services provided. A rate study analysis conducted in fiscal year 2015 for both the wastewater and stormwater funds has resulted in projected increases for both funds.

A general evaluation of the City's financial position indicates that available cash and investments are sufficient for coverage of end of year operating liabilities and for future operational purposes.

#### ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Pete Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This is the nineteenth consecutive year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both Generally Accepted Accounting Principles in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of the City's CAFR was made possible by the efforts of everyone in the Finance Division. Other City Departments, although not as extensively involved in year-end audit activities, contributed significantly to the success of the audit by ensuring the accuracy of accounting information recorded throughout the year. Everyone's efforts are greatly appreciated.

Finally, appreciation is expressed to the City's auditors, Wells, Houser & Schatzel, P.A. who contributed suggestions and comments that were used in the preparation of the CAFR. Their testing, suggestions and attention to detail made the CAFR better than it would have been otherwise.

Respectfully Submitted,

*Elaine Edmunds*

Elaine Edmunds, CGFO  
Administrative Services Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of St. Pete Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

The City of St. Pete Beach, Florida has been awarded the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014 by the Government Finance Officers Association of the United States and Canada.

**City of St. Pete Beach  
Organization Chart**



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## **Financial Section**

This section contains the following subsections:

**Independent Auditor's Report**

**Management's Discussion and Analysis**

**Basic Financial Statements**

**Required Supplementary Information**

**Combining Financial Statements**

**Other Supplementary Schedules**

## **Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, Members of  
the City Commission and City Manager  
City of St. Pete Beach, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the City of St. Pete Beach, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Pete Beach, Florida, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter – Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASB Statements 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2013.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (pages 3-14) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Pete Beach, Florida's basic financial statements. The introductory section, combining financial statements, other supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required budgetary comparison schedule (pages 71-74) and the schedules of changes in net pension liability and contributions (pages 75 to 80) are not a required part of the basic financial statements but are required by accounting principles generally accepted in the United States of America.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2016, on our consideration of the City of St. Pete Beach, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Pete Beach, Florida's internal control over financial reporting and compliance.

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

May 28, 2016

## **Management's Discussion and Analysis**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of St. Pete Beach's (the "City") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page v) and the City's financial statements (beginning on page 16).

### **FINANCIAL HIGHLIGHTS**

- For fiscal year 2015, the assets for the City of St. Pete Beach exceeded the liabilities by \$39,040,036 (net position). During fiscal year 2015, the Governmental Accounting Standards Board (GASB) Statement number 68 was implemented. This statement establishes standards for measuring and recognizing pension liabilities and the related deferred outflows of resources, deferred inflows of resources, and pension expenses. For defined benefit pensions, the Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The recognition of the \$16,724,450 net pension liability in the government wide financial statements as of September 30, 2015 has resulted in a negative unrestricted net position of \$3,083,159.
- The City's total net position increased by \$2,488,950. Of this amount, \$1,859,250 is attributable to an increase in the net investment in capital assets. The net position of governmental activities improved by \$1,115,498. Several capital projects that were budgeted in fiscal year 2015 were not completed in the fiscal year. Such projects include seawall repairs (\$256,250) and improvements to Egan Park (\$569,955). These projects have been carried forward to future years. General Fund revenues such as franchise and parking fees were higher than projected (\$67,644 and \$462,869 respectively). Building permit fees were \$134,500 higher than projected. Most of this increase in revenue was from home renovations. The City issued Capital Improvement Revenue Bonds and received proceeds of \$13,048,318 in fiscal year 2015. The bond issue is to fund capital improvements on Pass A Grille Way, Blind Pass Road and future construction of a library to replace the current library structure which is now 50 years old. Only \$647,797 of the bond proceeds related to the Pass A Grille Way project were spent in fiscal year 2015 leaving \$12,400,521 available to fund the future projects.
- The net position of the enterprise funds improved by \$1,373,452. Of this amount, \$1,911,653 is from an increase in net investment in capital assets, a decrease in a restriction on long-term debt requirements (\$614,977) and an increase of \$76,776 in unrestricted net position. The largest changes occurred in the wastewater fund. The wastewater fund had an increase in net investment in capital assets of \$1,580,998. The reclaimed water fund final debt payment was made in fiscal year 2015 eliminating the prior restriction on net position of \$838,986. Additional information can be found on pages 6 and 17.
- As of September 30, 2015, the City of St. Pete Beach's governmental funds reported combined ending fund balances of \$22,629,994 which is an increase of \$14,626,808 over the previous year. This increase is largely due to the unexpended portion of the Capital Improvement Revenue Bonds proceeds of \$12,400,521. Excluding these proceeds, the governmental ending fund balance increased \$2,226,287. Approximately 23% or \$5,348,413 of the total fund balance is available for spending at the City's discretion (unassigned fund balance.)
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,348,413, or 40% of total general fund expenditures excluding capital items.
- In addition to the Capital Improvement Revenue Bonds issuance of \$13,000,000 in fiscal year 2015, the wastewater and stormwater funds each issued a revenue bond in the amount of \$5,000,000 and \$3,000,000,

respectively. These bond issues were done, in part, to help fund two large road/utility reconstruction projects for Pass A Grille Way and Blind Pass Road. There is \$2,000,000 of the Capital Improvement bond monies earmarked for funding of the library project in future years. The total amount borrowed was \$21,000,000. The net amount of the new indebtedness less the current year long term debt payments of \$1,193,229 resulted in an overall net increase in long-term indebtedness of \$19,806,771.

- Prior to Fiscal Year 2010, the wastewater and reclaimed water funds were reported as special revenue funds and have since been converted to enterprise funds. Additionally, a stormwater fund was established in Fiscal Year 2011 as an enterprise fund. The City Commission had established a policy to set fees and assessments for these activities that are designed to recover the cost of providing services including capital costs such as depreciation and debt service. Fees are charged to external users for the services provided.
- The City implemented a stormwater fee which was assessed on all property tax bills beginning November 1, 2010. The current fee is \$38.27 per property. These monies were used to hire a consultant to determine an equitable equivalent residential unit (ERU) for future charges. In November 2011 the second tier of the stormwater assessments was instituted and charged to the properties in the City.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of St. Pete Beach's basic financial statements, which are comprised of 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* (see pages 16-19) are designed to be corporate-like and provide readers with a broad overview of the City's finances. The focus is on "activities", rather than "fund types."

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. The focus of the Statement of Net Position (the "unrestricted net position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* (see page 18) presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Government-wide financial statements (see pages 16 -19) are for functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, streets, economic development, public safety and culture and recreation. The business-type activities of the City consist of Wastewater, Reclaimed Water and Stormwater.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar.

## **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, 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 the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of St. Pete Beach 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.

The government wide financial statements include only the City of St. Pete Beach (known as the primary government). There are no component units.

The governmental fund financial statements can be found on pages 20 – 23 of this report.

## **Proprietary Funds**

The City maintains only one of the two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Wastewater, Reclaimed Water and Stormwater activities. Internal service funds, an accounting device used to accumulate and allocate costs internally among a government's various functions, are not utilized by the City.

The basic proprietary fund financial statements can be found on pages 24-29 of this report.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of St. Pete Beach's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 30-31 and 83-84 of this report.

## **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. They can be found on pages 32-70 of this report.

## **Infrastructure Assets**

The City has reported its infrastructure assets within the government-wide financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement #34. Historically, a government's largest group of assets (infrastructure – buildings, roads, bridges, traffic signals, underground pipes [unless associated with a utility], etc.) have not been reported nor depreciated in government financial statements. This statement requires that these assets be valued and reported within the Government-wide Statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. For the current year, the City’s assets exceeded liabilities by \$39,040,036. As noted earlier, GASB Statement number 68 was implemented in fiscal year 2015. The recognition of the \$16,724,450 net pension liability in the government wide financial statements resulted in a negative unrestricted net position of \$3,083,159.

The City’s net position reflects \$41,179,624 of its net investment in capital assets. Capital assets include land, buildings, improvements, vehicles and equipment, less any related debt (excluding unexpended bond proceeds) used to acquire those assets that are still outstanding. The City of St. Pete Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of St. Pete Beach investment in its capital assets is report net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position compared to the prior year. For more detailed information see the Statement of Net Position (pages 16-17).

**City of St. Pete Beach’s Statement of Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
	Current assets	\$24,426,402	\$9,321,516	\$11,717,586	\$4,309,273	\$36,143,988
Non- current other assets	221,053	206,582	-	247,066	221,053	453,648
Capital assets	28,027,359	27,845,283	17,443,654	16,049,399	45,471,013	43,894,682
Deferred Outflows of Resources	2,695,178	1,368,885	93,461	75,455	2,788,639	1,444,340
Total Assets and Deferred Outflows of Resources	55,369,992	38,742,266	29,254,701	20,681,193	84,624,693	59,423,459
Current liabilities	2,811,793	2,002,223	1,158,924	1,614,069	3,972,831	3,616,292
Long-term liabilities less current portion	14,231,359	1,833,323	10,047,285	2,477,821	24,276,530	4,311,144
Other non-current liabilities	16,137,613	13,675,634	698,638	603,910	16,836,251	14,279,544
Deferred Inflows of Resources	472,070	629,427	26,975	35,966	499,045	665,393
Total liabilities and deferred outflow of resources	33,652,835	18,140,607	11,931,822	4,731,766	45,584,657	22,872,373
Net Position:						
Net investment in capital assets	26,222,880	26,275,283	14,956,744	13,045,091	41,179,624	39,320,374
Restricted	683,376	414,080	260,195	875,172	943,571	1,289,252
Unrestricted	(5,189,099)	(6,087,704)	2,105,940	2,029,164	(3,083,159)	(4,058,540)
Total net position	21,717,157	\$20,601,659	17,322,879	15,949,427	39,040,036	36,551,086

Restricted assets apply to assets whose use is subject to constraints that are either external or imposed by law. Outside restrictions include debt covenants (\$529,014), restricted donations for the library (\$198,063) state restrictions on confiscated property (\$5,319), and county restrictions on transportation impact fees collected (\$211,175).

There was a decrease of \$614,977 in restricted net assets reported in connection with the City of St. Pete Beach’s business-type activities. This decrease is largely due to the final payment made on the reclaimed water loan thru the State of Florida Revolving Loan Fund.

The following table reflects the condensed Statement of Activities for the current year as compared to the previous year. For more detailed information see the Statement of Activities on page 18-19.

**City of St. Pete Beach's Changes in Net Position**

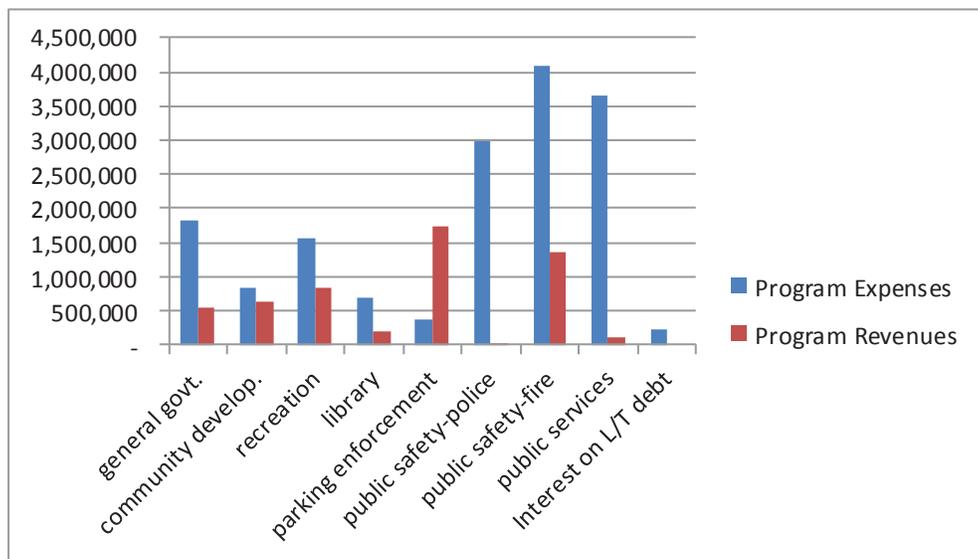
	Governmental Activities		Business-type Activities		Totals	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Revenues:						
Program revenues:						
Charges for services	3,771,928	3,524,371	6,734,145	6,552,941	10,506,073	10,077,312
Operating grants and contributions	1,650,010	1,544,867	-	-	1,650,010	1,544,867
Capital grants and Contributions	2,810	6,309	-	24,450	2,810	30,759
General revenues:						
Property taxes	6,783,032	5,694,314	-	-	6,783,032	5,694,314
Franchise fees	1,205,644	1,175,145	-	-	1,205,644	1,175,145
Utility taxes	2,167,637	2,211,732	-	-	2,167,637	2,211,732
State sales tax	567,057	539,946	-	-	567,057	539,946
Infrastructure tax	923,839	858,293	-	-	923,839	858,293
Local option gas tax	135,402	131,110	-	-	135,402	131,110
State excise tax – public safety	269,876	297,976	-	-	269,876	297,976
Other taxes	51,530	41,341	-	-	51,530	41,341
State revenue sharing unrestricted	73,737	70,119	-	-	73,737	70,119
State revenue sharing guaranteed entitlement	199,235	199,235	-	-	199,235	199,235
Investment income	17,210	9,320	1,827	2,132	19,037	11,452
Miscellaneous	108,059	68,078	-	(330)	108,059	67,748
Transfers	57,909	80,896	(57,909)	(80,896)	-	-
Special item – Legal Settlements – See Note L	(652,137)	-	-	-	(652,137)	-
Total revenues, transfers and special items	17,332,778	16,453,052	6,678,063	6,498,297	24,010,841	22,951,349
Expenses:						
General government	1,818,174	1,598,728	-	-	1,818,174	1,598,728
Community development	839,776	639,880	-	-	839,776	639,880
Recreation	1,558,928	1,366,457	-	-	1,558,928	1,366,457
Library	695,260	581,483	-	-	695,260	581,483
Parking Enforcement	383,112	331,910	-	-	383,112	331,910
Public safety - police	2,972,287	2,737,454	-	-	2,972,287	2,737,454
Public safety - fire	4,081,117	3,653,272	-	-	4,081,117	3,653,272
Public services	3,641,112	3,684,659	-	-	3,641,112	3,684,659
Wastewater	-	-	4,222,963	3,876,212	4,222,963	3,876,212
Reclaimed water	-	-	761,196	704,503	761,196	704,503
Stormwater	-	-	320,452	239,738	320,452	239,738
Interest on long term debt	227,514	109,061	-	-	227,514	109,061
Total expenses	16,217,280	14,702,904	5,304,611	4,820,453	21,521,891	19,523,357
Increase in net position	1,115,498	1,750,148	1,373,452	1,677,844	2,488,950	3,427,992
Net position 10/1/14	20,601,659	18,851,511	15,949,427	14,271,583	36,551,086	33,123,094
Net position 9/30/15	\$21,717,157	\$20,601,659	17,322,879	\$15,949,427	\$39,040,036	\$36,551,086

- Property taxes were higher (\$1,088,718) than the previous year because the City increased the millage to 3.1500 mills which was above the roll-back millage rate of 2.6823. The millage rate had been lowered the previous year in an attempt to return some of the savings from outsourcing the police department to the Pinellas County Sheriff. Property values actually increased 6.5%. The City Commission made a conscious decision to raise the millage rate so that infrastructure improvements that had to be postponed during the economic downturn could be addressed.
- In governmental activities, charges for services increased by \$247,557 (7%) which is attributable to an increase in the amount collected from parking revenues. The area experienced a mild winter in 2015 which increased tourism to our city.
- Governmental activities increased the City of St. Pete Beach's net position by \$1,115,498, thereby accounting for 45% of the total growth in the net position of the City of St. Pete Beach

**Governmental Activities**

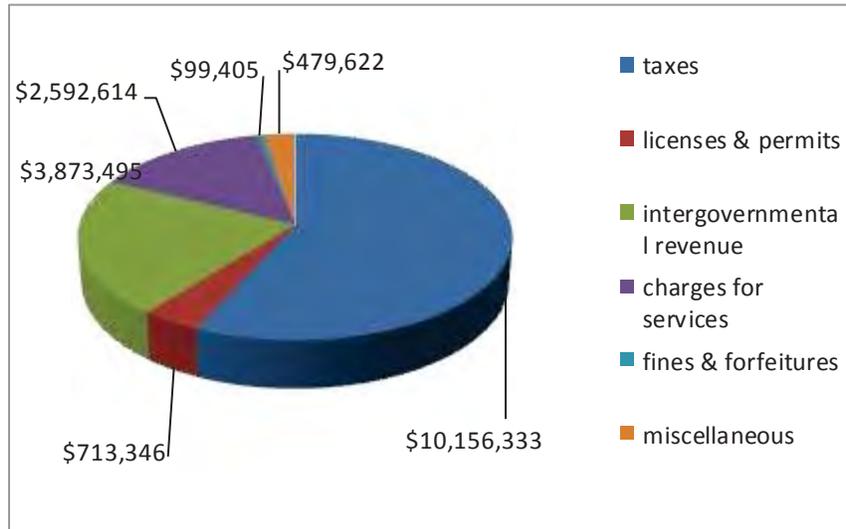
Governmental activities increased the City's net assets by \$1,115,498 which, when added to the increase in net asset of the business-type activities, resulted in a total increase in net assets of \$2,488,950.

**Expenses and Revenues – Governmental Activities**



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### Revenues by Source - Governmental Activities



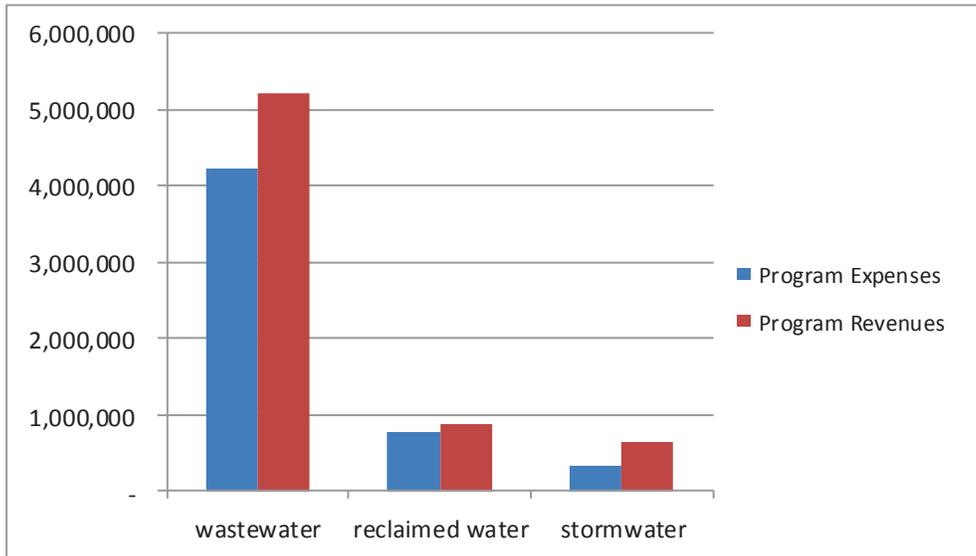
Overall revenues increased by \$1,511,358. Taxes increased by \$1,075,122 due to the increase in the ad valorem millage rate. Charges for services increased \$299,623 in the governmental funds due to increased revenues from our parking meters. Fines and forfeitures decreased \$123,112. A large code enforcement fine of \$135,436 was collected in fiscal year 2014. Legal fees were \$699,291 in fiscal year 2015 compared to \$303,051 the previous year. Several lawsuits related to the comprehensive plan were resolved resulting in the City paying \$428,636 in settlement costs. Personnel costs in the City Manager’s office decreased \$55,813 compared to the previous year. In fiscal year 2014, there was turnover in the City Manager position which resulted additional costs related to the separation agreement. The transfer to the capital improvements fund increased \$79,000 over the prior year transfer. The planning, finance and the library divisions experienced retirement of long term employees which resulted in payouts of unused sick and vacation balances. Information Technology (IT) capital costs increased \$38,824 due to the purchase of a new phone system to be used city-wide. Outside professional/contractual services were required for technical assistance in performing an historic properties survey in relation to a grant for the same amount (\$41,050) and technical assistance while the Community Development Director position was vacant resulting in an increase in operating expenditures in the Planning division of \$87,212. Overall recreational expenses increased \$88,318 as a result of increased usage of the facility. Capital outlay increased in parking enforcement by \$71,919 as a result of replacement of seven aging pay stations. Fire department costs increased \$155,602 due to increased personnel costs. Public service department costs increased \$110,978. Of this amount, \$44,378 was attributable to the replacement of vehicles and equipment.

### Business-type Activities

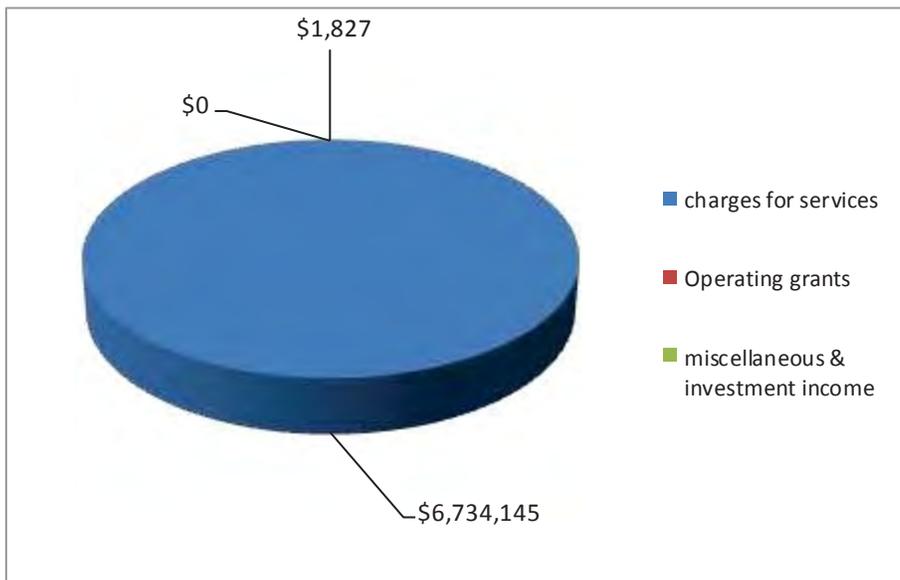
Business-type activities increased the City’s net position by \$1,373,452 which, when added to the increase in net asset of the governmental activities, resulted in a total increase in net position of \$2,488,950.

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**Expenses and Revenues – Business-type Activities**



**Revenues by Source – Business Activities**



There were no increases to the wastewater and reclaimed water rates. As a result, charges for services for business-type activities increased only slightly by \$181,204. Wastewater charges increased \$167,838 due to the increase in the number of gallons treated and reclaimed charges increased \$4,561. The stormwater assessment charges remained unchanged. Overall stormwater assessment charges increased \$8,805.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

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

As of September 30, 2015, the City's governmental funds reported combined ending fund balances of \$22,629,994, an increase of \$14,626,808 in comparison to the prior year. Approximately .1% of this amount (\$211,818) is non-spendable. Non-spendable refers to assets that cannot be spent because of their form and include items such as inventory, prepaid expenses and long term receivables.

Another 57.82% of this amount (\$13,083,897) is restricted which means there are externally enforceable limitations on the use of the funds. Such limitations have been placed by contributors or laws and regulations of other governmental entities. During fiscal year 2015, the City issued Capital Improvement Revenue Bonds resulting in proceeds of \$13,048,318. These proceeds are to be spent on several large projects including a total reconstruction of Pass A Grille Way and Blind Pass Road. Additionally, approximately \$2,000,000 is being held for future use for the construction of a new library. Of the bond proceeds received in fiscal year 2015, only \$647,797 had been expended in the fiscal year with \$12,400,521 of unexpended bond proceeds restricted for the purposes set forth in the bond documentation.

Approximately 13.52% of combined ending fund balances for governmental funds (\$3,060,001) is assigned which reflects monies intended to be used for a specific purpose. The total assigned amount consists of monies that have been assigned for the payment of compensated absences (\$376,656), an insurance stabilization fund (\$51,434) and monies set aside for future capital improvements (\$2,631,891). Compensated absences refer to paid time off made available to employees in connection with vacation leave and sick leave. The unassigned balance is 23.63% (\$5,348,413) which is available for spending at the City's discretion.

The general fund is the chief operating fund of the City. At September 30, 2015, the unassigned balance of the general fund was \$5,348,413 while the total fund balance was \$6,801,641. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.2% of total general fund expenditures excluding capital items while total fund balance represents 44.5% of that same amount.

During the current fiscal year, the City's general fund balance increased by \$1,107,716.

**Proprietary Funds:** The City's proprietary (enterprise) fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Unrestricted net position of the enterprise funds at September 30, 2015 show a positive balance of \$2,105,940 compared to a balance of \$2,029,164 the previous year. A rate study for wastewater and reclaimed water was completed at the end of fiscal year 2010. Based on the study, a 4% increase was required for wastewater and an 8% increase for reclaimed water in fiscal year 2014. No changes were made to these rate amounts in fiscal year 2015. The assessment of \$36 per property to pay for the establishment of this fund was collected in fiscal year 2011. A second tier of the stormwater assessment based on impervious surface was implemented in fiscal year 2012. No changes were made to these assessment amounts in fiscal year 2015.

The City was placed under a Department of Environmental Protection (DEP) consent order in 2014 for spills associated with the wastewater system. A significant effort is underway to update the system. The city hired a rate consultant during fiscal year 2015 review our rate structure now that these mandatory capital improvements are known. Rate increases are anticipated for future years.

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## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there was \$302,257 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$69,425 supplemental appropriation for encumbrances brought forward from the previous fiscal year. The increase was funded from reserves.
- \$121,500 increase the legal budget for settlement costs required to be paid as a result of lawsuits. The increase was funded from reserves.
- \$41,050 supplemental appropriation for professional services related to performing a survey of historic homes in the Pass A Grille area. This increase was funded through a grant from the State of Florida.
- \$40,000 increase in recreation instructor fees. This increase is funded by an increase in instructor fee revenue.

## **CAPITAL AND DEBT ADMINISTRATION**

**Capital Assets:** The City of St. Pete Beach's investment in capital assets for its governmental and business-type activities as of September 30, 2015 amounts to \$45,471,013 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture, machinery and equipment and infrastructure.

Capital projects completed during the current fiscal year include:

- Palm tree up-lighting along Gulf Blvd.
- Landscaping along the Pinellas Bayway
- Completion of study of Corey area downtown redevelopment
- Street rehabilitation
- Playground resurfacing
- Assessment of two city buildings
- Rehabilitation of Lift Station 2

### **City of St. Pete Beach's Capital Assets**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land and improvements	\$3,905,294	\$3,905,294	\$310,117	\$310,117	\$4,215,411	\$4,215,411
Capital projects in process	1,513,513	354,447	576,568	1,203,021	2,090,081	1,557,468
Building and improvements	13,329,502	13,855,565	115,448	119,832	13,444,950	13,975,397
Furniture, machinery and equipment	1,684,879	1,863,328	168,173	236,908	1,853,052	2,100,236
Infrastructure	7,594,171	7,866,649	16,273,348	14,179,521	23,867,519	22,046,170
<b>Total</b>	<b>28,027,359</b>	<b>27,845,283</b>	<b>17,443,654</b>	<b>16,049,399</b>	<b>45,471,013</b>	<b>43,894,682</b>

Additional information on the City of St. Pete Beach's capital assets can be found in note E on pages 47-48 of this report.

**Long-term debt:** At the end of the current fiscal year, the City of St. Pete Beach had total long term debt outstanding of \$24,683,201 excluding compensated absences. The amount of long-term debt secured by specified revenues sources total \$24,454,010.

### City of St. Pete Beach' Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenue bonds	\$14,205,000	\$1,570,000	\$ 8,000,000	\$ -	\$22,205,000	\$1,570,000
State revolving loans	-	-	2,249,010	3,004,308	2,249,010	3,004,308
Capital leases	229,191	302,122	-	-	229,191	302,122
<b>Total</b>	<b>\$14,434,191</b>	<b>\$1,872,122</b>	<b>\$10,249,010</b>	<b>\$3,004,308</b>	<b>\$24,683,201</b>	<b>\$4,876,430</b>

Additional information on the City of St. Pete Beach's long term debt can be found in note F on pages 48-55 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- After four years of decline, property values are showing an upward trend. Property values increased 6.7% in fiscal year 2015 and another 7.15% in fiscal year 2016. The Pinellas County Property Appraiser is projecting a moderate increase for fiscal year 2017 as the economy continues to recover.
- The State of Florida, by Constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, business tax, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.
- The outsourcing of the police department has resulted in annual savings of approximately \$1.5 million. A significant portion of this savings is being used to fund infrastructure needs with a particular focus being placed on street and roadway improvements.
- The City incurred \$21 million of additional debt in fiscal year 2015. All monies are for infrastructure improvements. A significant portion is to fund two large street rehabilitation projects.
- The City has been investigating options of moving/renovating/constructing a new library. The current building is old and in need of significant repairs and updating. Of the \$21 million borrowed, \$2 million is currently earmarked for this project in the future.
- The City is under a consent order with the State of Florida Department of Environmental Protection effective October 28, 2014 with regard to the city wastewater system. This order mandates certain improvement to the wastewater system to be completed by specific dates. The City hired a rate consultant this year to update our current wastewater model to include the additional projects at their specified completion date. Rate increases are projected for the next five years to accommodate these improvements.
- Along with the roadway improvements mentioned above, the city is addressing stormwater improvements to accompany these projects. A study of the stormwater was completed and the assessment fees will increase over the next five years to accommodate these improvements.

In the fiscal year 2014 budget, the decision was made to return part of the savings from contracting out law enforcement services back to the taxpayers of the City of St. Pete Beach. This resulted in lowering the millage rate from 3.2819 mills to 2.8569 or approximately \$780,000 less in revenue. The balance of the savings (\$900,000) was put towards an increase in the transfer from the General Fund to the Capital Improvement Projects Fund from \$925,000 to \$1,825,000.

The city experienced a change of leadership in fiscal year 2014. With the change in leadership came a change in vision for the city's future. The city commission has elected to recapture some of the savings passed on to the taxpayers through a decrease in the ad valorem rate in fiscal year 2014 and invest these monies back into the city to

fund the many capital improvement projects that are necessary throughout the city. The millage rate for fiscal year 2015 was increased from 2.8569 mills to 3.15 mills which is above the roll-back rate of 2.6823 mills.

The City continues to monitor the unfunded liabilities in the three sponsored City pension plans. The general and fire pension boards' earnings assumption is 7.75%. The actual rate of return on investment was -.06% and -.66% respectively. However the smoothed rate of return for the prior four years for the general pension plan was 9.74% and the fire pension plan 9.18%. As a result, the total unfunded liability of the two pension plan combined dropped from \$11,326,012 as of October 1, 2014 to \$9,339,422 as of October 1, 2015. The police pension plan board earnings assumption is 7%. The actual return on investment was -1.17%. However the smoothed annualized rate of return for the prior four years was 9.35%. As a result, the unfunded liability in the police pension plan decreased from \$5,215,545 to \$5,036,614. It is anticipated that the unfunded liability in all three plans will increase at the end of fiscal year 2016 because the highest rate of return year of 2012 will no longer be included in the four year smoothing allocation.

### **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Administrative Services Director at City Hall at 155 Corey Avenue, St. Pete Beach, Florida 33706, telephone number (727) 363-9250.

## **Basic Financial Statements**

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

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## CITY OF ST. PETE BEACH, FLORIDA

## STATEMENT OF NET POSITION

September 30, 2015

With Comparative Amounts for September 30, 2014

	2015			2014	
	Governmental Activities	Business-type Activities	Reclasses and Eliminations	Total	(Restated) Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 2,850	\$ 75	\$ -	\$ 2,925	\$ 2,875
Pooled cash and investments and cash equivalents	10,628,570	2,411,464	-	13,040,034	10,565,713
Restricted cash equivalents:					
Long-term debt requirements	268,819	260,195	-	529,014	128,144
Unexpended bond proceeds	12,400,521	7,762,100	-	20,162,621	-
Restricted investments:					
Long-term debt requirements	-	-	-	-	499,962
Receivables					
Customer service charges	-	939,211	-	939,211	864,635
Other	271,845	36,670	-	308,515	302,113
Due from other funds	71,176	-	(71,176)	-	-
Due from other governments	772,571	235,520	-	1,008,091	1,102,814
Supplies inventory	2,064	72,351	-	74,415	84,102
Prepaid items	7,986	-	-	7,986	9,255
Total current assets	<u>24,426,402</u>	<u>11,717,586</u>	<u>(71,176)</u>	<u>36,072,812</u>	<u>13,559,613</u>
<b>NON-CURRENT ASSETS</b>					
Restricted cash equivalents:					
Long-term debt requirements	-	-	-	-	247,066
Due from other funds	201,968	-	(201,968)	-	-
Land, land rights and improvements	3,905,294	310,117	-	4,215,411	4,215,411
Buildings and other improvements	20,941,243	129,409	-	21,070,652	20,995,142
Furniture, machinery and equipment	4,555,091	747,702	-	5,302,793	5,346,884
Infrastructure	15,841,154	25,364,725	-	41,205,879	38,230,703
Capital projects in process	1,513,513	576,568	-	2,090,081	1,557,468
Less: accumulated depreciation	(18,728,936)	(9,684,867)	-	(28,413,803)	(26,450,926)
Un-amortized debt costs	19,085	-	-	19,085	4,614
Total non-current assets	<u>28,248,412</u>	<u>17,443,654</u>	<u>(201,968)</u>	<u>45,490,098</u>	<u>44,146,362</u>
<b>TOTAL ASSETS</b>	<u>52,674,814</u>	<u>29,161,240</u>	<u>(273,144)</u>	<u>81,562,910</u>	<u>57,705,975</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Defined benefit pension plans	2,695,178	93,461	-	2,788,639	1,444,340
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 55,369,992</u>	<u>\$ 29,254,701</u>	<u>\$ (273,144)</u>	<u>\$ 84,351,549</u>	<u>\$ 59,150,315</u>

	2015			2014	
	Governmental Activities	Business-type Activities	Reclasses and Eliminations	Total	(Restated) Total
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 881,996	\$ 252,387	\$ -	\$ 1,134,383	\$ 776,238
Accrued liabilities	907,493	148,717	-	1,056,210	879,378
Due to other governments	89,719	252,423	-	342,142	504,065
Current portion of:					
Unearned revenue	129,597	-	-	129,597	139,347
Due to other funds	-	71,176	(71,176)	-	-
Compensated absences	28,351	2,115	-	30,466	34,691
Revenue and assessment bonds payable	700,000	246,000	-	946,000	365,000
State Revolving Loan	-	149,212	-	149,212	145,361
Capital lease obligation	74,637	-	-	74,637	72,930
Payable from restricted assets:					
Accrued interest payable	-	2,437	-	2,437	17,951
State Revolving Loans - current portion	-	34,457	-	34,457	610,155
Total current liabilities	<u>2,811,793</u>	<u>1,158,924</u>	<u>(71,176)</u>	<u>3,899,541</u>	<u>3,545,116</u>
<b>NON-CURRENT LIABILITIES</b>					
Net other post employment benefit obligation	52,100	4,513	-	56,613	49,365
Net pension liability	16,030,325	694,125	-	16,724,450	14,212,176
Unearned revenue	55,188	-	-	55,188	18,003
Due to other funds	-	201,968	(201,968)	-	-
Compensated absences	348,305	25,976	-	374,281	426,192
Revenue and assessment bonds payable	13,505,000	7,754,000	-	21,259,000	1,205,000
State Revolving Loans	-	2,065,341	-	2,065,341	2,248,792
Capital lease obligation	154,554	-	-	154,554	229,192
Un-matured long-term debt - judgment payable	223,500	-	-	223,500	-
Total non-current liabilities	<u>30,368,972</u>	<u>10,745,923</u>	<u>(201,968)</u>	<u>40,912,927</u>	<u>18,388,720</u>
<b>TOTAL LIABILITIES</b>	<u>33,180,765</u>	<u>11,904,847</u>	<u>(273,144)</u>	<u>44,812,468</u>	<u>21,933,836</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Defined benefit pension plans	472,070	26,975	-	499,045	665,393
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>33,652,835</u>	<u>11,931,822</u>	<u>(273,144)</u>	<u>45,311,513</u>	<u>22,599,229</u>
<b>NET POSITION</b>					
Net investment in capital assets	26,222,880	14,956,744	-	41,179,624	39,320,374
Restricted:					
Debt service	268,819	260,195	-	529,014	875,172
Library	198,063	-	-	198,063	198,063
Law enforcement	5,319	-	-	5,319	5,321
Transportation improvements	211,175	-	-	211,175	210,696
Unrestricted	(5,189,099)	2,105,940	-	(3,083,159)	(4,058,540)
<b>TOTAL NET POSITION</b>	<u>21,717,157</u>	<u>17,322,879</u>	<u>-</u>	<u>39,040,036</u>	<u>36,551,086</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 55,369,992</u>	<u>\$ 29,254,701</u>	<u>\$ (273,144)</u>	<u>\$ 84,351,549</u>	<u>\$ 59,150,315</u>

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2015

With Comparative Total Amounts for the Year Ended September 30, 2014

FUNCTIONS / PROGRAMS	2015			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 1,818,174	\$ 503,155	\$ 41,050	\$ -
Community development	839,776	643,007	-	-
Recreation	1,558,928	823,417	-	-
Library	695,260	33,347	154,130	-
Parking enforcement	383,112	1,744,353	-	-
Public safety - police	2,972,287	24,649	-	2,810
Public safety - fire	4,081,117	-	1,355,080	-
Public services	3,641,112	-	99,750	-
Interest on long-term debt	227,514	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>16,217,280</b>	<b>3,771,928</b>	<b>1,650,010</b>	<b>2,810</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water pollution control - wastewater	4,222,963	5,219,730	-	-
Water pollution control - reclaimed water	761,196	869,447	-	-
Water pollution control - stormwater	320,452	644,968	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>5,304,611</b>	<b>6,734,145</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>\$ 21,521,891</b>	<b>\$ 10,506,073</b>	<b>\$ 1,650,010</b>	<b>\$ 2,810</b>

General Revenues

Taxes:

Ad valorem

Franchise taxes

Utility taxes

Telecommunications tax

State half cent sales tax

Infrastructure tax

Local option gas tax

State excise tax - public safety

Other taxes

State revenue sharing - unrestricted

State revenue sharing - guaranteed entitlement

Investment income

Miscellaneous

Transfers

*Special item* - Legal Settlements - Note L

Total general revenues, transfers and special items

Change in net position

Net position - beginning of year

Prior period adjustment - Note M

Net position - beginning of year as restated

Net position - end of year

2015			2014
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	(Restated) Total
\$ (1,273,969)	\$ -	\$ (1,273,969)	\$ (1,116,053)
(196,769)	-	(196,769)	(52,545)
(735,511)	-	(735,511)	(642,523)
(507,783)	-	(507,783)	(396,891)
1,361,241	-	1,361,241	1,223,348
(2,944,828)	-	(2,944,828)	(2,587,331)
(2,726,037)	-	(2,726,037)	(2,335,410)
(3,541,362)	-	(3,541,362)	(3,610,891)
(227,514)	-	(227,514)	(109,061)
<u>(10,792,532)</u>	<u>-</u>	<u>(10,792,532)</u>	<u>(9,627,357)</u>
-	996,767	996,767	1,175,680
-	108,251	108,251	160,383
-	324,516	324,516	420,875
<u>-</u>	<u>1,429,534</u>	<u>1,429,534</u>	<u>1,756,938</u>
<u>(10,792,532)</u>	<u>1,429,534</u>	<u>(9,362,998)</u>	<u>(7,870,419)</u>
6,783,032	-	6,783,032	5,694,314
1,205,644	-	1,205,644	1,175,145
1,630,104	-	1,630,104	1,632,645
537,533	-	537,533	579,087
567,057	-	567,057	539,946
923,839	-	923,839	858,293
135,402	-	135,402	131,110
269,876	-	269,876	297,976
51,530	-	51,530	41,341
73,737	-	73,737	70,119
199,235	-	199,235	199,235
17,210	1,827	19,037	11,452
108,059	-	108,059	67,748
57,909	(57,909)	-	-
(652,137)	-	(652,137)	-
<u>11,908,030</u>	<u>(56,082)</u>	<u>11,851,948</u>	<u>11,298,411</u>
<u>1,115,498</u>	<u>1,373,452</u>	<u>2,488,950</u>	<u>3,427,992</u>
<u>20,601,659</u>	<u>15,949,427</u>	<u>36,551,086</u>	<u>47,950,153</u>
-	-	-	(14,827,059)
<u>20,601,659</u>	<u>15,949,427</u>	<u>36,551,086</u>	<u>33,123,094</u>
<u>\$ 21,717,157</u>	<u>\$ 17,322,879</u>	<u>\$ 39,040,036</u>	<u>\$ 36,551,086</u>

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

CITY OF ST. PETE BEACH, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS

September 30, 2015  
With Comparative Total Amounts for September 30, 2014

	2015			2014	
	General	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds	Total
<b>ASSETS</b>					
Cash	\$ 2,850	\$ -	\$ -	\$ 2,850	\$ 2,800
Pooled cash and investments and cash equivalents	7,215,952	3,195,628	216,990	10,628,570	8,206,581
Receivables					
Other	271,845	-	-	271,845	302,113
Due from other funds	273,144	-	-	273,144	273,144
Due from other governments	539,140	233,431	-	772,571	728,657
Supplies inventory	2,064	-	-	2,064	934
Prepaid insurance and deposits	7,986	-	-	7,986	9,255
Restricted cash equivalents:					
Long-term debt requirements	-	268,819	-	268,819	-
Unexpended bond proceeds	-	12,400,521	-	12,400,521	-
<b>TOTAL ASSETS</b>	<b>\$ 8,312,981</b>	<b>\$16,098,399</b>	<b>\$ 216,990</b>	<b>\$24,628,370</b>	<b>\$ 9,523,484</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 537,433	\$ 344,563	\$ -	\$ 881,996	\$ 327,946
Accrued liabilities	765,516	141,977	-	907,493	811,147
Due to other governments	89,223	-	496	89,719	253,365
Deferred revenue	119,168	-	-	119,168	127,840
<b>TOTAL LIABILITIES</b>	<b>1,511,340</b>	<b>486,540</b>	<b>496</b>	<b>1,998,376</b>	<b>1,520,298</b>
<b>FUND BALANCES</b>					
Fund balances					
Nonspendable:					
Supplies inventory	2,064	-	-	2,064	934
Prepays	7,786	-	-	7,786	9,055
Long-term receivable	201,968	-	-	201,968	201,967
Restricted for:					
Library	198,063	-	-	198,063	198,063
Unexpended bond proceeds	-	12,400,521	-	12,400,521	-
Long-term debt requirements	-	268,819	-	268,819	-
Law enforcement	-	-	5,319	5,319	5,321
Transportation improvements	-	-	211,175	211,175	210,696
Committed					
Subsequent year contractual obligations	431,487	494,378	-	925,865	501,192
Assigned to:					
Capital improvement projects	183,750	2,448,141	-	2,631,891	1,661,478
Compensated absences	376,656	-	-	376,656	431,619
Insurance stabilization	51,454	-	-	51,454	51,454
Unassigned:					
General fund	5,348,413	-	-	5,348,413	4,731,407
<b>TOTAL FUND BALANCES</b>	<b>6,801,641</b>	<b>15,611,859</b>	<b>216,494</b>	<b>22,629,994</b>	<b>8,003,186</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,312,981</b>	<b>\$16,098,399</b>	<b>\$ 216,990</b>	<b>\$24,628,370</b>	<b>\$ 9,523,484</b>

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

CITY OF ST. PETE BEACH, FLORIDA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES

September 30, 2015

Fund Balances - total governmental funds \$ 22,629,994

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

Capital assets used in governmental activities are not financial resources and, therefore, are  
not reported in the governmental funds.

Governmental capital assets	46,756,295	
Less: Accumulated depreciation	<u>(18,728,936)</u>	
		28,027,359

Other assets used in governmental activities are not financial resources and, therefore,  
are not reported in the governmental funds.

Capitalized debt issuance costs - insurance	45,532	
Less: accumulated amortization	<u>(26,447)</u>	
		19,085

Long-term liabilities are not due and payable in the current period and,  
therefore, are not reported in the governmental funds.

Net other post employment benefit obligation	(52,100)	
Compensated absences	(376,656)	
Revenue bonds payable	(14,205,000)	
Capital lease obligation	(229,191)	
Net pension liability	<u>(16,030,325)</u>	
		(30,893,272)

Un-matured long-term indebtedness consisting of a judgment payable is not  
reported in the governmental funds as this portion of the liability is not due and  
payable in the current period. (223,500)

Premiums received on revenue bonds issued in current and prior years that were  
a financial resource in the governmental funds in the years received but are  
reported as unearned revenues net of amortization in the statement of net position.

Premiums received in current and prior years	(233,916)	
Less: Accumulated amortization	<u>168,299</u>	
		(65,617)

Deferred inflows and outflows of resources related to pensions are not reported  
in the governmental funds but will be recognized in pension expense on a long-  
term basis and are therefore reported in the statement of net position.

Deferred inflows of resources related to pensions	(472,070)	
Deferred outflows of resources related to pensions	<u>2,695,178</u>	
		<u>2,223,108</u>

Net position of governmental activities. \$ 21,717,157

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2015

With Comparative Total Amounts for the Year Ended September 30, 2014

	2015			2014	
	General	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 10,156,313	\$ -	\$ -	\$ 10,156,313	\$ 9,081,191
Licenses and permits	713,346	-	-	713,346	640,300
Intergovernmental revenue	2,949,656	923,839	-	3,873,495	3,685,146
Charges for services	2,592,614	-	-	2,592,614	2,292,991
Fines and forfeitures	99,405	-	-	99,405	222,517
Miscellaneous	476,605	2,540	477	479,622	481,292
<b>TOTAL REVENUES</b>	<b>16,987,939</b>	<b>926,379</b>	<b>477</b>	<b>17,914,795</b>	<b>16,403,437</b>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
General government	1,623,799	36,391	-	1,660,190	1,651,768
Community development	792,883	-	-	792,883	664,048
Recreation	1,139,551	-	-	1,139,551	1,074,734
Library	617,829	-	-	617,829	569,904
Parking enforcement	344,108	-	-	344,108	316,752
Public safety	6,272,784	-	-	6,272,784	6,154,403
Public services	2,566,818	223,739	-	2,790,557	2,798,998
<b>CAPITAL OUTLAY</b>					
General government	53,428	-	-	53,428	14,604
Recreation	43,704	-	-	43,704	357,943
Parking enforcement	71,919	-	-	71,919	-
Public safety	-	-	-	-	449,349
Public services	44,378	1,477,946	-	1,522,324	866,271
<b>DEBT SERVICE</b>					
Principal reductions	-	437,930	-	437,930	422,010
Interest and fiscal charges	-	241,985	-	241,985	106,855
<b>TOTAL EXPENDITURES</b>	<b>13,571,201</b>	<b>2,417,991</b>	<b>-</b>	<b>15,989,192</b>	<b>15,447,639</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,416,738</b>	<b>(1,491,612)</b>	<b>477</b>	<b>1,925,603</b>	<b>955,798</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of surplus capital assets	23,615	-	-	23,615	4,400
Issuance of debt - revenue bonds	-	13,048,318	-	13,048,318	-
Capital lease obligation incurred	-	-	-	-	379,132
Transfers in	-	1,961,909	-	1,961,909	1,905,896
Transfers out	(1,904,000)	-	-	(1,904,000)	(1,825,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,880,385)</b>	<b>15,010,227</b>	<b>-</b>	<b>13,129,842</b>	<b>464,428</b>
<b>SPECIAL ITEM - LEGAL SETTLEMENTS - See Note L</b>	<b>(428,637)</b>	<b>-</b>	<b>-</b>	<b>(428,637)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,107,716</b>	<b>13,518,615</b>	<b>477</b>	<b>14,626,808</b>	<b>1,420,226</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>5,693,925</b>	<b>2,093,244</b>	<b>216,017</b>	<b>8,003,186</b>	<b>6,582,960</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 6,801,641</b>	<b>\$ 15,611,859</b>	<b>\$ 216,494</b>	<b>\$ 22,629,994</b>	<b>\$ 8,003,186</b>

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

CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2015

Net change in fund balances - total governmental funds \$ 14,626,808

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

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

Expenditures for capital assets	\$ 1,691,375	
Less: Current year depreciation	<u>(1,505,548)</u>	185,827

Proceeds from the issuance of debt - revenue bonds (\$13,000,000) and bond premium proceeds (\$48,318) are reported as other financing sources in the governmental funds since they provide current resources to enable the City to purchase capital assets, but these obligations increase long-term liabilities and unearned revenue in the statement of net position. (13,048,318)

In the statement of activities, a gain or loss is reported on the disposal of capital assets based on the sale price less the remaining un-depreciated cost, whereas in the governmental funds the proceeds from the sale of capital assets increase financial resources. The remaining un-depreciated cost of assets disposed of results in a decrease in net position. (3,750)

Un-depreciated cost of capital assets sold as surplus or disposed of

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 437,930

Debt issuance costs are a use of current resources in the governmental funds, but that portion of the expenditures used to acquire debt repayment insurance represents an amortizable cost in the statement of net position. 16,510

Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds. 12,211

Amortization of premium received on Revenue Bonds

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 the governmental funds.

Current year other post employment benefit obligation	(6,688)	
Amortization of debt issuance costs - insurance	(2,039)	
Decrease in compensated absences -reduction of expense	54,963	
Pension expense	(934,456)	
Un-matured long-term indebtedness - judgment payable	<u>(223,500)</u>	<u>(1,111,720)</u>

Change in net position of governmental activities \$ 1,115,498

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

CITY OF ST. PETE BEACH, FLORIDA

BALANCE SHEET  
 PROPRIETARY FUNDS

September 30, 2015

With Comparative Total Amounts for September 30, 2014

	Business-type Activities - Enterprise Funds				2014 (Restated) Total
	2015				
	Wastewater	Reclaimed Water	Stormwater	Total	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 75	\$ -	\$ -	\$ 75	\$ 75
Pooled cash and cash equivalents	364,397	1,075,556	971,511	2,411,464	2,359,132
Receivables					
Customer service charges	805,453	133,758	-	939,211	864,635
Due from other governments	201,434	20,174	13,912	235,520	374,157
Other	36,670	-	-	36,670	-
Supplies inventory	72,351	-	-	72,351	83,168
Restricted:					
Cash equivalents:					
Long-term debt requirements	190,471	-	69,724	260,195	128,144
Unexpended bond proceeds	4,891,695	-	2,870,405	7,762,100	-
Investments, at fair value	-	-	-	-	499,962
Total current assets	<u>6,562,546</u>	<u>1,229,488</u>	<u>3,925,552</u>	<u>11,717,586</u>	<u>4,309,273</u>
<b>NON-CURRENT ASSETS</b>					
Restricted cash equivalents	-	-	-	-	247,066
Capital Assets:					
Land and land rights	310,117	-	-	310,117	310,117
Buildings and other improvements	129,409	-	-	129,409	129,409
Infrastructure	13,448,663	11,591,189	324,873	25,364,725	22,659,550
Furniture, machinery and equipment	635,712	83,918	28,072	747,702	769,361
Capital projects in process	323,816	24,304	228,448	576,568	1,203,021
Less: accumulated depreciation	(4,508,692)	(5,136,347)	(39,828)	(9,684,867)	(9,022,059)
Total non-current assets	<u>10,339,025</u>	<u>6,563,064</u>	<u>541,565</u>	<u>17,443,654</u>	<u>16,296,465</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Defined benefit pension plans	<u>63,454</u>	<u>17,150</u>	<u>12,857</u>	<u>93,461</u>	<u>75,455</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 16,965,025</u>	<u>\$ 7,809,702</u>	<u>\$ 4,479,974</u>	<u>\$ 29,254,701</u>	<u>\$ 20,681,193</u>

	Business-type Activities - Enterprise Funds				2014 (Restated) Total
	2015				
	Wastewater	Reclaimed Water	Stormwater	Total	
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 231,427	\$ 2,297	\$ 18,663	\$ 252,387	\$ 448,292
Accrued liabilities	110,234	3,415	35,068	148,717	68,231
Due to other governments	233,781	18,642	-	252,423	250,700
Current portion of:					
Due to other funds	-	71,176	-	71,176	71,176
Compensated absences	1,851	87	177	2,115	2,203
State Revolving Loans	149,212	-	-	149,212	145,361
Revenue and assessment bonds payable	162,000	-	84,000	246,000	-
Payable from restricted assets:					
Accrued interest payable	2,437	-	-	2,437	17,951
State Revolving Loan	34,457	-	-	34,457	610,155
Total current liabilities	<u>925,399</u>	<u>95,617</u>	<u>137,908</u>	<u>1,158,924</u>	<u>1,614,069</u>
<b>NON-CURRENT LIABILITIES</b>					
Net other post employment benefit obligation	3,079	876	558	4,513	3,953
Net pension liability	471,265	127,375	95,485	694,125	599,957
Due to other funds	-	201,968	-	201,968	201,968
Compensated absences	22,737	1,066	2,173	25,976	27,061
State Revolving Loans	2,065,341	-	-	2,065,341	2,248,792
Revenue and assessment bonds payable	4,838,000	-	2,916,000	7,754,000	-
Total non-current liabilities	<u>7,400,422</u>	<u>331,285</u>	<u>3,014,216</u>	<u>10,745,923</u>	<u>3,081,731</u>
<b>TOTAL LIABILITIES</b>	<u>8,325,821</u>	<u>426,902</u>	<u>3,152,124</u>	<u>11,904,847</u>	<u>4,695,800</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Defined benefit pension plans	<u>18,314</u>	<u>4,950</u>	<u>3,711</u>	<u>26,975</u>	<u>35,966</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>8,344,135</u>	<u>431,852</u>	<u>3,155,835</u>	<u>11,931,822</u>	<u>4,731,766</u>
<b>NET POSITION</b>					
Net investment in capital assets	7,981,711	6,563,064	411,969	14,956,744	13,045,091
Restricted - expendable:					
Long-term debt requirements	190,471	-	69,724	260,195	875,172
Unrestricted	<u>448,708</u>	<u>814,786</u>	<u>842,446</u>	<u>2,105,940</u>	<u>2,029,164</u>
<b>TOTAL NET POSITION</b>	<u>8,620,890</u>	<u>7,377,850</u>	<u>1,324,139</u>	<u>17,322,879</u>	<u>15,949,427</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 16,965,025</u>	<u>\$ 7,809,702</u>	<u>\$ 4,479,974</u>	<u>\$ 29,254,701</u>	<u>\$ 20,681,193</u>

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

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CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS

For the Year Ended September 30, 2015  
 With Comparative Total Amounts for the Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds				2014 (Restated) Total
	2015				
	Wastewater	Reclaimed Water	Stormwater	Total	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,218,696	\$ 846,638	\$ 644,968	\$ 6,710,302	\$ 6,526,902
Other income	-	21,159	-	21,159	23,579
<b>TOTAL OPERATING REVENUES</b>	<b>5,218,696</b>	<b>867,797</b>	<b>644,968</b>	<b>6,731,461</b>	<b>6,550,481</b>
<b>OPERATING EXPENSES</b>					
Personal services	534,064	100,772	86,408	721,244	600,642
Contractual and other services	3,111,008	416,323	186,911	3,714,242	3,572,907
Depreciation	426,016	238,938	15,525	680,479	554,213
<b>TOTAL OPERATING EXPENSES</b>	<b>4,071,088</b>	<b>756,033</b>	<b>288,844</b>	<b>5,115,965</b>	<b>4,727,762</b>
<b>OPERATING INCOME</b>	<b>1,147,608</b>	<b>111,764</b>	<b>356,124</b>	<b>1,615,496</b>	<b>1,822,719</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>					
Interest earned	3,802	1,190	822	5,814	43,456
Gain (loss) on disposition of capital assets	(3,987)	-	-	(3,987)	(330)
Decrease in fair value of investments	-	-	-	-	(41,324)
Interest and debt service fees paid	(151,875)	(5,163)	(31,608)	(188,646)	(92,691)
<b>TOTAL NON-OPERATING REVENUE (EXPENSES)</b>	<b>(152,060)</b>	<b>(3,973)</b>	<b>(30,786)</b>	<b>(186,819)</b>	<b>(90,889)</b>
<b>INCOME BEFORE CONTRIBUTIONS, TRANSFERS AND SPECIAL ITEM</b>	<b>995,548</b>	<b>107,791</b>	<b>325,338</b>	<b>1,428,677</b>	<b>1,731,830</b>
Capital contribution - capital assets	-	-	-	-	24,450
Transfers out	(12,121)	(1,831)	(43,957)	(57,909)	(80,896)
Impact fees	1,034	1,650	-	2,684	2,460
<b>CHANGE IN NET POSITION</b>	<b>984,461</b>	<b>107,610</b>	<b>281,381</b>	<b>1,373,452</b>	<b>1,677,844</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>7,636,429</b>	<b>7,270,240</b>	<b>1,042,758</b>	<b>15,949,427</b>	<b>14,857,886</b>
Prior period adjustment - Note M	-	-	-	-	(586,303)
	<b>7,636,429</b>	<b>7,270,240</b>	<b>1,042,758</b>	<b>15,949,427</b>	<b>14,271,583</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 8,620,890</b>	<b>\$ 7,377,850</b>	<b>\$ 1,324,139</b>	<b>\$ 17,322,879</b>	<b>\$ 15,949,427</b>

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended September 30, 2015  
 With Comparative Total Amounts for the Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds				2014 (Restated) Total
	2015				
	Wastewater	Reclaimed Water	Stormwater	Total	
INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS					
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 5,143,930	\$ 866,265	\$ 635,187	\$ 6,645,382	\$ 6,597,194
Cash payments to suppliers for goods and services	(2,955,221)	(347,151)	(105,994)	(3,408,366)	(3,444,199)
Cash payments to employees for services	(489,873)	(89,232)	(74,744)	(653,849)	(593,648)
Cash paid for general government allocated expenses	(226,285)	(74,743)	(74,743)	(375,771)	(364,826)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,472,551	355,139	379,706	2,207,396	2,194,521
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(12,121)	(1,831)	(43,957)	(57,909)	(61,799)
Transfers from other funds	-	-	-	-	5,353
Cash advances repaid to other funds	-	-	-	-	(71,176)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	(12,121)	(1,831)	(43,957)	(57,909)	(127,622)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Impact fees	1,034	1,650	-	2,684	2,460
Proceeds from issuance of debt - revenue bonds	5,000,000	-	3,000,000	8,000,000	-
Acquisition and construction of capital assets	(1,981,777)	(20,868)	(117,246)	(2,119,891)	(2,251,081)
Principal paid on State Revolving Loans	(178,698)	(576,600)	-	(755,298)	(730,897)
Interest paid on State Revolving Loan	(62,858)	(20,483)	-	(83,341)	(108,091)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	2,777,701	(616,301)	2,882,754	5,044,154	(3,087,609)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on cash and cash equivalents	3,802	1,152	822	5,776	1,279
Proceeds from the maturity of investments	-	500,000	-	500,000	500,000
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,802	501,152	822	505,776	501,279
NET INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS	4,241,933	238,159	3,219,325	7,699,417	(519,431)
POOLED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,204,705	837,397	692,315	2,734,417	3,253,848
POOLED CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,446,638	\$ 1,075,556	\$ 3,911,640	\$ 10,433,834	\$ 2,734,417
POOLED CASH AND CASH EQUIVALENTS IS COMPRISED OF:					
Cash	\$ 75	\$ -	\$ -	\$ 75	\$ 75
Current pooled cash and cash equivalents	364,397	1,075,556	971,511	2,411,464	2,359,132
Current restricted cash equivalents					
Long-term debt requirements	190,471	-	69,724	260,195	128,144
Unexpended bond proceeds	4,891,695	-	2,870,405	7,762,100	-
Non-current restricted cash equivalents	-	-	-	-	247,066
	\$ 5,446,638	\$ 1,075,556	\$ 3,911,640	\$ 10,433,834	\$ 2,734,417

	Business-type Activities - Enterprise Funds				2014 (Restated) Total
	2015				
	Wastewater	Reclaimed Water	Stormwater	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,147,608	\$ 111,764	\$ 356,124	\$ 1,615,496	\$ 1,822,719
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	426,016	238,938	15,525	680,479	554,213
Changes in assets and liabilities:					
(Increase) decrease in receivables - customer service charges	(74,766)	190	-	(74,576)	43,265
(Increase) decrease in receivables - other	-	-	-	-	3,448
(Increase) decrease in due from other governments	113,470	(1,722)	(9,781)	101,967	(241,413)
(Increase) decrease in supplies inventory	10,817	-	-	10,817	(2,761)
(Increase) decrease in prepaid items	-	-	-	-	66
(Increase) decrease in deferred outflows - pensions	(12,225)	(3,304)	(2,477)	(18,006)	(3,643)
Increase (decrease) in accounts payable	(201,486)	(593)	6,174	(195,905)	244,741
Increase (decrease) in accrued liabilities	408	(812)	1,241	837	40,349
Increase (decrease) in due to other governments	6,701	(4,978)	-	1,723	(236,751)
Increase (decrease) in compensated absences	(2,202)	(77)	1,106	(1,173)	(8,347)
Increase (decrease) in other post employment	380	103	77	560	827
Increase (decrease) in net pension liability	63,934	17,280	12,954	94,168	(58,158)
Increase (decrease) in deferred inflows - pensions	(6,104)	(1,650)	(1,237)	(8,991)	35,966
TOTAL ADJUSTMENTS	324,943	243,375	23,582	591,900	371,802
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,472,551	\$ 355,139	\$ 379,706	\$ 2,207,396	\$ 2,194,521

There were no non-cash financing and investing activities for the year ended September 30, 2015.

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

September 30, 2015

With Comparative Amounts for September 30, 2014

	Totals	
	2015	2014
<b>ASSETS</b>		
Investments, at fair value		
Cash and cash equivalents, short term investments	\$ 1,363,272	\$ 633,316
U. S. Government, Federal		
Agency and municipal securities	2,287,056	3,116,040
Asset backed securities	2,154,988	1,388,945
Collateralized mortgage obligations	2,443,045	2,457,968
Fixed income mutual funds	4,851,381	4,471,775
Unit investment trusts	165,369	133,622
Foreign stocks and bonds	330,128	995,225
Corporate bonds	4,277,005	3,920,837
Equities - common stock	6,492,051	7,007,640
Equities - mutual funds	8,259,552	10,396,997
	<u>32,623,847</u>	<u>34,522,365</u>
Receivables		
Accrued interest and dividends	67,752	73,031
Contribution receivable	87,544	218,925
State excise tax rebate	269,876	297,977
	<u>425,172</u>	<u>589,933</u>
<b>TOTAL ASSETS</b>	<u>33,049,019</u>	<u>35,112,298</u>
<b>LIABILITIES</b>		
Administrative expenses payable	59,036	51,896
Deferred contribution	-	14,339
	<u>59,036</u>	<u>66,235</u>
<b>TOTAL LIABILITIES</b>	<u>59,036</u>	<u>66,235</u>
<b>NET POSITION HELD IN TRUST</b>		
Held in trust for pension benefits	<u>\$ 32,989,983</u>	<u>\$ 35,046,063</u>

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

Year Ended September 30, 2015

With Comparative Amounts for the Year Ended September 30, 2014

	Totals	
	2015	2014
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 1,556,889	\$ 1,654,855
Plan members	80,886	76,391
	<u>1,637,775</u>	<u>1,731,246</u>
Intergovernmental revenue		
State excise tax rebate	269,876	297,977
Investment income		
Net appreciation in fair value of investments	(1,144,199)	2,466,561
Interest and dividends	1,107,220	856,253
Miscellaneous income	18,619	50,266
Total investment earnings (loss)	<u>(18,360)</u>	<u>3,373,080</u>
Less investment expense	148,285	139,513
Net investment earnings (loss)	<u>(166,645)</u>	<u>3,233,567</u>
<b>TOTAL ADDITIONS</b>	<u>1,741,006</u>	<u>5,262,790</u>
<b>DEDUCTIONS</b>		
Benefits	2,934,952	2,809,254
Lump sum Deferred Retirement Option Plan (DROP) payments	723,154	205,728
Refunds of contributions	21,797	83,087
Administrative expenses	117,183	100,284
<b>TOTAL DEDUCTIONS</b>	<u>3,797,086</u>	<u>3,198,353</u>
<b>CHANGE IN NET POSITION</b>	(2,056,080)	2,064,437
<b>NETS POSITION - BEGINNING OF YEAR</b>	<u>35,046,063</u>	<u>32,981,626</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 32,989,983</u></u>	<u><u>\$ 35,046,063</u></u>

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

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared to conform with the standards set forth by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies.

**1. Defining the Reporting Entity**

The City of St. Pete Beach, Florida (the City) is a municipal corporation established pursuant to the laws of Florida and operates under applicable provisions of Florida Statutes, Chapter 166.

The City follows the principles of Section 2100, “Defining the Reporting Entity” of GASB “Codification of Governmental Accounting and Financial Reporting Standards”, which established standards for defining and reporting on the “Financial Reporting Entity”. The financial reporting entity includes the primary government, organizations for which the primary government is financially accountable and other organizations for which, if excluded, would cause the reporting entity’s financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority to an organization’s board and either displays the ability to impose its will on that organization, the possibility that the organization will impose or provide a financial burden or benefit to the primary government, or management of the primary government has operational responsibility for the component unit and manages the component unit in essentially the same manner in which it manages its own programs or departments . The City has no such applicable organizations that meet these requirements; therefore, the accompanying financial statements include only information relative to the primary government.

**2. Basic Financial Statements – GASB Statement #34**

The City presents its comprehensive annual financial report in accordance with the provisions of GASB Statement #34 – “Basic Financial Statements – and – Management’s Discussion and Analysis – for State and Local Governments”. This standard establishes the financial reporting requirements for state and local governments. The Statement establishes specific standards for basic financial statements, management’s discussion and analysis (MD&A), and certain required supplementary information.

As part of reporting pursuant to GASB Statement #34, there is a reporting requirement regarding infrastructure; that is roads, sidewalks, curbing, and drainage improvements, etc. All major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980, are required to be retroactively reported. All newly acquired or improved infrastructure assets must be reported in accordance with GASB Statement #34. The City has included infrastructure assets acquired prior to June 30, 1980 that still have remaining useful lives.

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund, Capital Improvement Projects Fund, Police Confiscation Fund, and the Transportation Impact Fee Fund. Business-type activities include the Wastewater, Stormwater, and Reclaimed Water Enterprise Funds. The City’s Fiduciary Funds are not included in the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City.

The government-wide Statement of Activities reports the gross and net cost for the various functional categories (general government, community development, fire, etc.) of the City that are otherwise supported by general government revenues. The expenses for each functional category are reduced by program revenues to ascertain the net costs for that function. Program revenues are defined as charges for services, and operating and capital grants that specifically relate to a specific program function. Charges for services include revenue arising from charges to customers or applicants, who purchase, use or directly benefit from the goods, services, or privileges provided. Operating and capital grants consist of revenues received

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

from governments, organizations or individuals that are specifically attributable to a program and are restricted for either operating expenditures / expenses or capital expenditures / expenses associated with the specific program.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from providing services in conjunction with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary enterprise funds are charges to customers for services. Operating expenses for the City's proprietary enterprise funds include the cost of personnel, contractual services, supplies and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

The fund financial statements are similar to the financial statements presented in the previous reporting model. The emphasis in the new model is on major funds in both the governmental activities and business-type activities, and non-major funds are summarized into a single column.

**3. Basis of Presentation**

The accounts of the City are organized on the basis of funds, each of which is considered an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The accompanying basic financial statements present each major fund as a separate column on the fund financial statements and all non-major funds are aggregated and presented in a single column:

Governmental Funds: This fund category accounts for the acquisition, use, and balances of the City's expendable financial resources and the related current liabilities. It is through these funds that most governmental functions typically are financed. The City has presented the following major governmental funds:

General Fund: The General Fund is the main operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital costs that are not paid through other funds are paid from the General Fund.

Capital Improvement Projects Fund: The Capital Improvement Projects Fund is used to account for intergovernmental revenue that is restricted in use for infrastructure improvements or police and fire vehicles, as well as other funds received and expended for construction, renovation, expansion and major improvement of various City facilities, acquisition of land and other large nonrecurring projects.

Special Revenue Fund: This fund type is used to account for specific revenue sources (other than major capital projects or special assessments) that are restricted by law or administrative action to expenditure for specific purposes. The City is not reporting any major special revenue funds. The Police Confiscation Fund, a non-major fund, is used to account for the proceeds from the sale of confiscated property. The Transportation Impact Fee Fund, also a non-major fund, is used to account for transportation impact fees and transportation related expenditures.

Proprietary Funds: This fund category accounts for all assets, liabilities, equities, revenues and expenses related to the City's activities that are similar to businesses in the private sector. The City's Proprietary Funds are presented in accordance with GASB Statement #62 – "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements". The City's Proprietary Fund types consist of the following:

Enterprise Fund: This fund type is used to account for operations (a) that are financed and operated in a manner similar to private enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has three Enterprise Funds that are presented as major proprietary funds:

Wastewater Fund: This fund is used to account for the provision of sewer services to the residents of the City and sewer impact fees. Activities of the sewer system include operations and maintenance of the system. All costs are financed through charges to utility customers.

Reclaimed Water Fund: This fund is used to account for the provision of reclaimed water services to the residents of the City. Activities of the reclaimed water system include operations and maintenance of the system and collection of system user fees. All costs are financed through charges to utility customers.

Stormwater Fund: This fund, which the City has elected to report as a major fund, is used to account for the collection of stormwater utility fees. These fees will be used to address stormwater drainage issues, provide for preventative maintenance and major capital improvements to areas subject to flooding. All costs are financed through charges to utility customers.

Fiduciary Fund: This fund category accounts for assets held by the City in a trustee capacity or as agent for individuals, private organizations, other governmental units, and/or other funds.

Trust Fund: This fund is used to account for assets held by the City in a trustee capacity. The Pension Trust Funds are used to account for the Police, Firefighters' and General Pension Funds.

Measurement Focus: This concept refers to the accounting emphasis of the various funds. The following is a summary of the measure and focus of each fund type:

Governmental Fund Types: General, Capital Improvement, and Special Revenue Funds are accounted for on a "spending" or "financial flow" measurement focus with an emphasis on determination of financial position and changes in financial position rather than on net income determination. Accordingly, reported unassigned fund balances represent available, spendable or appropriable resources.

Proprietary and Fiduciary Fund Types: The measurement focus of a Proprietary Fund and Fiduciary Fund is on determination of net income, financial position and cash flows using the accrual basis of accounting. The Wastewater, Reclaimed and Stormwater Funds, as well as the Pension Trust Funds, are accounted for on a cost of services or "economic resources" measurement focus. Accordingly, all assets and liabilities are included on their balance sheets, and the reported fund equity (total reported assets less total reported liabilities) provides an indication of the economic net worth of the fund. Operating statements for these Funds use an income determination measurement focus and, therefore, report increases (revenues) and decreases (expenses) in total economic net worth.

**4. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Modified Accrual: The modified accrual basis of accounting is utilized for the governmental fund types. Under this basis, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

the current period. The City considers revenues collected within sixty days after year-end to be available. Substantially all intergovernmental revenues, utility taxes, franchise fees, infrastructure surtax and interest are susceptible to accrual.

Property taxes are billed and substantially collected within the same fiscal year. Revenues that are received as reimbursement of grant expenditures are recognized as the expenditures are incurred, up to the grant award amount.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt are recognized when due.

Accrual: The accrual basis of accounting is utilized for the government-wide financial statements and the Proprietary Funds and Fiduciary Fund - Pension Trust Funds. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period that the liability is incurred.

**5. Budget and Budgetary Accounting**

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

- (a) By the end of June, the City Manager and Administrative Services Director submit to the Finance and Budget Review Committee (a citizen advisory committee) a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of receipts to finance them.
- (b) By August 1, the City Manager, Administrative Services Director, and Finance and Budget Review Committee submit budget recommendations to the City Commission.
- (c) Public hearings are conducted in September to obtain taxpayer comments.
- (d) By mid September, the budget is approved by the Commission and becomes the basis for the millage levied by the Commission.
- (e) The budget is legally adopted at the department level. The City Manager is authorized to approve transfers between line items within any department. Transfers between departments and increases or decreases in total budget for a fund must have prior approval of the Commission.
- (f) Budgets for funds that have formal budgetary integration are adopted on a basis consistent with generally accepted accounting principles.
- (g) Appropriations lapse at year-end. Encumbrances outstanding at year-end are re-appropriated and charged against the ensuing year's budget and thus are not reflected in budget to actual presentations.
- (h) Budgeted amounts are as originally adopted, or as amended in accordance with City ordinance.
- (i) The General Fund, Wastewater Fund, Reclaimed Water Fund and Stormwater Fund are budgeted by the City. The budget serves as legal authorization for all expenditures. The following supplemental budget appropriations, in total, were made: General Fund – increase of \$302,257; Wastewater Fund – increase of \$1,665,517, Reclaimed Water Fund – decrease of \$10,409, and Stormwater Fund – increase of \$1,791,712.
- (j) For the year ended September 30, 2015, within the General Fund, expenditures exceeded appropriations in the following departments: City Clerk - \$3,440; Legal - \$277,971; Recreation - \$35,282; and Parking Enforcement - \$12,066. Legal

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

expenditures exceeded the amount appropriated primarily as a result of accruing a judgment as of September 30, 2015 in the amount of \$272,137. Please see Note L for additional information regarding the accrual of the judgment.

**6. Assets, Liabilities and Fund Equity**

Cash, Pooled Cash and Investments and Cash Equivalents: Cash balances of each fund, except for the Pension Trust Funds, are pooled for operating and investment purposes and are held primarily in an interest bearing checking account. Restricted cash equivalents are invested primarily in interest bearing accounts with the Florida State Board of Administration and Florida Surplus Asset Fund Trust. The interest earned is allocated to each fund based on the fund's average balance in the pooled cash account.

The City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Deposits with the State Board of Administration, which are investments, are considered to be a cash equivalent and are reported at amortized cost or net position value. The amortized cost value of the State Board of Administration approximates fair value. Deposits with the Florida Surplus Asset Fund Trust and Florida Municipal Investment Trust Fund (FMIVT), which are investments, are reported at net position value.

Investments: Investments in the Pension Trust Funds consist of U. S. Government and Federal Agency securities, asset backed securities, collateralized mortgage obligations, corporate bonds, common - equity stocks and mutual funds, fixed income mutual funds, foreign equity stocks and bonds, unit investment trusts and money market funds. These investments are recorded at fair value.

Investments in common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked prices. Investments in mutual fund type securities are valued at the net position value of the fund based on the underlying assets held in the funds. The fair value of an investment is the amount that could be reasonably expected to be received for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.

Accounts Receivable: Wastewater Fund and Reclaimed Water Fund revenues are generally recognized on the basis of cycle billings which are rendered bimonthly. Stormwater Fund fees are billed annually as a non - Ad valorem assessment and are recognized as revenue when billed in November of each year. No provision has been made for an allowance for doubtful accounts as the City considers all accounts to be collectible. The City records revenues for services delivered during the current fiscal year that will not be billed until the next fiscal year and includes these amounts in accounts receivable. These revenues and related receivables are based on a daily proration of the billing that occurs in the next fiscal year.

Supplies Inventory: Inventory is valued using the average cost basis and consists of expendable supplies held for consumption. The cost of the supplies are recorded as an expenditure at the time the inventory is consumed.

Prepaid Items: Payments made to vendors and others for services that will benefit periods beyond September 30, 2015 are recorded as prepaid items and are accounted for using the consumption method of accounting in the governmental funds. .

Restricted Assets: Assets are restricted to indicate that they are legally segregated for a specific future use. Cash equivalents have been restricted in the Capital Improvement, Wastewater and Stormwater Funds to meet loan escrow and sinking fund requirements and to account for unexpended debt proceeds that are to be used for specific capital projects.

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Capital Assets: Capital assets, which include land and land rights; buildings and other land improvements; furniture, machinery and equipment; and infrastructure assets are reported in the applicable governmental or business-type activity in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$2,500 or more and an estimated useful life in excess of one year. These assets are capitalized at historical cost, or estimated historical cost if actual cost information is not available. Donated capital assets are capitalized at their fair market value on the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of the asset are also capitalized.

Depreciation, which is computed on a straight-line basis, is provided for in amounts sufficient to charge the cost of depreciable assets to operations over their estimated useful lives. Depreciation is not provided for construction in progress. Interest cost incurred on construction in process is not capitalized as part of the cost of assets acquired in the governmental funds. Interest cost incurred on construction in process is capitalized as part of the cost of assets acquired in the enterprise funds. The estimated useful lives of the assets are as follows:

Category	Useful Life
Buildings and other land improvements	15 – 50 years
Furniture machinery and equipment	3 – 20 years
Infrastructure	12 – 40 years

Unearned Revenues: Revenues which are measurable, but not earned, are reported as unearned revenue. In the governmental funds and government-wide financial statements, unearned revenues include local business taxes collected prior to September 30, which are for the local business tax that pertain to the subsequent fiscal year, and rental payments that have been received in advance.

Accumulated Unused Compensated Absences: In accordance with GASB 16, “Accounting for Compensated Absences”, the City records the “vested” portion of accumulated unused compensated absences at year-end based on each employee’s accumulated hours and rate of pay at the balance sheet date. An additional liability has also been accrued for related payroll taxes and retirement benefit costs. Generally, employees use their compensated absences as they are earned. The payment of compensated absences is charged to the General Fund, Wastewater Fund, Reclaimed Water Fund or Stormwater Fund, depending upon the department in which the individual being paid is employed.

Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions: Deferred inflows of resources and deferred outflows of resources related to pension plans that are derived from the difference between projected and actual earnings on the respective plan investments are amortized to pension expense over a closed five year period. Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan’s total pension liability are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

Net Pension Liability: The City adopted GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB GASB* for fiscal year ended September 30, 2015. As a result of the implementation of GASB Statements 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2013 for the

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Police Officers' Retirement System (Police Pension), the Firefighters' Retirement System (Firefighters' Pension) and the General Employees' Retirement System (General Pension). The Net Pension Liability as defined by GASB 68 is the difference between the actuarial present value of projected pension benefits attributable to a participant's past services and the respective pension plan's fiduciary net position. The impact of the implementation and prior period adjustment is presented in Note M.

Net Position: The government-wide financial statements utilize a net position presentation. Net Position is presented in three components – net investment in capital assets, restricted and unrestricted. The net investment in capital assets component consists of capital assets less accumulated depreciation and any related long-term debt. The related long-term debt has been reduced by unexpended bond proceeds when applicable. Restricted assets consist of the portion of net position that have constraints placed on them either externally by third parties (grantors and contributors) or by law through provisions of enabling legislation. Unrestricted net position consists of items that do not meet the definition of “net investment in capital assets” or “restricted”. Designations of net position made by the City's management are included in this component because these constraints are internal and management can remove or modify them. The government-wide statement of net position reports \$943,571 of restricted net position, of which \$211,175 is restricted by enabling legislation.

Fund Balance Classification: The City reports fund balances in accordance with the provisions of GASB Statement Number 54 – “Fund Balance Reporting and Governmental Fund Type Definitions”. GASB Statement Number 54 provides that governmental fund financial statements will present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified Supplies Inventory, Prepaid Items, and Long-Term Receivables as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The City has included restrictions for Library Expenditures pursuant to the request of the donor of the funds, Unexpended Bond Proceeds pursuant to the bond issuance documents, Long-term Debt Requirements as stipulated in the respective debt covenants, Law Enforcement that is restricted per Florida statute for police education expenditures, and Transportation Improvements which are unexpended impact fees that are legally restricted for transportation projects.
- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council, in this case by ordinance. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes subsequent year contractual obligations (encumbrances) to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager whereby through the budgetary process a portion of

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

the fund balance of the General Fund can be assigned for a specific purpose. When applicable, this classification includes the remaining positive fund balance for governmental funds other than the General Fund. Within the General Fund, the City Commission has assigned a portion of the fund balance for future capital projects, the future payment of compensated absences, and unanticipated insurance costs.

- **Unassigned:** This classification includes the residual fund balance for the General Fund and also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of Assigned fund balance amounts.

The City would typically use the Restricted fund balances first, followed by Committed resources and then Assigned resources as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first and to defer the use of these other classified funds.

**7. Revenues and Expenditures**

**Property Taxes:** The amount of taxes receivable at year-end is immaterial and, therefore, not accrued. Under Florida law, the assessment of all properties and the collection of all county, municipal and School Board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit cities to levy property taxes at a rate of up to 10 mils. The millage rate in effect for the fiscal year ended September 30, 2015, was 3.150.

All property is reassessed according to its fair market value on 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.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Pinellas County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirements.

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. The Pinellas County Tax Collector bills and collects all property taxes levied within the County. All unpaid taxes become delinquent 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 of 18% per year. On or prior to June 1, following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

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

The City does not accrue its portion of the County-held certificates due to the immaterial amount.

**Grants:** Amounts received are restricted as to use in accordance with applicable grant requirements. Generally, these funds are subject to compliance requirements and must be returned to the grantors if they exceed the cost of the program or are used in violation of the grant regulations.

September 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**8. Bond Premium / Issuance Costs**

In the governmental funds, bond premiums and issuance costs are recognized as current period other financing sources and current period expenditures, respectively.

In the government-wide statements, bond premiums and issuance costs pertaining to repayment insurance costs are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond premiums are reported as unearned revenues and issuance costs pertaining to repayment insurance are reported as unamortized debt costs.

**9. Inter-fund Transactions**

Inter-fund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables and are subject to elimination in the government-wide financial statements. Services provided are deemed to be at market or near market rates and are treated as revenues and expenditures/expenses and are not eliminated in the consolidation of the government-wide financial statements. Reimbursements occur when one fund incurs a cost and charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers.

**10. Comparative Data**

The financial statements include summarized prior year comparative information that does not include, in all instances, sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2014, from which such summarized information has been derived. The comparative data has been restated, when applicable, to reflect the impact of the implementation of GASB 68. The impact of the implementation and prior period adjustment is presented in Note M.

**NOTE B - CASH, POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Pooled Cash**

The City maintains a cash pool that is available for all funds except the Fiduciary Fund types. The City also has amounts invested with the State Board of Administration, Florida Municipal Investment Trust Fund (FMIVT) and Florida Surplus Asset Fund Trust (FL SAFE Fund) that are not pooled and includes restricted cash as well as cash that is available to the General Fund and Wastewater Fund.

**Deposits**

Florida Statutes and City policy require that all City demand accounts be in financial institutions that pledge collateral with the State Treasurer pursuant to Chapter 280, Florida Statutes. The City is required to verify that monies are on deposit with "qualified public depositories" as defined in Florida Statutes Section 280.02. Florida Statutes require that all qualified public depositories provide collateral each month equal to a least 50 percent of the public funds on deposit with the institution that are in excess of deposit insurance amounts. The carrying amount of the City's deposits as of September 30, 2015 was \$6,441,859, excluding \$2,925 petty cash and cash on-hand funds that are maintained. The State Treasurer may assess other qualified public depositories for a pro rata share of any loss suffered by a public depositor in excess of its depository's collateral. Since the City uses only authorized public depositories, all funds, including time deposits, deposited with financial institutions are in compliance with the City's policies.

September 30, 2015

**NOTE B - CASH, POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS** (continued)

**Investments**

Florida Statutes (218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U. S. Government, U. S. Government Instrumentalities, State of Florida Local Government Surplus Trust Fund (State Board of Administration), and mutual funds investing in U. S. Government Securities.

The City adopted its own investment policy that also authorizes the City to invest in the following: a) Florida Municipal Investment Trust Fund, Florida Surplus Asset Fund Trust and any other investment pool organized pursuant to Florida Statutes Sections 163.01 and 218.415; b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; c) Certificates, notes, bonds, or bills of the United States, or other obligations of the United States or its Agencies which are backed by the full faith and credit of the U. S. and include, but are not limited to: Government National Mortgage Association (GNMA), Farmers Home Administration, Small Business Administration (SBA), General Services Administration (GSA), Federal Housing Administration, and Housing and Urban Development (HUD); d) Obligations of government-sponsored corporations (Instrumentalities) which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve (Instrumentalities are usually AAA rated, but have no explicit government guarantee) and include, but are not limited to: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks, Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Student Loan Marketing Association, and Tennessee Valley Authority (TVA); e) Collateralized Mortgage Obligations with very accurately defined maturities issued by Federal Agencies and their Instrumentalities that are rated AAA by a nationally recognized rating agency; (f) Non-negotiable Certificates of Deposit, which can be insured, collateralized at the Federal Reserve or qualify as State Public Deposits, as defined by Florida Statutes; g) Taxable or Tax Exempt Government bonds, notes or other obligations of investment grade quality (as established by a nationally recognized rating agency), municipal corporation, special district, and authority or political subdivision thereof; h) Repurchase Agreements with primary dealers or with the City's primary state qualified public depository that are evidenced by a Master Agreement to engage in this investment option and are fully collateralized by U. S. Government Obligations or any Agency or Instrumentality thereof (Reverse Repurchase Agreements are prohibited); and i) Securities in, or other interests in, any open-ended or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio is limited to obligations of the U. S. Government or any agency or instrumentality thereof (Mutual Funds).

The City's investment policy states that, to the extent possible, investment maturities and liquidity shall be matched to anticipated cash flow requirements and unless an investment is matched to a specific cash flow such as a reserve requirement or other longer-term investment horizon, investments shall not have a maturity date of more than five (5) years from the date of purchase.

The Local Government Surplus Trust Fund (Florida PRIME) is an external investment pool administered by the Florida State Board of Administration which is a three member board made up of the State-elected officials of Governor, Chief Financial Officer and Attorney General. This Board is empowered by Florida law to invest funds at the request of local governments. The Florida PRIME is treated as a "2a-7 like" pool in accordance with GASB Statements No. 31 and No. 59 and is valued using the pooled share price (amortized cost), which approximates fair value. The Florida PRIME funds may be withdrawn upon demand. Fund B was accounted for as a fluctuating net asset value (NAV) pool.

The Florida Surplus Asset Fund Trust (Florida Safe Investment Pool) is a common law trust organized in 2007 under the laws of the State of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five member Board of Trustees that oversees all actions and decides on general policies. The trust includes a liquid money market-like investment called the "FL SAFE Fund" and one or more Term Series portfolios that have a fixed duration. Participants in the trust may invest in the Fund and any Term Series portfolios and in a value-added program called the "Fixed Income Investment Program," through which the participants may purchase investments for their own portfolio. The Fund is accounted as a Stable Net Position Value investment pool.

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE B - CASH, POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS** (continued)

The City’s investments, carried at fair value as of September 30, 2015, are:

Investment	Maturity	Fair Value	Rating
State Board of Administration – Florida PRIME	N/A	\$ 5,015,184	AAAm
Florida Municipal Investment Trust -0-2 Year High Quality Bond Fund	N/A	102,545	AAA/V1
Florida Safe Investment Pool	N/A	21,175,296	AAAm
Florida Safe Fixed Income Investment Program – Certificates of Deposit	3/16 to 9/18	996,785	Non-rated
Total investments		\$27,289,810	

The City does not participate in any securities lending transactions nor has it used, held or written derivative financial instruments.

Interest Rate Risk – In compliance with the City’s investment policy, as of September 30, 2015, the City minimized the interest rate risk, related to the decline in value of securities due to rising interest rates, by limiting the effective duration of security types not to exceed five years, except for required debt sinking fund purposes, and investing in short-term securities or similar investment pools so that securities mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

Credit Risk – In compliance with the City’s investment policy, as of September 30, 2015, the City minimized credit risk due to default of a security issuer or backer, by limiting investments to the safest types of securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business.

A reconciliation of the amount of petty cash, deposits and investments reported as cash equivalents to the Statement of Net Position as of September 30, 2014, is as follows:

Petty cash	\$ 2,925
Deposits	6,441,859
Investments	27,289,810
Total	\$ 33,734,594

As reported in Statement of Net Position:

Unrestricted	
Cash	\$ 2,925
Pooled cash and investments and cash equivalents	13,040,034
Restricted investments and cash equivalents –	
Current:	
Long-term debt requirements	529,014
Unexpended bond proceeds	20,162,621
Total	\$ 33,734,594

September 30, 2015

**NOTE B - CASH, POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS** (continued)

**Police Officers' Retirement System**

**Deposits**

Salem Trust Company holds un-invested cash and short term investments in its capacity as custodian of the Police Officers Retirement System (the Police Pension). The cash is held on deposit and short term investments are held in money market type accounts that are invested in short-term U. S. government, corporate and bank obligations.

**Investments**

The Board of Trustees of the Police Pension are authorized to invest and reinvest in: 1. Time, savings and money market deposit accounts insured by the Federal Deposit Insurance Corporation; 2. Obligations issued by the United States Government or by an agency of the United States Government; 3. Stocks, commingled funds and group trusts, mutual funds and bonds or other evidences of indebtedness, issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, bonds issued by U. S. corporations, structured mortgage products issued by the United States Government, and mortgage related or asset backed securities not issued by the United States Government, and bonds issued by municipal issuers provided that all such securities meet the following criteria: a. Fixed income securities shall be Investment Grade as measured by Standard & Poor's (S&P) or Moody's; b. equity securities must be traded on a national exchange; c. not more than 5% of the Police Pension assets shall be invested in the common stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and the value of bonds by any single corporation shall not exceed 5% of the total Police Pension assets; 4. Real Estate and Real Estate Investment Trusts - not to exceed 15% of the total Police Pension assets, and 5. Foreign Securities - to include fixed income and equity securities. Investments in corporate common stock and convertible bonds shall not exceed 75% of the Police Pension assets at market value. Foreign securities shall not exceed 25% of the assets of the Police Pension.

The Police Pension held the following deposits and investments as of September 30, 2015:

Salem Trust Company:	Fair Value	Moody's Rating
<b>Cash and Investments</b>		
Cash equivalents and short term investments	\$ 592,419	N/A
U. S. Government, Federal Agency and Municipal Securities	581,454	Aaa to A1
Asset backed securities and collateralized obligations	1,835,403	Aaa to Baa1
Fixed income mutual funds	481,749	N/A
Unit investment trusts	34,254	N/A
Foreign stocks and bonds	53,581	Aa1 to Baa2
Corporate bonds	1,624,941	Aa1 to Baa3
Equities – common stocks	811,931	N/A
Equities – mutual funds	5,005,511	N/A
Total Investments	<u>\$11,021,243</u>	

**Credit Risk and Interest Rate Risk** – Credit Risk - The Police Pension investment managers will disclose to the Board of Trustees on a quarterly basis any securities that do not meet the investment criteria of the Police Pension. Such non-compliant investments may be held until it is economically feasible to dispose of such investments in accordance with the prudent man standard of care, but no additional investment may be made in this security unless authorized by law or ordinance. Interest Rate Risk – The fixed income portion of the Police Pension assets are expected to perform at a rate equal to the Lehman Brothers Intermediate Aggregate Bond Index.

September 30, 2015

**NOTE B - CASH, POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS** (continued)**Firefighters' Retirement System****Deposits**

Salem Trust Company holds un-invested cash and short term investments in its capacity as custodian of Firefighters' Retirement System (the Firefighters' Pension). The cash is held on deposit and the short term investments held in money market type accounts that are invested in short-term U. S. government and agency obligations.

**Investments**

The Board of Trustees of the Firefighters' Pension are authorized to invest and reinvest in: 1. Time, savings and money market deposit accounts insured by the Federal Deposit Insurance Corporation; 2. Obligations issued by the United States Government or by an agency of the United States Government; 3. Stocks, commingled funds and group trusts, mutual funds and bonds or other evidences of indebtedness, issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, bonds issued by U. S. corporations, structured mortgage products issued by the United States Government, and mortgage related or asset backed securities not issued by the United States Government, and bonds issued by municipal issuers provided that all such securities meet the following criteria: a. Fixed income securities shall be Investment Grade as measured by Standard & Poor's (S&P) or Moody's; b. equity securities must be traded on a national exchange; c. not more than 5% of the Firefighters' Pension assets shall be invested in the common stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and the value of bonds by any single corporation shall not exceed 5% of the total Firefighters' Pension assets; 4. Real Estate and Real Estate Investment Trusts - not to exceed 15% of the total Firefighters' Pension assets, and 5. Foreign Securities - to include fixed income and equity securities. Investments in corporate common stock and convertible bonds shall not exceed 75% of the Firefighters' Pension assets at market value. Foreign securities shall not exceed 25% of the assets of the Firefighters' Pension.

The Firefighters' Pension held the following deposits and investments as of September 30, 2015:

<u>Salem Trust Company:</u>	<u>Fair Value</u>	<u>S&amp;P Rating</u>
<b>Cash and Investments</b>		
Cash equivalents and short term investments	\$ 499,385	N/A
U. S. Government, Federal Agency and Municipal Securities	440,201	Aaa to A1
Asset backed securities and collateralized obligations	1,649,415	Aaa to Baa1
Fixed income mutual funds	482,375	N/A
Unit investment trusts	89,024	N/A
Foreign stocks and bonds	184,766	Aa1 to Baa2
Corporate bonds	1,401,535	Aa1 to Baa3
Equities – common stocks	4,682,734	N/A
Equities – mutual funds	959,874	N/A
Total Investments	<u>\$10,389,309</u>	

**Credit Risk and Interest Rate Risk** – Credit Risk - The Firefighters' Pension investment managers will disclose to the Board of Trustees on a quarterly basis any securities that do not meet the investment criteria of the Firefighters' Pension. Such non-compliant investments may be held until it is economically feasible to dispose of such investments in accordance with the prudent man standard of care, but no additional investment may be made in this security unless authorized by law or ordinance. Interest Rate Risk – The fixed income portion of the Firefighters' Pension assets are expected to perform at a rate equal to the Lehman Brothers Intermediate Aggregate Bond Index.

September 30, 2015

**NOTE B - CASH, POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS** (continued)

**General Employees' Retirement System**

**Deposits**

Salem Trust Company holds un-invested cash and short term investments in its capacity as custodian of General Employees' Retirement System (the General Pension). The cash is held on deposit and short term investments are held in money market type accounts that are invested in short-term U. S. government, corporate and bank obligations.

**Investments**

The Board of Trustees of the General Pension are authorized to invest and reinvest in: 1. Time, savings and money market deposit accounts insured by the Federal Deposit Insurance Corporation; 2. Obligations issued by the United States Government or by an agency of the United States Government; 3. Stocks, commingled funds and group trusts, mutual funds and bonds or other evidences of indebtedness, issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, bonds issued by U. S. corporations, structured mortgage products issued by the United States Government, and mortgage related or asset backed securities not issued by the United States Government, and bonds issued by municipal issuers provided that all such securities meet the following criteria: a. Fixed income securities shall be Investment Grade as measured by Standard & Poor's (S&P) or Moody's; b. equity securities must be traded on a national exchange; c. not more than 5% of the General Pension assets shall be invested in the common stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and the value of bonds by any single corporation shall not exceed 5% of the total General Pension assets; 4. Real Estate and Real Estate Investment Trusts - not to exceed 15% of the total General Pension assets, and 5. Foreign Securities - to include fixed income and equity securities. Investments in corporate common stock and convertible bonds shall not exceed 75% of the General Pension assets at market value. Foreign securities shall not exceed 25% of the assets of the General Pension.

The General Pension held the following deposits and investments as of September 30, 2015:

Salem Trust Company:	Fair Value	S&P Rating
<b>Cash and Investments</b>		
Cash equivalents and short term investments	\$ 271,468	N/A
U. S. Government, Federal Agency and Municipal Securities	1,265,401	Aaa to A1
Asset backed securities and collateralized obligations	1,113,215	Aaa to Baa1
Fixed income mutual funds	3,887,257	N/A
Unit investment trusts	42,091	N/A
Foreign stocks and bonds	91,781	Aa1 to Baa2
Corporate bonds	1,250,529	Aaa to Baa3
Equities – common stocks	997,386	N/A
Equities – mutual funds	2,294,167	N/A
Total Investments	\$11,213,295	

Credit Risk and Interest Rate Risk – Credit Risk - The General Pension investment managers will disclose to the Board of Trustees on a quarterly basis any securities that do not meet the investment criteria of the General Pension. Such non-compliant investments may be held until it is economically feasible to dispose of such investments in accordance with the prudent man standard of care, but no additional investment may be made in this security unless authorized by law or ordinance. Interest Rate Risk – The fixed income portion of the General Pension assets are expected to perform at a rate equal to the Lehman Brothers Intermediate Aggregate Bond Index.

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE C - DUE FROM AND TO OTHER GOVERNMENTS**

Due from and to other governments consists of the following as of September 30, 2015:

	<u>Due From</u>	<u>Due To</u>
<u>General Fund</u>		
Pinellas County		
Ad Valorem taxes	\$ 68,970	\$ -
Utility taxes	39,731	-
Fines and parking tickets	4,682	-
Parking meters	-	29,728
Utilities	-	20,117
Other	1,200	36,935
Florida Department of Law Enforcement	-	72
State of Florida		
Intergovernmental revenue	<u>424,557</u>	<u>2,371</u>
	539,140	89,223
<u>Capital Improvement Projects Fund</u>		
Pinellas County		
Intergovernmental revenue	151,972	-
Reimbursement for Pinellas County's share of capital project	<u>81,459</u>	<u>-</u>
	233,431	-
<u>Transportation Impact Fund</u>		
Pinellas County – Transportation Impact Fee	-	496
<u>Wastewater Fund</u>		
City of St. Petersburg - Wastewater Treatment	201,434	232,813
Pinellas County - Utilities	<u>-</u>	<u>968</u>
	201,434	233,781
<u>Reclaimed Water Fund</u>		
Pinellas County – Utilities	20,174	18,642
<u>Stormwater Fund</u>		
Pinellas County – Utilities	13,912	-
	<u>\$ 1,008,091</u>	<u>\$ 342,142</u>

These amounts are unsecured and represent concentrations of credit risk in the event that any one of the entities was unable to remit the amounts due the City.

**NOTE D - INTER-FUND TRANSACTIONS**

Inter-fund receivable and payable balances consist of the following as of September 30, 2015:

	<u>Receivable</u>	<u>Payable</u>
<u>General Fund</u>	\$ 273,144	\$ -
<u>Reclaimed Water Fund</u>		
Current portion	-	71,176
Long-term portion	<u>-</u>	<u>201,968</u>
	<u>\$ 273,144</u>	<u>\$ 273,144</u>

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE D - INTER-FUND TRANSACTIONS** (continued)

The General Fund (\$273,144) has advanced funds to the Reclaimed Water Fund (\$273,144) for the purpose of funding operations.

Inter-fund transfers consist of the following for the year ended September 30, 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,904,000
Capital Improvement Projects Fund	1,961,909	-
Wastewater Fund	-	12,121
Reclaimed Water Fund	-	1,831
Stormwater Fund	-	43,957
	<u>\$ 1,961,909</u>	<u>\$ 1,905,896</u>

The General, Wastewater, Reclaimed Water and Stormwater Funds transferred funds to the Capital Improvement Projects Fund for capital project funding purposes.

**NOTE E - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2015, was as follows:

	<u>Balance 10-1-14</u>	<u>Additions / Transfers-in</u>	<u>Deletions / Transfers-out</u>	<u>Balance 9-30-15</u>
<b>Governmental Activities</b>				
<u>Non-depreciable assets:</u>				
Capital projects in process	\$ 354,447	\$ 1,352,716	\$ 193,650	\$ 1,513,513
<u>Depreciable assets:</u>				
Land, land rights and improvements	3,905,294	-	-	3,905,294
Buildings and other improvements	20,865,733	79,260	3,750	20,941,243
Furniture, machinery and equipment	4,577,523	183,048	205,480	4,555,091
Infrastructure	15,571,153	270,001	-	15,841,154
Total at historical cost	<u>\$ 45,274,150</u>	<u>\$ 1,885,025</u>	<u>\$ 402,880</u>	<u>\$ 46,756,295</u>
<u>Less accumulated depreciation for:</u>				
Buildings and other improvements	\$ 7,010,168	\$ 601,573	\$ -	\$ 7,611,741
Furniture, machinery and equipment	2,714,195	361,497	205,480	2,870,212
Infrastructure	7,704,504	542,478	-	8,246,983
Total accumulated depreciation	<u>17,428,867</u>	<u>1,505,548</u>	<u>205,480</u>	<u>18,728,936</u>
Capital assets, net	<u>\$ 27,845,283</u>	<u>\$ 379,477</u>	<u>\$ 197,400</u>	<u>\$ 28,027,359</u>
<b>Business-Type Activities</b>				
<u>Non-depreciable assets:</u>				
Land, land rights and improvements	\$ 310,117	\$ -	\$ -	\$ 310,117
Capital projects in process	1,203,021	2,047,806	2,674,259	576,568
<u>Depreciable assets:</u>				
Buildings and other improvements	129,409	-	-	129,409
Furniture, machinery and equipment	769,361	-	21,659	747,702
Infrastructure	22,659,550	2,705,175	-	25,364,725
Total at historical cost	<u>\$ 25,071,458</u>	<u>\$ 4,752,981</u>	<u>\$ 2,695,918</u>	<u>\$ 27,128,521</u>

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE E - CAPITAL ASSETS** (continued)

<b>Business-Type Activities</b>	Balance 10-1-14	Additions / Transfers-in	Deletions / Transfers-out	Balance 9-30-15
<u>Less accumulated depreciation for:</u>				
Buildings and other land improvements	\$ 9,577	\$ 4,384	\$ -	\$ 13,961
Furniture, machinery and equipment	532,453	64,747	17,672	579,529
Infrastructure	8,480,029	611,348	-	9,091,377
Total accumulated depreciation	9,022,059	680,479	17,672	9,684,867
Capital assets, net	<u>\$ 16,049,399</u>	<u>\$ 4,072,502</u>	<u>\$ 2,678,246</u>	<u>\$ 17,443,654</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 23,470
Community development	1,718
Recreation	327,792
Library	32,783
Parking enforcement	25,026
Public safety – police	63,783
Public safety – fire	248,272
Public services	782,704
	<u>\$ 1,505,548</u>

In accordance with GASB Statement #51 – “Accounting and Financial Reporting for Intangible Assets”, the City includes computer software purchases as a capital asset in the category of “Furniture, machinery and equipment” and property easements are included within the category of “Land, land rights and improvements”.

**NOTE F - LONG-TERM DEBT**

Long-term debt activity for the fiscal year ended September 30, 2015 was as follows:

	Balance 10-1-14	Increases	Decreases	Balance 9-30-15	Due Within One Year
<b>Governmental Activities</b>					
Revenue Bonds, Series 2006	\$ 1,570,000	\$ -	\$ 365,000	\$ 1,205,000	\$ 385,000
Capital Improvement Revenue Bonds, Series 2015	-	13,000,000	-	13,000,000	315,000
Capital leases	302,122	-	72,931	229,191	74,637
Accumulated unused Compensated absences	431,619	44,198	99,161	376,656	28,351
	<u>\$ 2,303,741</u>	<u>\$13,044,198</u>	<u>\$ 537,092</u>	<u>\$14,810,847</u>	<u>\$ 802,988</u>
	Balance 10-1-14	Increases	Decreases	Balance 9-30-15	Due Within One Year
<b>Business-Type Activities</b>					
State Revolving Loan (1992)	\$ 576,600	\$ -	\$ 576,600	\$ -	\$ -
State Revolving Loan (2003)	152,070	-	14,925	137,145	15,340
State Revolving Loan (2005)	2,275,638	-	163,773	2,111,865	168,329
Wastewater Utility System Revenue Bond, Series 2015	-	5,000,000	-	5,000,000	162,000
Stormwater Improvement Assessment Bond, Series 2015	-	3,000,000	-	3,000,000	84,000
Accumulated unused Compensated absences	29,264	3,851	5,024	28,091	2,115
	<u>\$ 3,033,572</u>	<u>\$ 8,003,851</u>	<u>\$ 760,322</u>	<u>\$ 10,277,101</u>	<u>\$ 431,784</u>

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE F - LONG-TERM DEBT** (continued)

Long-term debt for the governmental activities is comprised of the following as of September 30, 2015:

<u>Revenue Bonds, Series 2006</u> : Revenue Bonds in the amount of \$3,915,000 were issued through the Florida Municipal Loan Council to finance a portion of the construction of the new Recreation Center. The remaining bonds mature in various amounts annually, ranging from \$385,000 to \$420,000, through October 1, 2018. Interest on the remaining bonds accrues at a rate of 5.00% and is payable semi-annually on April 1 and October 1. The bond principal and interest is secured by and payable from non – ad valorem revenues	\$ 1,205,000
<u>Capital Improvement Revenue Bonds, Series 2015</u> : Revenue Bonds in the amount of \$13,000,000 were issued for the principal purpose of acquiring, constructing and equipping various capital improvements within the City. The outstanding bonds mature in various amounts annually, ranging from \$245,000 to \$720,000, through May 1, 2045. Interest on the outstanding bonds accrues at rates ranging from 2% to 5% and is payable semi-annually on May 1 and November 1. The bond principal and interest is secured by and payable from the Local Government Half-cent Sales Tax, the Guaranteed Entitlement Revenues portion of the State of Florida Revenue Sharing Trust Fund, utility service Franchise Fees and utility Public Service Tax revenues.	13,000,000
<u>Capital Leases</u> : The City currently leases a pumper fire truck under a lease-purchase agreement that expires in November, 2017. The lease terms require the City to pay any taxes, insurance and maintenance expenses related to the leased fire truck. The present value of future minimum lease payments is:	229,191
<u>Accumulated unused compensated absences</u> : Represents the vested portion of accumulated vacation and sick pay benefits due employees.	376,656
Total Governmental Activities Long-Term Debt	<u>\$14,810,847</u>

Long-term debt for the business-type activities is comprised of the following as of September 30, 2015:

<u>State Revolving Loan (2003)</u> : The City entered into a revolving loan agreement with the State of Florida Department of Environmental Protection (DEP) on November 5, 2001, whereby DEP agreed to finance a sanitary sewer and reclaimed water relocation – reconstruction project. The final amended agreement provided for a total amount of available loan proceeds of \$492,549. The total amount drawn on the loan, including capitalized interest and excluding service fees, was \$287,004. The loan is to be repaid in semi-annual installments of \$9,725, including interest at 3.05%, through September 15, 2023. The first payment was due March 15, 2004. The loan is secured by a lien on pledged revenues from the wastewater system after payment of operation and maintenance expenses.	\$ 137,145
<u>State Revolving Loan (2005)</u> : The City entered into a revolving loan agreement with the State of Florida Department of Environmental Protection (DEP) on May 14, 2004, whereby DEP agreed to finance a new master lift station. The final amended agreement provided for a total amount of available loan proceeds of \$3,630,146. The total amount drawn on the loan, excluding capitalized interest and service fees, was \$3,515,929. The remaining balance of the loan is to be repaid in semi-annual installments of \$111,053, including interest at 2.60%, through September 15, 2026. The first payment was due March 15, 2007. The loan is secured by a lien on pledged revenues from the wastewater system after payment of operation and maintenance expenses.	2,111,865

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE F - LONG-TERM DEBT** (continued)

Wastewater Utility System Revenue Bond, Series 2015: A revenue bond in the amount of \$5,000,000 was issued for the principal purpose of financing costs of the acquisition, construction and equipping of various capital improvements to the City’s wastewater utility system. The bond matures in various amounts annually, ranging from \$162,000 to \$355,000, through May 1, 2035. Interest on the outstanding bond accrues at a rate of 4.02% and is payable semi-annually on May 1 and November 1. The bond principal and interest is secured by and payable from the net revenues, including connection fees, of the Wastewater Utility System. \$ 5,000,000

Stormwater Improvement Assessment Bond, Series 2015: An assessment bond in the amount of \$3,000,000 was issued for the principal purpose of financing costs of the acquisition, construction and equipping of various stormwater improvements. The bond matures semi-annually on May 1 and November 1, in various amounts ranging from \$84,000 to \$126,000, through May 1, 2030. Interest on the outstanding bond accrues at a rate of 2.95% and is payable semi-annually on May 1 and November 1. The bond principal and interest is secured by and payable from the annual assessments levied on the real property benefited by the City’s Stormwater Utility System, and if necessary, other available non-Ad valorem revenues.. 3,000,000

Accumulated unused compensated absences: Represents the vested portion of accumulated vacation and sick pay benefits due employees. 28,091  
 Total Business-Type Activities Long Term Debt \$10,277,101

Interest expense and fiscal charges for Governmental Activities in the amount of \$277,514 has been separately reported as interest on long-term debt in the Statement of Activities for the year ended September 30, 2015. Interest expense of \$188,646 has been reported for the Business-type Activities – Enterprise Funds for the year ended September 30, 2015.

Funding of Revenue Bonds, Series 2006

The total amount of principal and interest paid during fiscal year 2015 on the Revenue Bonds, Series 2006 was \$365,000 and \$78,500, respectively. The debt service payments are secured by non – ad valorem revenues. The City has identified the infrastructure sales tax revenues as the source for the debt service payments on the Revenue Bonds, Series 2006. The combined amount of debt service payments for the Revenue Bonds, Series 2006, and the amount of infrastructure sales tax revenues received for fiscal year 2015 was \$443,500 and \$923,839, respectively.

Funding Requirements for Capital Improvement Revenue Bonds, Series 2015

The bond agreement provides that the City will establish a debt service sinking fund which shall be dedicated solely for the repayment of the bonds. The required balances and the amount of restricted assets recorded in the Capital Improvement Projects Fund as of September 30, 2015, are as follows:

Interest account	\$ 137,569
Principal account	<u>131,250</u>
Total restricted assets	<u>\$ 268,819</u>

There were no debt service payments due on the bonds for the year ended September 30, 2015. Interest expense has been accrued as of September 30, 2015 in the amount of \$137,569.

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE F - LONG-TERM DEBT** (continued)

Funding Requirements of State Revolving Loan (1992)

The loan agreement provided that the City would initially establish an escrow account in the amount of \$4,342,334, which would be reserved along with the earnings thereon, and dedicated solely for the repayment of the loan. This Escrow account was established and was accounted for in the Reclaimed Water Fund as a restricted asset. Additionally, the City was required to establish a pledged revenue escrow account in the amount of \$100,000, which was to be reserved, along with the earnings thereon, as pledged security for the loan. A loan repayment reserve account was also required to be established in the amount of 15% of the annual loan payment. The escrow account and loan repayment reserve account were accounted for in the Reclaimed Water Fund as restricted assets.

The City used the Reserved Escrow Account funds to purchase \$4,342,417 of U.S. Treasury Zero Coupon Bonds with an original face value of \$10,000,000. The U.S. Treasury bonds matured in \$500,000 increments annually for twenty years through November 15, 2014. This maturity schedule coincided with the annual loan repayment terms requiring annual payments through December 31, 2014. The balance remaining in the pledged reserve escrow account after the final payment was made in December 2014 became unrestricted at that time is available for the general operations of the Reclaimed Water Fund.

The total amount of principal and interest paid for fiscal year 2015 on the 1992 State Revolving Loan was \$597,083, of which \$500,000 was paid from the maturing U. S. Treasury bond and \$97,083 from the pledged reclaimed water system revenues. The total amount of reclaimed water system revenues for fiscal year 2015 was \$867,797.

Funding Requirements of State Revolving Loan (2003)

The loan agreement provides that the City shall establish a Loan Repayment Reserve Account in the amount of \$14,346 by September 15, 2003 which shall be dedicated solely for the repayment of the loan. Additionally, a Loan Debt Service Account shall be established by September 15, 2003 into which shall be deposited monthly 1/6<sup>th</sup> of the semi-annual loan payment of \$9,725. These Escrow accounts have been established and are accounted for in the Wastewater Fund as a restricted asset. The required balances and the amount of restricted assets as of September 30, 2015, are as follows:

Loan Repayment reserve account	\$ 14,346
Loan Debt Service account	1,621
Total restricted assets	<u>\$ 15,967</u>

The total amount of principal and interest paid for fiscal year 2015 on the 2003 State Revolving Loan was \$19,449. This amount was paid from the pledged wastewater system revenues. The total amount of wastewater system revenues plus debt proceeds utilized for fiscal year 2015 was \$5,327,850 and operating expenditures and capital outlay expenditures, exclusive of debt service payments totaled \$5,362,679. The short-fall in available funds required the use of cash accumulated in prior years.

Funding Requirements of State Revolving Loan (2005)

The loan agreement provides that a Loan Debt Service Account shall be established by September 15, 2006 into which shall be deposited monthly 1/6<sup>th</sup> of the semi-annual loan payment of \$111,053. This Escrow account has been established and is accounted for in the Wastewater Fund as a restricted asset. The required balance and the amount of restricted assets as of September 30, 2015, are as follows:

Loan Debt Service account	<u>\$ 20,927</u>
Total restricted assets	<u>\$ 20,927</u>

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE F - LONG-TERM DEBT** (continued)

The total amount of principal and interest paid for fiscal year 2015 on the 2005 State Revolving Loan was \$222,106. This amount was paid from the pledged wastewater system revenues. The total amount of wastewater system revenues plus debt proceeds utilized for fiscal year 2015 was \$5,327,850 and operating expenditures and capital outlay expenditures, exclusive of debt service payments totaled \$5,362,679. As stated above, the short-fall in available funds required the use of cash accumulated in prior years.

Funding Requirements for Wastewater Utility System Revenue Bond, Series 2015

The bond agreement provides that the City will establish a debt service sinking fund which shall be dedicated solely for the repayment of the bond. The required balances and the amount of restricted assets recorded in the Wastewater Fund as of September 30, 2015, are as follows:

Interest account	\$ 86,077
Principal account	67,500
Total restricted assets	<u>\$ 153,577</u>

There were no debt service payments due on the bond for the year ended September 30, 2015. Interest expense has been accrued as of September 30, 2015 in the amount of \$89,211.

Funding Requirements for Stormwater Improvement Assessment Bond, Series 2015

The bond agreement provides that the City will establish a debt service sinking fund which shall be dedicated solely for the repayment of the bond. The required balances and the amount of restricted assets recorded in the Stormwater Fund as of September 30, 2015, are as follows:

Interest account	\$ 34,724
Principal account	35,000
Total restricted assets	<u>\$ 69,724</u>

There were no debt service payments due on the bond for the year ended September 30, 2015. Interest expense has been accrued as of September 30, 2015 in the amount of \$31,607.

The restricted assets pertaining to the funding requirements for the City’s long-term debt are presented in the accompanying Statement of Net Position as of September 30, 2015 as follows:

Current assets – Restricted cash equivalents	
Long-term debt requirements	
Capital Improvement Revenue Bonds, Series 2015	\$ 268,819
State Revolving Loan (2003)	15,967
State Revolving Loan (2005)	20,927
Wastewater Utility System Revenue Bond, Series 2015	153,577
Stormwater Improvement Assessment Bond, Series 2015	69,724
Total restricted assets – long-term debt requirements	<u>\$ 529,014</u>

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE F - LONG-TERM DEBT** (continued)

The City has not fully expended the bond proceeds received from the issuance of the Capital Improvement Revenue Bonds, Series 2015, the Wastewater Utility System Revenue Bond, Series 2015 and the Stormwater Improvement Assessment Bond, Series 2015. The unexpended bond proceeds are reported as restricted assets in the accompanying Statement of Net Position as of September 30, 2015 as follows:

Current assets – Restricted cash equivalents	
Unexpended bond proceeds	
Capital Improvement Revenue Bonds, Series 2015	\$12,400,521
Wastewater Utility System Revenue Bond, Series 2015	4,891,695
Stormwater Improvement Assessment Bond, Series 2015	2,870,405
Total restricted assets – unexpended bond proceeds	<u>\$20,162,621</u>

The annual requirements to amortize the long-term debt for governmental activities as of September 30, 2015, are as follows:

<u>Revenue Bonds, Series 2006</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 385,000	\$ 60,250	\$ 445,250
2017	400,000	41,000	441,000
2018	420,000	21,000	441,000
	<u>\$ 1,205,000</u>	<u>\$ 122,250</u>	<u>\$ 1,327,250</u>

<u>Capital Improvement Revenue Bonds, Series 2015</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 315,000	\$ 434,681	\$ 749,681
2017	245,000	501,769	746,769
2018	250,000	496,869	746,869
2019	260,000	489,369	749,369
2020	265,000	481,569	746,569
	1,335,000	2,404,257	3,739,257
2021-2025	1,525,000	2,220,844	3,745,844
2026-2030	1,870,000	1,871,456	3,741,456
2031-2035	2,240,000	1,505,137	3,745,137
2036-2040	2,715,000	1,021,775	3,736,775
2041-2045	3,315,000	421,575	3,736,575
	<u>\$13,000,000</u>	<u>\$9,445,044</u>	<u>\$22,445,044</u>

<u>Capital Leases</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 74,637	\$ 5,363	80,000
2017	76,383	3,617	80,000
2018	78,171	1,829	80,000
	<u>\$ 229,191</u>	<u>\$ 10,809</u>	<u>\$ 240,000</u>

<u>Total Annual Requirements Excluding Accumulated Unused Compensated Absences</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 774,637	\$ 500,294	\$ 1,274,931
2017	721,383	546,386	1,267,769
2018	748,171	519,698	1,267,869
2019	260,000	489,369	749,369
2020	265,000	481,569	746,569
	2,769,191	2,537,316	5,306,507
2021-2025	1,525,000	2,220,844	3,745,844

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE F - LONG-TERM DEBT** (continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026-2030	\$ 1,870,000	\$1,871,456	\$ 3,741,456
2031-2035	2,240,000	1,505,137	3,745,137
2036-2040	2,715,000	1,021,775	3,736,775
2041-2045	3,315,000	421,575	3,736,575
	<u>\$14,434,191</u>	<u>\$9,578,103</u>	<u>\$24,012,294</u>

The annual requirements to amortize the long-term debt for business-type activities as of September 30, 2015, are as follows:

<u>State Revolving Loan (2003)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 15,340	\$ 4,109	\$ 19,449
2017	15,814	3,635	19,449
2018	16,303	3,146	19,449
2019	16,807	2,642	19,449
2020	17,327	2,122	19,449
	81,591	15,654	97,245
2021-2023	55,554	3,085	58,639
	<u>\$ 137,145</u>	<u>\$ 18,739</u>	<u>\$ 155,884</u>

<u>State Revolving Loan (2005)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 168,329	\$ 53,778	\$ 222,107
2017	172,735	49,372	222,107
2018	177,255	44,852	222,107
2019	181,894	40,213	222,107
2020	186,654	35,453	222,107
	886,867	223,668	1,110,535
2021-2025	1,009,141	101,394	1,110,535
2026	215,857	4,161	220,018
	<u>\$ 2,111,865</u>	<u>\$ 329,223</u>	<u>\$ 2,441,088</u>

<u>Wastewater Utility System Revenue Bond, Series 2015</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 162,000	\$ 206,583	\$ 368,583
2017	174,000	194,488	368,488
2018	182,000	187,493	369,493
2019	189,000	180,176	369,176
2020	196,000	172,579	368,579
	903,000	941,319	1,844,319
2021-2025	1,107,000	737,992	1,844,992
2026-2030	1,348,000	496,832	1,844,832
2031-2035	1,642,000	203,251	1,845,251
	<u>\$ 5,000,000</u>	<u>\$2,379,394</u>	<u>\$7,379,394</u>

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE F - LONG-TERM DEBT** (continued)

Stormwater Improvement Assessment Bond, Series

<u>2015</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 84,000	\$ 83,337	\$ 167,337
2017	171,000	84,768	255,768
2018	176,000	79,694	255,694
2019	181,000	74,458	255,458
2020	187,000	69,075	256,075
	799,000	391,332	1,190,332
2021-2025	1,020,000	258,789	1,278,789
2026-2030	1,181,000	97,866	1,278,866
	<u>\$ 3,000,000</u>	<u>\$ 747,987</u>	<u>\$ 3,747,987</u>

Total Annual Requirements Excluding  
Accumulated Unused Compensated Absences

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 429,669	\$ 347,807	\$ 777,476
2017	533,549	332,263	865,812
2018	551,558	315,185	866,743
2019	568,701	297,489	866,190
2020	586,981	279,229	866,210
	2,670,458	1,571,973	4,242,431
2021-2025	3,191,695	1,101,260	4,292,955
2026-2030	2,744,857	598,859	3,343,716
2031-2035	1,642,000	203,251	1,845,251
	<u>\$ 10,249,010</u>	<u>\$3,475,343</u>	<u>\$13,724,353</u>

The following is an analysis of the leased property under capital lease:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Governmental Activities:			
Pumper Fire Truck	<u>\$ 379,132</u>	<u>\$ 50,551</u>	<u>\$ 328,581</u>

**NOTE G - PENSIONS**

**Defined Benefit Plans**

The City administers three defined benefit pension plans (the Plans): the Police Officers' Retirement System (Police Pension), the Firefighters' Retirement System (Firefighters' Pension) and the General Employees' Retirement System (General Pension). All three of the Plans are single employer defined benefit plans. The Plans are administered pursuant to the following laws: Police Pension - Florida Statutes Chapter 185; Firefighters' Pension - Florida Statutes Chapter 175, and General Pension - City Code of Ordinances Chapter 16, Article III. The Plans are reported herein as Fiduciary Funds as part of the City's reporting entity. The financial statements of each Plan are included in the Comprehensive Annual Financial Report of the City. The Plans do not issue stand-alone financial reports.

The investments of the Plans are held by the City in a trustee capacity and are maintained in segregated trust accounts for each Plan. The trust accounts are managed by a professional trustee pursuant to trust agreements with the City. The costs of administering the pension funds, including professional fees, are paid by each respective pension plan.

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE G – PENSIONS** (continued)

The Police Pension is administered by a 5-member Board of Trustees that is comprised of two legal residents appointed by the City Commission, two members of the system elected by a majority of the membership, and the fifth member is elected by the other four members and is appointed by the Commission.

The Firefighters’ Pension is administered by a 5-member Board of Trustees that consists of two individuals appointed by the City Commission, two full-time firefighters who are elected by a majority of the members of the plan, and a fifth Trustee who is chosen by a majority of the other four members.

The General Pension is administered by a 5-member Board of Trustees that is made up of the Mayor, City Manager, two employee members elected by the membership, and one public member appointed by the City Commission.

The Plans’ significant accounting policies are as follows (several of these policies are briefly disclosed in Note A to the financial statements):

Basis of Accounting: The Plans’ financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plans are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Method Used to Value Investments: Investments are reported at fair value. Short-term money market type investments are reported at cost, which is equal to fair value. Securities traded on a national exchange are valued at the last reported sales price.

*Plan Description:* Each of the Plans provides retirement, disability, death benefits and deferred retirement option plans (DROP) to plan members and their beneficiaries. Each Plan has early retirement provisions and cost of living increase provisions.

*Membership of the Plans:* Membership of each plan consisted of the following at October 1, 2014:

	Police Pension	Firefighters’ Pension	General Pension
Inactive plan members or beneficiaries currently receiving benefits	26	24	77
Inactive plan members entitled to but not yet receiving benefits	7	3	45
Active plan members	1	26	19
	<u>34</u>	<u>53</u>	<u>141</u>

*Benefits Provided:*

Police Pension:

1. As a result of the Police Department being merged into the Pinellas County Sheriff’s Department, Plan members can elect to remain in the Police Pension or enter into the Florida Retirement System.
2. A freeze on all accrued benefits was implemented as of January 31, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Such members will accrue benefits in accordance with the Plan provisions in effect prior to January 31, 2013: members hired before 10-1-81 will receive 3.2% of average final compensation for service to 10-1-81 plus 4% of average final compensation for service from 10-1-81 to 1-13-13 and for members hired after 10-1-81 will receive 3.2% of average final compensation for service up to 1-31-13.

September 30, 2015

**NOTE G – PENSIONS** (continued)

3. For all Plan members that had not completed 10 years of credited service by January 31, 2013, the normal retirement date will be the earlier of attaining age 60 and the completion of 10 years of credited service or the completion of 30 years of credited service regardless of age.
4. Early retirement is the earlier of age 50 and 10 years of credited service and 20 years of credited service regardless of age for frozen benefits. There is no early retirement for those that don't have frozen benefits, except that if a member had 10 years of credited service on January 31, 2013 then prior retirement criteria applies to both benefits. The amount is equal to the accrued benefit, reduced 3% per year.
5. A member is 10% vested after 1 year of credited service plus 10% per year thereafter up to 100% after 10 years if they have frozen benefits and 100% after 10 years of credited service for all other participants. A member will receive the vested portion of their accrued benefit payable at the otherwise normal retirement date.
6. Members are eligible for total and permanent disability benefits after 10 years of credited service (for non-service incurred) or from the date of hire (for service-incurred). The benefits are accrued to the date of disability but not less than 50% of average final compensation for service-incurred disability.
7. Pre-retirement death benefits for vested individuals is equal to the value of accrued benefits payable on a monthly basis to the beneficiary for 10 years. For non-vested members, benefits include a refund of contributions without interest.
8. Retirees receive a 3% per year cost of living adjustment (COLA) commencing 7 years after retirement (10 years after retirement if they retired prior to March 14, 2006) on any frozen benefits. There is no COLA for members without frozen benefits.
9. Plan members will not be able to enter the Deferred Retirement Option Program (DROP) effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Participation is not to exceed 60 months and the member can elect a rate of return equal to 7.5% annual rate or actual net rate of investment return credited each fiscal quarter. The DROP balance as of September 30, 2014 was \$369,630.
10. Member contribution rates were lowered from 8.3% to 3% effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date who will continue to make contributions at 8.3%.

Firefighters' Pension:

1. A freeze on all accrued benefits was implemented as of December 31, 2012 except for Plan members who have attained the earlier of age 55 or 25 years of credited service as of that date, regardless of age. Such members will accrue benefits on the frozen portion in accordance with the Plan provisions in effect prior to December 31, 2012, receiving 3.4% of their average final compensation times credited service.
2. The normal retirement date for all Plan members that had not completed 10 years of credited service by January 1, 2013 such that the normal retirement date is the earlier of attaining age 60 or the completion of 30 years of credited service regardless of age. These members will receive 1.25% of their average final compensation times credited service.
3. The maximum combined benefit is 75% of average final compensation. If a member's accrued benefit as of January 1, 2013 is greater than or equal to 75% of average final compensation, the benefit percentage may not be reduced.
4. For members with frozen benefits, early retirement is the earlier of age 50 and 10 years of credited service or the completion of 20 years credited service, regardless of age. The benefit amount is the accrued benefit reduced by 3% for each year commencement of benefits precedes the normal retirement date. There is no early retirement for members without frozen benefits.
5. A member becomes 100% vested after attaining 10 years of credited service and is 0% vested prior to attaining 10 years of credited service. The members will receive the vested portion of their accrued benefits payable at the otherwise normal retirement date. Pre-freeze members will continue to use the 10% per year vesting schedule.
6. Members are eligible for total and permanent disability benefits after 10 years of credited service (for non-service incurred) or from the date of hire (for service-incurred). The benefits are accrued to the date of disability but not less than 42% of average final compensation for service-incurred disability.
7. Pre-retirement death benefits for vested individuals is equal to the value of accrued benefits payable on a monthly basis to the beneficiary for 10 years. For non-vested members, member contributions are refunded.

September 30, 2015

**NOTE G – PENSIONS** (continued)

8. Retirees receive a 3% per year cost of living adjustment (COLA) commencing 7 years after retirement on any frozen benefits. There is no COLA for members without frozen benefits.
9. Plan members will not be able to enter the Deferred Retirement Option Program (DROP) effective January 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Participation is not to exceed 60 months and the member can elect a rate of return equal to 7.5% annual rate or the actual net rate of investment return credited each fiscal quarter. The DROP balance as of September 30, 2015 was \$-0-.
10. Member contribution rates were lowered from 10.3% to 3% effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date who will continue to make contributions at 10.3%.

General Pension:

1. A freeze on all accrued benefits was implemented as of September 30, 2012 except for Plan members who have attained age 55 or 25 years of credited service as of that date, regardless of age. Such members will accrue benefits on the frozen portion in accordance with the Plan provisions in effect prior to September 30, 2012, receiving 2.25% of their average final compensation times credited service.
2. The normal retirement date for members hired before October 1, 2002 is the earlier of age 55 or the completion of 25 years of credited service, regardless of age. For individuals hired after October 1, 2002, normal retirement is the earlier of age 60 with 10 years of credited service or the completion of 30 years credited service, regardless of age, and will receive 1.00% of average final compensation time credited service earned on and after October 1, 2012.
3. The maximum combined benefit is 75% of average final compensation.
4. For members with frozen benefits, early retirement is age 50 and the completion of 10 years of credited service. The benefit amount is the accrued benefit reduced by 1/15<sup>th</sup> for each year that the commencement of payments precedes normal retirement. There is no early retirement for members without frozen benefits.
5. A member becomes 10% vested after 1 year of credited service for frozen benefits and is 100% vested after attaining 10 years of credited service. Members without frozen benefits are 0% vested prior to attaining 10 years of credited service. A member will receive the vested portion of their accrued benefit payable at the otherwise normal retirement date or on a reduced basis beginning at early retirement.
6. Members are eligible for total and permanent disability after 10 years of credited service. The benefit is accrued to the date of disability.
7. Pre-retirement death benefits are equal to the value of the accrued benefit payable on a monthly basis to the designated beneficiary for 10 years.
8. Retirees receive a 3% per year cost of living adjustment (COLA) on any frozen benefits after completing 10 years of retirement. There is no COLA for members without frozen benefits.
9. Plan members will not be able to enter the Deferred Retirement Option Program (DROP) effective October 1, 2012 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Participation is not to exceed 60 months and the member can elect a rate of return equal to 7.5% annual rate or the actual net rate of investment return credited each fiscal quarter. The DROP balance as of September 30, 2015 was \$287,099.
10. Member contribution rates were lowered from 7.6% to 3% effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date who will continue to make contributions at 7.6%.

*Net Pension Liability:* As noted previously, during the year ended September 30, 2015, the City adopted GASB 68 *Accounting and Financial Reporting for Pensions*. This required the City to record on its financial statements, its net pension liability for the Police Pension, Firefighters' Pension and General Pension. The net pension liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

The City's pension liability recorded in the September 30, 2015 financial statements was measured as of September 30, 2015.

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE G – PENSIONS** (continued)

*Actuarial Assumptions:* The total pension liability was determined using the following actuarial assumptions:

	Police Pension	Firefighters' Pension	General Pension
Projected salary increases	5% per year	4.5% per year	5% per year
Inflation rate	3%	3%	3%
Discount rate	7%	7.75%	7.75%
Investment rate of return	7%	7.75%	7.75%
Mortality rate	RP 2000 Combined Healthy Mortality Table, Disabled Lives Set Forward 5 Years	Sex Distinct RP 2000 Combined Healthy Mortality Table, Disabled Lives Set Forward 5 Years	Sex Distinct RP 2000 Combined Healthy Mortality Table, Disabled Lives Set Forward 5 Years

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The best estimates of arithmetic real rates of return for each major asset class included in the Plans' adopted target asset allocation policy as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Police Pension Target Allocation</u>	<u>Police Pension Expected Return</u>	<u>Firefighters' Pension Target Allocation</u>	<u>Firefighters' Pension Expected Return</u>	<u>General Pension Target Allocation</u>	<u>General Pension Expected Return</u>
Domestic Equity	45%	7.5%	50%	7.5%	48%	7.64%
International Equity	10%	8.5%	10%	8.5%	6%	7.61%
Global Fixed Income	5%	3.5%	5%	3.5%	-	-
Domestic Fixed Income	40%	2.5%	-	-	-	-
Broad Market Fixed Income	-	-	35%	2.5%	-	-
Fixed Income	-	-	-	-	40%	2.35%
Real Estate Investment Trusts	-	-	-	-	6%	5.77%

None of the plans held investments in any one organization that represents 5% or more of the Plans' fiduciary net position.

The annual money-weighted rate of return on Plan investments, net of investment expense for the year ended September 30, 2015 was:

Police Pension	Firefighters' Pension	General Pension
-1.17%	-.66%	-.06%

The discount rate used to measure the total pension liability was 7% for the Police Pension, 7.75% for the Firefighters' Pension and 7.75% for the General Pension. The projection of cash flows used to determine the discount rate assumed that plan member (employees) contributions will be made at the current contribution rate and that plan sponsor (employer) contributions will be made at rates equal to the difference between actuarially determined contribution rates and the plan member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE G – PENSIONS** (continued)

projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Net Pension Liability:*

	Police Pension	Firefighters' Pension	General Pension
Total Pension Liability	\$ 16,544,688	\$ 16,543,943	\$ 16,679,049
Plan Fiduciary Net Position	(11,133,316)	(10,621,034)	(11,288,879)
Net Pension Liability	\$ 5,411,372	\$ 5,922,909	\$ 5,390,170
Net Position as a Percentage of Total Pension Liability	67.29%	64.20%	67.68%

*Change in Net Pension Liability:* The change in the net pension liability for each pension plan for the year ended September 30, 2015 is as follows:

*Police Pension*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	a	b	a -b
Beginning balance	\$ 16,270,332	\$ 11,856,983	\$ 4,413,349
Changes for the year:			
Service cost	15,380	-	15,380
Interest	1,101,556	-	1,101,556
Differences between expected and actual experience	255,813	-	255,813
Contributions - employer	-	444,748	(444,748)
Contributions - State	-	87,677	(87,677)
Contributions - employees	-	274	(274)
Net investment income (loss)	-	(133,318)	133,318
Benefit payments, including refund of Employee contributions	(1,098,393)	(1,098,393)	-
Administrative expense	-	(24,655)	24,655
Net changes	274,356	(723,667)	998,023
Ending balance	\$ 16,544,688	\$ 11,133,316	\$ 5,411,372

The Plan Fiduciary Net Position as reported in the Statement of Fiduciary Net Position on page 63 of this report is \$11,118,583. The difference of \$14,733 compared to the amount as reported in the table above is due to timing differences resulting from the accrual of income and expense items.

*Firefighters' Pension*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	a	b	a -b
Beginning balance	\$ 16,345,362	\$ 11,205,448	\$ 5,139,914
Changes for the year:			
Service cost	230,254	-	230,254
Interest	1,212,870	-	1,212,870
Differences between expected and actual experience	103,860	-	103,860
Contributions - employer	-	413,656	(413,656)
Contributions - State	-	392,128	(392,128)

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE G – PENSIONS** (continued)

*Firefighters' Pension (continued)*

	Increase (Decrease)		
	Total Pension Liability a	Plan Fiduciary Net Position b	Net Pension Liability a -b
Contributions - employees	-	50,369	(50,369)
Net investment income (loss)	-	(72,360)	72,360
Benefit payments, including refund of Employee contributions	(1,348,403)	(1,348,403)	-
Administrative expense	-	(19,804)	19,804
Net changes	198,581	(584,414)	782,995
Ending balance	<u>\$ 16,543,943</u>	<u>\$ 10,621,034</u>	<u>\$ 5,922,909</u>

The Plan Fiduciary Net Position as reported in the Statement of Fiduciary Net Position on page 63 of this report is \$10,619,377. The difference of \$1,657 compared to the amount as reported in the table above is due to timing differences resulting from the accrual of income and expense items

*General Pension*

	Increase (Decrease)		
	Total Pension Liability a	Plan Fiduciary Net Position b	Net Pension Liability a -b
Beginning balance	\$ 16,603,678	\$ 11,944,765	\$ 4,658,913
Changes for the year:			
Service cost	67,894	-	67,894
Interest	1,244,204	-	1,244,204
Differences between expected and actual experience	(2,077)	-	(2,077)
Contributions - employer	-	585,936	(585,936)
Contributions - employees	-	29,971	(29,971)
Net investment income (loss)	-	(6,633)	6,633
Benefit payments, including refund of Employee contributions	(1,234,650)	(1,234,650)	-
Administrative expense	-	(30,510)	30,510
Net changes	75,371	(655,886)	731,257
Ending balance	<u>\$ 16,679,049</u>	<u>\$ 11,288,879</u>	<u>\$ 5,390,170</u>

The Plan Fiduciary Net Position as reported in the Statement of Fiduciary Net Position on page 63 of this report is \$11,252,023. The difference of \$36,856 compared to the amount as reported in the table above is due to timing differences resulting from the accrual of income and expense items

*Sensitivity of the net pension liability to changes in the discount rate:*

Police Pension:

	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 7,236,207	\$ 5,411,372	\$ 3,886,891

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE G – PENSIONS** (continued)

Firefighters' Pension:

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	\$ 7,795,597	\$ 5,922,909	\$ 4,355,105

General Pension:

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	\$ 7,059,609	\$ 5,390,170	\$ 3,978,856

For the year ended September 30, 2015, the City recognized pension expense under GASB 68 in the following amounts: Police Pension - \$138,325, Firefighters' Pension - \$341,688 and General Pension - \$454,443.

The City has reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions in the Statement of Net Position as of September 30, 2015 from the following sources:

*Police Pension*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 168,630
Net difference between projected and actual earnings on pension plan investments	754,116	-
Employer contributions subsequent to the measurement date	494,120	-
Total	<u>\$ 1,248,236</u>	<u>\$ 168,630</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to the Police Pension will be recognized in pension expense as follows:

Year ended September 30:	Amount
2016	\$ 132,319
2017	132,319
2018	132,319
2019	188,529
2020	-
Thereafter	-

*Firefighters' Pension*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 120,948
Net difference between projected and actual earnings on pension plan investments	814,647	-
Total	<u>\$ 814,647</u>	<u>\$ 120,948</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to the Firefighters' Pension will be recognized in pension expense as follows:

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE G – PENSIONS** (continued)

<u>Year ended September 30:</u>	<u>Amount</u>		
2016	\$ 169,837		
2017	169,837		
2018	169,837		
2019	184,188		
2020	-		
Thereafter	-		
 <i>General Pension</i>			
		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -	\$ 209,467
Net difference between projected and actual earnings on pension plan investments		<u>725,756</u>	<u>-</u>
Total	<u>\$ 725,756</u>	<u>\$ 725,756</u>	<u>\$ 209,467</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to the General Pension will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	<u>Amount</u>
2016	\$ 111,617
2017	111,617
2018	111,617
2019	181,349
2020	-
Thereafter	-

*Financial Statements:*

The financial statements for each of the Retirement Funds as of and for the year ended September 30, 2015 are as follows:

Statement of Fiduciary Net Position  
September 30, 2015

	<u>Police</u>	<u>Firefighters'</u>	<u>General</u>
<b>Assets</b>			
Investments, at fair value	\$ 11,021,243	\$ 10,389,309	\$ 11,213,295
Receivables	<u>112,073</u>	<u>259,798</u>	<u>53,301</u>
Total assets	11,133,316	10,649,107	11,266,596
<b>Liabilities</b>			
Administrative expenses payable	<u>14,733</u>	<u>29,730</u>	<u>14,573</u>
Total Liabilities	<u>14,733</u>	<u>29,730</u>	<u>14,573</u>
<b>Net Position</b>			
Held in Trust for Pension Benefits	<u>\$ 11,118,583</u>	<u>\$ 10,619,377</u>	<u>\$ 11,252,023</u>

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE G – PENSIONS** (continued)

Statement of Changes in Fiduciary Net Position  
For the year Ended September 30, 2015

	<u>Police</u>	<u>Firefighters'</u>	<u>General</u>
Additions			
Contributions			
Employer	\$ 444,748	\$ 551,231	\$ 560,910
Plan members	274	50,745	29,867
	<u>445,022</u>	<u>601,976</u>	<u>590,777</u>
Intergovernmental revenue			
State excise tax rebate and Supplemental Compensation Trust Fund	87,677	182,199	-
Investment earnings			
Net appreciation (depreciation) in fair value of investments	(568,434)	(239,936)	(335,829)
Interest and dividends	481,623	251,265	374,332
Miscellaneous Income	1,191	16,080	1,348
Total investment earnings (loss)	<u>(85,620)</u>	<u>27,409</u>	<u>39,851</u>
Less investment expense	41,070	71,723	35,492
Net investment earnings (loss)	<u>(126,690)</u>	<u>(44,314)</u>	<u>4,359</u>
Total additions	<u>406,009</u>	<u>739,861</u>	<u>595,136</u>
Deductions			
Benefits	1,082,504	905,927	946,521
Lump sum Deferred Retirement Option Plan (DROP) payments	-	436,574	286,580
Refunds of contributions	12,141	8,107	1,549
Administrative expenses	42,848	31,816	42,519
Total deductions	<u>1,137,493</u>	<u>1,382,424</u>	<u>1,277,169</u>
Change in Net Position	(731,484)	(642,563)	(682,033)
Net Position – October 1, 2014	<u>11,850,067</u>	<u>11,261,940</u>	<u>11,934,056</u>
Net Position – September 30, 2015	<u>\$ 11,118,583</u>	<u>\$ 10,619,377</u>	<u>\$ 11,252,023</u>

**Defined Contribution Plans**

Plan Description: The City implemented a defined contribution - money purchase - retirement plan (the Plan) during fiscal year 2005. Eligible participants consist of the city manager, department directors and other managerial, administrative, professional and supervisory personnel that have opted out of the General Employees' Retirement System. All Plan provisions, including benefits, eligibility and vesting, are established by the City Commission and can only be amended with Commission approval.

Funding Policy: Pursuant to the Plan agreement the City contributes 12% of eligible wages pertaining to the city manager and department directors and 10% of eligible wages for all other personnel that elect to participate. The City's contributions for

September 30, 2015

**NOTE G – PENSIONS** (continued)

the years ended September 30, 2015, 2014 and 2013 were \$134,768, \$133,278, and \$120,169, respectively. The City contributed the required amount for each fiscal year.

**Plan Description:** The City implemented an additional defined contribution - money purchase - retirement plan (the General & Special Risk Retirement Plan) effective October 1, 2012. Eligible participants consist of non-managerial general employees and firefighters that elect to participate in the General & Special Risk Retirement Plan. Participants that elect to participate in the General & Special Risk Retirement Plan are still required to participate in the Firefighters' Pension Plan or the General Pension Plan.

**Funding Policy:** The City makes a matching contribution to the General & Special Risk Retirement Plan as follows: general employees with less than 14 years of credited service as of October 1, 2012 can contribute up to 5% of their earnings each year and the City will match 50% of the contribution percentage up to 2.5% of the employee's contribution; general employees with more than 14 years of credited service as of the effective date can contribute up to 5% of earnings and the City will match 75% of the contribution percentage up to 3.75% of the employee's contribution. Firefighters with less than 14 years of credited service as of October 1, 2012 can contribute up to 10% of their earnings each year and the City will match 50% of the contribution percentage up to 5% of the employee's contribution; Firefighters with more than 14 years of credited service as of the effective date can contribute up to 10% of earnings and the City will match 75% of the contribution percentage up to 7.5% of the employee's contribution. The City's matching contribution for September 30, 2015, 2014 and 2013 was \$122,024, \$118,189 and \$81,238, respectively. The City contributed the required amount for the year.

The Plans are administered by ICMA Retirement Corporation. The Plan provides retirement benefits to plan members and beneficiaries. ICMA Retirement Corporation issues financial statements and reports as well as required supplementary information regarding the Plan. This information can be obtained by writing ICMA Retirement Corporation at 777 North Capitol Street NE, Washington, D.C. 20002-4240 or by calling 800-326-7272.

**NOTE H – OTHER POSTEMPLOYMENT BENEFITS PLAN**

The City adopted the provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", as of October 1, 2008. This Statement provides for the determination and disclosure of the annual cost of providing other postemployment benefits (OPEB). The City provides other postemployment benefits in the form of the Other Postemployment Benefits Program.

**Plan Description:** The City provides a defined benefit postemployment health care, dental and life insurance plan, the Other Postemployment Benefits Program (the Plan), whereby retired employees are able to purchase health care, dental and life benefits through the City's health care, dental and life insurance providers. The Plan is administered by the City as a single-employer plan. The Plan is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for the Plan. All approved benefits are paid from general assets when due. The Plan does not issue separate, stand-alone audited financial statements.

To be eligible to participate in the Plan, *General employees* must have been participating in the City's General Employee Pension Plan and have retired at age 60 with a minimum of 10 years of vesting service, or the completion of 30 years of service (earlier of 55 years old or 25 years of service if hired before October 1, 2002.). *Firefighter employees* are eligible to participate in the Plan if have been participating in the City's Firefighters' Pension Plan and they retire at the age of 60 with 10 years of service, or upon completion of 30 years of service. *Police Officer employees* are eligible to participate in the Plan if they have been participating in the City's Police Pension Plan and they retire at the age of 60 or above with 10 years of service, or the completion of 30 years of service (earlier of 55 or 25 years of service if hired before February 1, 2003.)

The retired employees (including their eligible dependents) that are eligible to participate in the Plan are required to pay 100% of their respective health care, dental and life insurance premiums.

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

The City’s overall cost of providing health care, dental and life insurance benefits is increased as a result of an implicit insurance rate subsidy resulting from retired employees being permitted to pay lower than age-adjusted premiums through the use of blended premiums for both retirees and active employees. The resulting incremental increase in health care, dental and life insurance premiums results in an actuarial accrued liability to the City based on projected health care, dental and life insurance costs.

*Funding Policy:* The annual required contribution to fund the incremental cost of the benefits plan is based on a pay-as-you-go funding approach. For the year ended September 30, 2015, the expected contribution for the City was \$2,029.

*Annual Other Postemployment Benefit Cost (OPEB) and Net OPEB Obligation:* The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”. The ARC represents a level of funding that would be required to cover the normal cost of the plan each year on a pay-as-you-go basis assuming a 30 year amortization period. The following table shows the City’s annual OPEB cost and the amount expected to be contributed by the City towards this OPEB obligation:

*Actuarial Methods and Assumptions:* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, termination, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities consistent with the long-term perspective of the calculations.

The annual OPEB cost and the expected City contribution is in the following table.

	Pay-As-You-Go Funding - Fiscal Year Ending 9/30/15
Annual Required Contribution (ARC)	\$ 9,033
Interest on net OPEB obligation	244
Adjustment to ARC	-
Annual OPEB cost	9,277
Expected employer contribution	2,029
Increase in net OPEB obligation	7,248
Net OPEB obligation beginning of year	49,365
Net OPEB obligation end of year	\$ 56,613

*Other Required Supplementary Information:*

Three year trend information:

Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/15	\$ 9,277	21.9%	\$ 56,613
9/30/14	9,277	21.9%	49,365
9/30/13	9,277	21.9%	42,118

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE H – OTHER POSTEMPLOYMENT BENEFITS PLAN** (continued)

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/12	\$ -	\$ 220,686	\$ 220,686	0.0%	\$4,584,562	4.81%
10/01/10	-	1,962,072	1,962,072	0.0%	5,328,144	36.8%
10/01/08	-	825,565	825,565	0.0%	4,807,559	17.2%

Required Actuarial Information:

Actuarial valuation date	10/1/12
Annual OPEB Cost	\$ 9,033
Contributions made	\$ 2,030
Actuarial cost method	Entry Age Cost Method
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	Unfunded
Actuarial assumptions	
Investment rate of return *	3%
Payroll growth rate *	8%
Initial medical trend rate	4.8%
Ultimate medical trend rate	5.8%
* - Includes inflation at	8%

**NOTE I - RISK FINANCING**

The City is subject to losses in the normal course of operations resulting from general liability, property and casualty, workers' compensation, employee health and accident, environmental and antitrust matters. The City has purchased commercial insurance to protect against property loss as a result of flooding and employee health losses. The City is insured through Public Risk Management of Florida for purposes of protecting against workers' compensation losses, real and personal property losses, automobile damage, and general liability, including malpractice and errors and omissions.

The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

Public Risk Management of Florida is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool requires additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums for the year ended September 30, 2015, nor is the City aware of any contingent assessments. The City has not reduced insurance coverage from the prior year for any category of insurance risk. Settlement claims, if any, have not exceeded insurance coverage at any time for each of the past three fiscal years.

**NOTE J - DEFERRED COMPENSATION PLAN**

The City offers certain employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is managed by independent plan administrators, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those

September 30, 2015

**NOTE J - DEFERRED COMPENSATION PLAN (continued)**

amounts and all income attributable to those amounts are held in trust for the exclusive benefit of the participants and their beneficiaries. The fiduciary responsibility for the plan assets has been conveyed to a third party administrator. As a result, these assets are not reported in the accompanying financial statements.

**NOTE K – COMMITMENTS AND CONTINGENCIES**

Sewer Service: On November 29, 2001, the City entered into a new contract with the City of St. Petersburg to treat wastewater. This contract will be in effect as long as the City of St. Petersburg's Northwest Treatment Plant is in operation. The rates paid are set by the City of St. Petersburg, using a rate formula containing the following factors: Operation and Maintenance Charge and Capital Charge: The Capital Charge for improvements made to the wastewater system before April 1, 2001 will be a net annual amount of \$247,129 paid in monthly installments for the period October 1, 2001 to September 30, 2006; \$274,375 for fiscal year 2007; \$301,621 for fiscal year 2008, and for fiscal years after 2008 annual amounts beginning at \$99,467 and declining until full payment has been made in fiscal year 2025. The City's allocable share of new capital improvements to the wastewater system will be billed based upon the indebtedness incurred by the City of St. Petersburg to construct the improvements or an agreed upon pay-as-you-go basis.

Law Enforcement: Through a voter referendum held in November, 2012, the Citizens of St. Pete Beach approved a charter amendment to dissolve the City's Police Department and allow the City to contract with the Pinellas County Sheriff's Department for law enforcement services with an effective date of January 6, 2013. For the fiscal year ending September 30, 2015, the City paid \$2,198,947 for law enforcement services through the Pinellas County Sheriff's Department. The City Commission continued this contract for services for the fiscal year ended September 30, 2016 in the amount of \$2,287,775.

Commitments: At September 30, 2015 contractual commitments in the Governmental Fund Types totaled \$13,326,386 of which \$12,400,521 will be paid from unexpended bond proceeds recorded in the Capital Improvements and \$925,865 will be paid from committed fund balances. Contractual commitments for the Proprietary Funds totaled \$322,257 as of September 30, 2015.

The City entered into a Consent Order dated November 21, 2014 with the State of Florida Department of Environmental Protection (the Department) whereby the City has agreed to perform various rehabilitation projects to the City's wastewater system to prevent unauthorized releases or spills of wastewater into Gulf of Mexico or Boca Ciega Bay. The Consent Order also requires the City to promptly report all unauthorized releases or spills to the Department. The City has maintained compliance with all requirements of the Consent Order and has completed several of the rehabilitation projects.

Contingent Liability: As of September 30, 2015, the City is involved in legal matters that are incidental to its routine operations. The City is a defendant in one legal matter that is currently being litigated for which it is reasonably possible that a liability will be incurred by the City for damages said to have been incurred by the plaintiff in the litigation.

The litigation matter resulted in a jury trial in which the plaintiff was awarded damages of approximately \$2.2 million. The City is seeking a reduction in the amount of the damages awarded and is also evaluating, with the assistance of legal counsel, whether to appeal the case. A portion of the awarded damages of approximately \$700,000 would be satisfied through the City's insurance coverage in the event that the damage award was not reduced or otherwise eliminated. As of the date of the audit report, the amount of loss in this matter can not be reasonably estimated.

It is the opinion of management, based upon the advice of legal counsel, that the likely outcomes of other legal matters in which the City is involved will not be material in nature to the overall operating results of the City.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE L – SPECIAL ITEM – LEGAL SETTLEMENTS AND UN-MATURED LONG-TERM DEBT – JUDGMENT PAYABLE**

The City entered into three legal settlements that pertained to the fiscal year September 30, 2015, or earlier periods, that resulted in the payment of legal fees on behalf of opposing parties involved in legal matters. The amount of the legal settlements recorded within the General Fund in the fiscal year ended September 30, 2015 was \$428,637. This amount has been reported as a *Special Item – Legal Settlements* in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

One of the settlements, in the amount of \$495,637, provided for installment payments to be made by the City as follows: \$122,137 due October 21, 2015; \$150,000 due by January 10, 2016; \$133,500 due by October 1, 2016 and \$90,000 due by October 1, 2017. The settlement payments are to be paid out of the General Fund. The first two payments totaling \$272,137 that are to be paid in the subsequent fiscal year have been accrued as a liability and expenditure in the General Fund as of September 30, 2015 as these payments will be paid with expendable available financial resources. The third and fourth payments totaling \$223,500 have been recorded as a non-current liability – “Un-matured long-term debt – judgment payable” - and as an expense in the Governmental Activities as reported in the accompanying Statement of Net Position and Statement of Activities, respectively, as the \$223,500 represents a long-term liability that will not be paid with currently available expendable resources. The \$223,500 has not been recorded as a liability and expenditure in the General Fund as of September 30, 2015 as these installments will not be paid from currently available expendable resources. The amount of Legal Settlements reported as a *Special item* in the Statement of Activities is \$652,137 (\$428,637 plus \$223,500).

**NOTE M – PRIOR PERIOD ADJUSTMENTS**

During the year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASB Statements 68 and 71, the City has reported a restatement of its net position for the change in accounting principle as of October 1, 2013. The restatements to net position were reported in the accompanying Statement of Net Position (pages 16 and 17), Statement of Activities (pages 18 and 19), Balance Sheet – Proprietary Funds (pages 24 and 25) and Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds (page 27). The effects of implementing the statements are as follows:

Governmental Activities

Increase in deferred outflows of resources	\$	1,696,472
Increase in deferred inflows of resources		-0-
Increase in net pension liability		(14,824,550)
Decrease in prepaid asset – Net pension obligation		(1,112,678)
Decrease in net position		14,240,756

Business-type Activities – Wastewater, Reclaimed and Stormwater Funds

Increase in deferred outflows of resources	\$	71,812
Increase in deferred inflows of resources		-0-
Increase in net pension liability		(658,115)
Decrease in net position		586,303

The prior period adjustment recorded in the Statement of Activities as of October 1, 2013 in the amount of \$14,827,059 is comprised of the decrease in net position for the Governmental Activities in the amount of \$14,240,756 plus the decrease in net position for the Business-type Activities in the amount of \$586,303.

CITY OF ST. PETE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE N - SUBSEQUENT EVENTS**

The City has considered subsequent events through the date of the audit report which is the date that the financial statements were available to be issued. There were no subsequent events that required an adjustment to the financial statements or disclosure in the notes to the financial statements.

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## **Required Supplementary Information**

The required supplementary information includes a budgetary comparison schedule for the General Fund and schedules depicting the funding progress and contributions for the three defined benefit pension plans.

CITY OF ST. PETE BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2015  
With Comparative Actual Amounts for the Year Ended September 30, 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final	(Budgetary Basis)		
<b>RESOURCES (INFLOWS)</b>					
Taxes					
Ad valorem tax	\$ 6,692,675	\$ 6,692,675	\$ 6,783,032	\$ 90,357	\$ 5,694,314
Franchise tax	1,138,000	1,138,000	1,205,644	67,644	1,175,145
Telecommunications tax	555,000	555,000	537,533	(17,467)	579,087
Utility tax	1,615,000	1,615,000	1,630,104	15,104	1,632,645
	<u>10,000,675</u>	<u>10,000,675</u>	<u>10,156,313</u>	<u>155,638</u>	<u>9,081,191</u>
Licenses and permits					
Local business tax	100,000	100,000	93,846	(6,154)	95,721
Building, sign and other permits	485,000	485,000	619,500	134,500	544,579
	<u>585,000</u>	<u>585,000</u>	<u>713,346</u>	<u>128,346</u>	<u>640,300</u>
Intergovernmental revenues					
State half cent sales tax	525,000	525,000	567,057	42,057	539,946
Emergency medical services	1,355,080	1,355,080	1,355,080	-	1,317,862
Federal, state and local grants	64,500	105,550	143,610	38,060	76,027
State excise tax rebate - Fire Pension	196,803	196,803	182,199	(14,604)	209,929
State excise tax rebate - Police Pension	80,851	80,851	87,677	6,826	88,047
Pinellas Library Cooperative	153,432	153,432	154,130	698	153,237
Other intergovernmental revenues	248,860	248,860	260,668	11,808	242,570
State revenue sharing - guaranteed entitlement	198,000	198,000	199,235	1,235	199,235
	<u>2,822,526</u>	<u>2,863,576</u>	<u>2,949,656</u>	<u>86,080</u>	<u>2,826,853</u>
Charges for services					
Planning and zoning fees	25,000	25,000	22,970	(2,030)	17,198
Certification, copies and record search	7,250	7,250	6,132	(1,118)	6,526
Administration charges to other funds	375,771	375,771	375,771	-	364,826
Parking facilities	1,206,728	1,206,728	1,669,597	462,869	1,480,605
Library fees	27,000	27,000	33,347	6,347	31,355
Recreation activity fees	446,500	486,500	463,329	(23,171)	377,679
Other charges for services	9,500	9,500	21,468	11,968	14,802
Police services	4,500	4,500	-	(4,500)	-
	<u>2,102,249</u>	<u>2,142,249</u>	<u>2,592,614</u>	<u>450,365</u>	<u>2,292,991</u>
Fines and forfeitures					
Court fines and costs	12,000	12,000	8,445	(3,555)	10,537
Police education	650	650	-	(650)	695
Parking tickets	94,000	94,000	74,756	(19,244)	74,653
Other fines and forfeitures	15,000	15,000	16,204	1,204	136,632
	<u>121,650</u>	<u>121,650</u>	<u>99,405</u>	<u>(22,245)</u>	<u>222,517</u>
Miscellaneous revenues					
Interest income	10,000	10,000	14,728	4,728	9,880
Rentals of City owned facilities	348,323	348,323	360,088	11,765	342,205
Surplus and scrap sales	15,000	15,000	23,615	8,615	4,400
Contributions and donations	8,000	33,782	25,361	(8,421)	9,708
Other miscellaneous revenues	23,350	23,350	76,428	53,078	90,451
	<u>404,673</u>	<u>430,455</u>	<u>500,220</u>	<u>69,765</u>	<u>456,644</u>

CITY OF ST. PETE BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2015 (continued)  
With Comparative Actual Amounts for the Year Ended September 30, 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
AMOUNTS AVAILABLE FOR APPROPRIATION	\$ 16,036,773	\$ 16,143,605	\$ 17,011,554	\$ 867,949	\$ 15,520,496
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
General Government					
City Commission					
Personal services	32,103	32,103	32,088	15	31,437
Other operating expenditures	49,000	52,000	28,127	23,873	26,779
City Clerk					
Personal services	175,123	175,123	180,734	(5,611)	170,546
Other operating expenditures	48,460	48,460	46,289	2,171	27,260
Legal					
Operating expenditures	300,000	421,500	699,291	(277,791)	303,051
City Manager					
Personal services	356,496	335,196	314,938	20,258	370,751
Other operating expenditures	128,611	177,411	162,186	15,225	142,448
Transfer to Capital Improvement Projects Fund	1,904,000	1,904,000	1,904,000	-	1,825,000
Financial Administration					
Personal services	379,565	379,565	382,861	(3,296)	371,994
Other operating expenditures	59,001	59,001	44,899	14,102	42,528
Information Technology					
Personal services	68,904	68,904	68,943	(39)	67,458
Other operating expenditures	116,706	116,706	92,080	24,626	97,516
Capital outlay	70,000	76,200	53,428	22,772	14,604
	<u>3,687,969</u>	<u>3,846,169</u>	<u>4,009,864</u>	<u>(163,695)</u>	<u>3,491,372</u>
Community Development					
Planning					
Personal services	178,405	178,405	131,856	46,549	117,253
Other operating expenditures	169,583	210,633	156,544	54,089	69,332
Building Services					
Personal services	374,672	374,672	371,531	3,141	361,539
Other operating expenditures	191,086	191,086	132,952	58,134	115,924
	<u>913,746</u>	<u>954,796</u>	<u>792,883</u>	<u>161,913</u>	<u>664,048</u>
Recreation					
Personal services	609,004	609,004	642,862	(33,858)	608,785
Other operating expenditures	433,112	491,469	496,689	(5,220)	465,949
Capital outlay	42,500	47,500	43,704	3,796	20,203
	<u>1,084,616</u>	<u>1,147,973</u>	<u>1,183,255</u>	<u>(35,282)</u>	<u>1,094,937</u>
Library					
Personal services	415,042	415,042	426,628	(11,586)	377,103
Other operating expenditures	205,499	205,499	191,201	14,298	192,801
	<u>620,541</u>	<u>620,541</u>	<u>617,829</u>	<u>2,712</u>	<u>569,904</u>

(continued)

CITY OF ST. PETE BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2015 (continued)  
With Comparative Actual Amounts for the Year Ended September 30, 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual
	Original	Final			
<b>CHARGES TO APPROPRIATIONS</b>					
(OUTFLOWS) (continued)					
Parking Enforcement					
Personal services	\$ 137,760	\$ 137,760	\$ 138,385	\$ (625)	\$ 151,854
Other operating expenditures	134,832	164,832	205,723	(40,891)	164,898
Capital outlay	74,500	74,500	71,919	-	-
Debt service	59,450	29,450	-	29,450	-
	<u>406,542</u>	<u>406,542</u>	<u>416,027</u>	<u>(12,066)</u>	<u>316,752</u>
Public Safety					
Police					
Personal services	645,510	645,510	567,068	78,442	735,437
Other operating expenditures	2,183,538	2,183,538	2,203,111	(19,573)	2,126,721
Capital outlay	2,500	2,500	-	2,500	-
Debt service	-	-	-	-	-
Fire - Fire Suppression					
Personal services	2,013,262	2,005,262	1,945,363	59,899	1,783,388
Other operating expenditures	201,380	210,270	182,617	27,653	191,008
Capital outlay	97,800	97,000	-	97,000	54,758
Fire - EMS					
Personal services	1,320,698	1,320,698	1,335,588	(14,890)	1,269,676
Other operating expenditures	53,927	53,927	39,037	14,890	48,173
	<u>6,518,615</u>	<u>6,518,705</u>	<u>6,272,784</u>	<u>245,921</u>	<u>6,209,161</u>
Public Services					
Administration					
Personal services	155,100	155,100	133,577	21,523	148,251
Other operating expenditures	553,368	553,368	520,191	33,177	491,651
Building Administration					
Personal services	132,906	132,906	130,235	2,671	133,631
Other operating expenditures	205,636	205,636	151,414	54,222	169,741
Streets					
Personal services	196,482	196,482	205,874	(9,392)	193,224
Other operating expenditures	731,853	756,064	727,092	28,972	642,670
Capital outlay	35,000	41,611	-	41,611	4,988
Parks					
Personal services	236,391	236,391	239,714	(3,323)	256,568
Other operating expenditures	513,008	521,746	458,721	63,025	459,494
Capital outlay	45,000	45,000	44,378	622	-
	<u>2,804,744</u>	<u>2,844,304</u>	<u>2,611,196</u>	<u>233,108</u>	<u>2,500,218</u>
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>16,036,773</u>	<u>16,339,030</u>	<u>15,903,838</u>	<u>432,611</u>	<u>14,846,392</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	-	(195,425)	1,107,716	1,300,560	674,104
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>5,693,925</u>	<u>5,693,925</u>	<u>5,693,925</u>	-	<u>5,019,821</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,693,925</u>	<u>\$ 5,498,500</u>	<u>\$ 6,801,641</u>	<u>\$ 1,300,560</u>	<u>\$ 5,693,925</u>

(continued)

CITY OF ST. PETE BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2015 (continued)  
With Comparative Actual Amounts for the Year Ended September 30, 2014

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUE AND EXPENDITURES

SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 17,011,554
Differences - budget to GAAP:	
Proceeds from sale of surplus capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(23,615)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 16,987,939</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 15,903,838
Differences - budget to GAAP:	
Transfers out are outflows for budgetary purposes but are not expenditures for financial reporting purposes.	(1,904,000)
Special Item - Legal settlements are reported separately.	<u>(428,637)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 13,571,201</u>

CITY OF ST. PETE BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 POLICE OFFICERS' RETIREMENT SYSTEM  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY

Reporting period ending:	9-30-14	9-30-15
Measurement date:	<u>9-30-14</u>	<u>9-30-15</u>
<b>Total Pension Liability</b>		
Service cost	\$ 45,240	\$ 15,380
Interest on the total pension liability	1,099,695	1,101,556
Differences between expected and actual experience	-	255,813
Benefit payments, including refunds of employee contributions	<u>(1,078,586)</u>	<u>(1,098,393)</u>
Net change in total pension liability	66,349	274,356
Total pension liability beginning	<u>16,203,983</u>	<u>16,270,332</u>
Total pension liability ending (a)	<u>\$ 16,270,332</u>	<u>\$ 16,544,688</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 577,960	\$ 444,748
Contributions - State	88,047	87,677
Contributions - employees	3,857	274
Net investment income (loss)	1,052,775	(133,318)
Benefit payments, including refunds of employee contributions	<u>(1,078,586)</u>	<u>(1,098,393)</u>
Administrative expenses	<u>(32,171)</u>	<u>(24,655)</u>
Net Change in plan fiduciary net position	611,882	(723,667)
Plan fiduciary net position - beginning	<u>11,245,101</u>	<u>11,856,983</u>
Plan fiduciary net position - ending (b)	<u>\$ 11,856,983</u>	<u>\$ 11,133,316</u>
Net Pension Liability - Ending (a - b)	<u>\$ 4,413,349</u>	<u>\$ 5,411,372</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	72.87%	67.29%
Covered Employee Payroll	\$ 124,414	\$ 9,453
Net pension liability as a percentage of covered employee payroll	3547.31%	57245.02%

**NOTE:** Only two years of information is available for the GASB 68 disclosures.

CITY OF ST. PETE BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 POLICE OFFICERS' RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS

Reporting period ending	9-30-14	9-30-15
Measurement date	<u>9-30-14</u>	<u>9-30-15</u>
Actuarially determined contribution	\$ 666,007	\$ 530,921
Contributions in relation to the actuarially determined contribution	<u>666,007</u>	<u>532,425</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1,504)</u>
Covered employee payroll	\$ 124,414	\$ 9,453
Contributions as a percentage of covered employee payroll	535.32%	5632.34%

**NOTES TO SCHEDULE**

Valuation date: September 30, 2013  
 Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method: Entry Age Normal Actuarial Cost Method  
 Amortization Method: Level % of Pay, Closed  
 Remaining Amortization  
 Period: 30 years as of 10-01-13  
 Mortality: RP-2000 Combined Health Mortality Table - disabled lives are set forward 5 years. Based on a study of over 650 public safety plans, this table reflects a 10% margin for future mortality improvements.  
 Interest Rate: 7.75% per year compounded annually, net of investment related expenses.  
 Inflation: 3.0% per year.  
 Retirement Rates: Age and experience-based probability table considering eligibility for normal retirement.  
 Salary Increases 5.0% per year up to the assumed retirement age. Projected salary at retirement is increased according to accrued balances at 9-30-12.  
 Disability Rates Age based probability table.  
 Retirement Age Earlier of the age 60 with 10 years of service or the completion of 30 years of service (earlier of age 55 or 25 years of service if hired before 2-1-03). Also, any member who has reached normal retirement age is assumed to continue employment for one additional year.  
 Early Retirement None for future service benefit. For frozen benefit, commencing at the member's eligibility for early retirement which is the earlier of age 50 with 10 years of service or 20 years of service regardless of age. Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.  
 Cost of Living Adjustment 3% per year commencing 7 years after retirement for the frozen benefit only.  
 Asset Valuation Method Each year the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return net of fees. It is possible that over time this technique will produce an insignificant bias above or below the market value of assets.  
 Payroll Growth: None.

CITY OF ST. PETE BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FIREFIGHTERS' RETIREMENT SYSTEM  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY

Reporting period ending:	9-30-14	9-30-15
Measurement date:	<u>9-30-14</u>	<u>9-30-15</u>
<b>Total Pension Liability</b>		
Service cost	\$ 238,163	\$ 230,254
Interest on the total pension liability	1,189,290	1,212,870
Differences between expected and actual experience	-	103,860
Benefit payments, including refunds of employee contributions	<u>(882,183)</u>	<u>(1,348,403)</u>
Net change in total pension liability	545,270	198,581
Total pension liability beginning	<u>15,800,092</u>	<u>16,345,362</u>
Total pension liability ending (a)	<u>\$ 16,345,362</u>	<u>\$ 16,543,943</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 632,678	\$ 413,656
Contributions - State	39,565	392,128
Contributions - employees	45,249	50,369
Net investment income (loss)	999,549	(72,360)
Benefit payments, including refunds of employee contributions	(882,183)	(1,348,403)
Administrative expenses	<u>(16,250)</u>	<u>(19,804)</u>
Net Change in plan fiduciary net position	818,608	(584,414)
Plan fiduciary net position - beginning	<u>10,386,840</u>	<u>11,205,448</u>
Plan fiduciary net position - ending (b)	<u>\$ 11,205,448</u>	<u>\$ 10,621,034</u>
Net Pension Liability - Ending (a - b)	<u>\$ 5,139,914</u>	<u>\$ 5,922,909</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	68.55%	64.20%
Covered Employee Payroll	\$ 1,371,924	\$ 1,572,198
Net pension liability as a percentage of covered employee payroll	374.65%	376.73%

**NOTE:** Only two years of information is available for the GASB 68 disclosures.

CITY OF ST. PETE BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FIREFIGHTERS' RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS

Reporting period ending	9-30-14	9-30-15
Measurement date	<u>9-30-14</u>	<u>9-30-15</u>
Actuarially determined contribution	\$ 672,243	\$ 740,688
Contributions in relation to the actuarially determined contribution	<u>672,243</u>	<u>805,784</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (65,096)</u>
Covered employee payroll	\$ 1,371,924	\$ 1,572,198
Contributions as a percentage of covered employee payroll	49.00%	51.25%

**NOTES TO SCHEDULE**

Valuation date: September 30, 2013  
 Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method: Entry Age Normal Actuarial Cost Method  
 Amortization Method: Level % of Pay, Closed  
 Remaining Amortization  
 Period: 30 years as of 10-01-13  
 Mortality: RP-2000 Combined Health Mortality Table - disabled lives are set forward 5 years. Based on a study of over 650 public safety plans, this table reflects a 10% margin for future mortality improvements.  
 Interest Rate: 7.75% per year compounded annually, net of investment related expenses.  
 Inflation: 3.0% per year.  
 Retirement Rates: Age and experience-based probability table considering eligibility for normal retirement.  
 Salary Increases 4.5% per year up to the assumed retirement age. Projected salary at retirement is increased according to accrued balances at 9-30-12.  
 Disability Rates Age based probability table.  
 Retirement Age Earlier of the age 60 with 10 years of service or the completion of 30 years of service (earlier of age 55 or 25 years of service if hired before 1-1-03 or eligible for normal retirement on 1-1-13). Also, any member who has reached normal retirement age is assumed to continue employment for one additional year.  
 Early Retirement None for future service benefit. For frozen benefit, commencing at the member's eligibility for early retirement which is the earlier of age 50 with 10 years of service or 20 years of service regardless of age. Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.  
 Cost of Living Adjustment 3% per year commencing 7 years after retirement for the frozen benefit only.  
 Asset Valuation Method Each year the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return net of fees. It is possible that over time this technique will produce an insignificant bias above or below the market value of assets.  
 Payroll Growth: Up to 3.00% per year (2.02% for 10-1-13 valuation).

CITY OF ST. PETE BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GENERAL EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY

Reporting period ending:	9-30-14	9-30-15
Measurement date:	<u>9-30-14</u>	<u>9-30-15</u>
<b>Total Pension Liability</b>		
Service cost	\$ 79,454	\$ 67,894
Interest on the total pension liability	1,235,212	1,244,204
Differences between expected and actual experience	-	(2,077)
Benefit payments, including refunds of employee contributions	<u>(1,139,505)</u>	<u>(1,234,650)</u>
Net change in total pension liability	175,161	75,371
Total pension liability beginning	<u>16,428,517</u>	<u>16,603,678</u>
Total pension liability ending (a)	<u>\$ 16,603,678</u>	<u>\$ 16,679,049</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 557,646	\$ 585,936
Contributions - employees	30,176	29,971
Net investment income (loss)	1,203,892	(6,633)
Benefit payments, including refunds of employee contributions	<u>(1,139,505)</u>	<u>(1,234,650)</u>
Administrative expenses	<u>(25,430)</u>	<u>(30,510)</u>
Net Change in plan fiduciary net position	626,779	(655,886)
Plan fiduciary net position - beginning	<u>11,317,986</u>	<u>11,944,765</u>
Plan fiduciary net position - ending (b)	<u>\$ 11,944,765</u>	<u>\$ 11,288,879</u>
Net Pension Liability - Ending (a - b)	<u>\$ 4,658,913</u>	<u>\$ 5,390,170</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	71.94%	67.68%
Covered Employee Payroll	\$ 761,318	\$ 1,017,523
Net pension liability as a percentage of covered employee payroll	611.95%	529.73%

**NOTE:** Only two years of information is available for the GASB 68 disclosures.

CITY OF ST. PETE BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GENERAL EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS

Reporting period ending	9-30-14	9-30-15
Measurement date	<u>9-30-14</u>	<u>9-30-15</u>
Actuarially determined contribution	\$ 548,356	\$ 585,936
Contributions in relation to the actuarially determined contribution	557,646	585,936
Contribution deficiency (excess)	<u>\$ (9,290)</u>	<u>\$ -</u>
Covered employee payroll	\$ 761,318	\$ 1,017,523
Contributions as a percentage of covered employee payroll	73.25%	57.58%

**NOTES TO SCHEDULE**

Valuation date: September 30, 2013  
 Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method: Entry Age Normal Actuarial Cost Method  
 Amortization Method: Level % of Pay, Closed  
 Remaining Amortization Period: 30 years as of 10-01-13  
 Mortality: RP-2000 Combined Health Mortality Table - disabled lives are set forward 5 years. Based on a study of over 650 public safety plans, this table reflects a 10% margin for future mortality improvements.  
 Interest Rate: 7.75% per year compounded annually, net of investment related expenses.  
 Inflation: 3.0% per year.  
 Retirement Rates: Age and experience-based probability table considering eligibility for normal retirement.  
 Salary Increases: 5% per year up to the assumed retirement age. Projected salary at retirement is increased according to accrued balances at 9-30-12.  
 Disability Rates: Age based probability table.  
 Retirement Age: Earlier of the age 60 with 10 years of service or the completion of 30 years of service (earlier of age 55 or 25 years of service if hired before 10-1-02). Also, any member who has reached normal retirement age is assumed to continue employment for one additional year.  
 Early Retirement: None for future service benefit. For frozen benefit, commencing at the member's eligibility for early retirement which is age 50 with 10 years of service.  
 Cost of Living Adjustment: 3% per year commencing 10 years after retirement for the frozen benefit only.  
 Asset Valuation Method: Each year the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return net of fees. It is possible that over time this technique will produce an insignificant bias above or below the market value of assets.  
 Payroll Growth: Up to 3.00% per year (0.0% for 10-1-13 valuation).

## **Combining Financial Statements**

These financial statements provide a more detailed view of the non-major funds that were combined for the governmental activities and the individual fiduciary funds that were combined in the basic financial statements.

CITY OF ST. PETE BEACH, FLORIDA

COMBINING BALANCE SHEET  
NON- MAJOR GOVERNMENTAL FUNDS

September 30, 2015

With Comparative Total Amounts for September 30, 2014

	Special Revenue Funds		Totals	
	Transportation	Police	Non- major	
	Impact Fee	Confiscation	Governmental Funds	
			2015	2014
<b>ASSETS</b>				
Pooled cash and investments and cash equivalents	\$ 211,671	\$ 5,319	\$ 216,990	\$ 239,610
<b>TOTAL ASSETS</b>	<u>\$ 211,671</u>	<u>\$ 5,319</u>	<u>\$ 216,990</u>	<u>\$ 239,610</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other governments	\$ 496	\$ -	\$ 496	\$ 23,593
<b>TOTAL LIABILITIES</b>	496	-	496	23,593
<b>FUND BALANCES</b>				
Fund balances				
Restricted for:				
Transportation Improvements	211,175	-	211,175	210,696
Law enforcement	-	5,319	5,319	5,321
<b>TOTAL FUND BALANCES</b>	<u>211,175</u>	<u>5,319</u>	<u>216,494</u>	<u>216,017</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 211,671</u>	<u>\$ 5,319</u>	<u>\$ 216,990</u>	<u>\$ 239,610</u>

CITY OF ST. PETE BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON- MAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2015

With Comparative Total Amounts for the Year Ended September 30, 2014

	Special Revenue Funds		Totals	
	Transportation	Police	Non- major	
	Impact Fee	Confiscation	Governmental Funds	
			2015	2014
REVENUES				
Impact fees	\$ 537	\$ -	\$ 537	\$ 25,559
Miscellaneous	(58)	(2)	(60)	(61)
TOTAL REVENUES	479	(2)	477	25,498
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	479	(2)	477	25,498
OTHER FINANCING SOURCES (USES)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	479	(2)	477	25,498
FUND BALANCES - BEGINNING OF YEAR	210,696	5,321	216,017	190,519
FUND BALANCES - END OF YEAR	\$ 211,175	\$ 5,319	\$ 216,494	\$ 216,017

CITY OF ST. PETE BEACH, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

September 30, 2015

With Comparative Total Amounts for September 30, 2014

	Police Pension	Firefighters' Pension	General Pension	Totals	
				2015	2014
<b>ASSETS</b>					
Investments, at fair value					
Cash equivalents, short term investments	\$ 592,419	\$ 499,385	\$ 271,468	\$ 1,363,272	\$ 633,316
U. S. Government, Federal					
Agency and municipal securities	581,454	440,201	1,265,401	2,287,056	3,116,040
Asset backed securities	1,109,105	984,238	61,645	2,154,988	1,388,945
Collateralized mortgage obligations	726,298	665,177	1,051,570	2,443,045	2,457,968
Fixed income mutual funds	481,749	482,375	3,887,257	4,851,381	4,471,775
Unit investment trusts	34,254	89,024	42,091	165,369	133,622
Foreign stocks and bonds	53,581	184,766	91,781	330,128	995,225
Corporate bonds	1,624,941	1,401,535	1,250,529	4,277,005	3,920,837
Equities - common stock	811,931	4,682,734	997,386	6,492,051	7,007,640
Equities - mutual funds	5,005,511	959,874	2,294,167	8,259,552	10,396,997
	<u>11,021,243</u>	<u>10,389,309</u>	<u>11,213,295</u>	<u>32,623,847</u>	<u>34,522,365</u>
Receivables					
Accrued interest and dividends	24,396	26,572	16,784	67,752	73,031
Contribution receivable	-	51,027	36,517	87,544	218,925
State excise tax rebate	87,677	182,199	-	269,876	297,977
	<u>112,073</u>	<u>259,798</u>	<u>53,301</u>	<u>425,172</u>	<u>589,933</u>
<b>TOTAL ASSETS</b>	<u>11,133,316</u>	<u>10,649,107</u>	<u>11,266,596</u>	<u>33,049,019</u>	<u>35,112,298</u>
<b>LIABILITIES</b>					
Administrative expenses payable	14,733	29,730	14,573	59,036	51,896
Deferred contribution	-	-	-	-	14,339
<b>TOTAL LIABILITIES</b>	<u>14,733</u>	<u>29,730</u>	<u>14,573</u>	<u>59,036</u>	<u>66,235</u>
<b>NET POSITION HELD IN TRUST</b>					
Held in trust for pension benefits	<u>\$ 11,118,583</u>	<u>\$ 10,619,377</u>	<u>\$ 11,252,023</u>	<u>\$ 32,989,983</u>	<u>\$ 35,046,063</u>

CITY OF ST. PETE BEACH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

Year Ended September 30, 2015

With Comparative Total Amounts for the Year Ended September 30, 2014

	Police	Firefighters'	General	Totals	
	Pension	Pension	Pension	2015	2014
<b>ADDITIONS</b>					
Contributions					
Employer	\$ 444,748	\$ 551,231	\$ 560,910	\$ 1,556,889	\$ 1,654,855
Plan members	274	50,745	29,867	80,886	76,391
	<u>445,022</u>	<u>601,976</u>	<u>590,777</u>	<u>1,637,775</u>	<u>1,731,246</u>
Intergovernmental revenue					
State excise tax rebate	87,677	182,199	-	269,876	297,977
Investment income					
Net appreciation (depreciation) in fair value of investments	(568,434)	(239,936)	(335,829)	(1,144,199)	2,466,561
Interest and dividends	481,623	251,265	374,332	1,107,220	856,253
Miscellaneous income	1,191	16,080	1,348	18,619	50,266
Total investment earnings (loss)	<u>(85,620)</u>	<u>27,409</u>	<u>39,851</u>	<u>(18,360)</u>	<u>3,373,080</u>
Less investment expense	41,070	71,723	35,492	148,285	139,513
Net investment earnings (loss)	<u>(126,690)</u>	<u>(44,314)</u>	<u>4,359</u>	<u>(166,645)</u>	<u>3,233,567</u>
<b>TOTAL ADDITIONS</b>	<u>406,009</u>	<u>739,861</u>	<u>595,136</u>	<u>1,741,006</u>	<u>5,262,790</u>
<b>DEDUCTIONS</b>					
Benefits	1,082,504	905,927	946,521	2,934,952	2,809,254
Lump sum Deferred Retirement Option Plan (DROP) payments	-	436,574	286,580	723,154	205,728
Refunds of contributions	12,141	8,107	1,549	21,797	83,087
Administrative expenses	42,848	31,816	42,519	117,183	100,284
	<u>1,137,493</u>	<u>1,382,424</u>	<u>1,277,169</u>	<u>3,797,086</u>	<u>3,198,353</u>
<b>TOTAL DEDUCTIONS</b>	<u>1,137,493</u>	<u>1,382,424</u>	<u>1,277,169</u>	<u>3,797,086</u>	<u>3,198,353</u>
<b>CHANGE IN NET POSITION</b>	<u>(731,484)</u>	<u>(642,563)</u>	<u>(682,033)</u>	<u>(2,056,080)</u>	<u>2,064,437</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>11,850,067</u>	<u>11,261,940</u>	<u>11,934,056</u>	<u>35,046,063</u>	<u>32,981,626</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 11,118,583</u>	<u>\$ 10,619,377</u>	<u>\$ 11,252,023</u>	<u>\$ 32,989,983</u>	<u>\$ 35,046,063</u>

## **Other Supplementary Schedules**

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

CITY OF ST. PETE BEACH, FLORIDA

COMPARATIVE BALANCE SHEET  
GENERAL FUND

	September 30,	
	2015	2014
<b>ASSETS</b>		
Cash	\$ 2,850	\$ 2,800
Pooled cash and investments and cash equivalents	7,215,952	5,934,119
Receivables		
Other	271,845	302,113
Due from other funds	273,144	273,144
Due from other governments	539,140	521,645
Supplies inventory	2,064	934
Prepaid insurance and deposits	7,986	9,255
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u>\$ 8,312,981</u>	<u>\$ 7,044,010</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 537,433	\$ 181,326
Accrued liabilities	765,516	811,147
Due to other governments	89,223	229,772
Deferred revenue	119,168	127,840
	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u>1,511,340</u>	<u>1,350,085</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Supplies inventory	2,064	934
Prepays	7,786	9,055
Long-term receivable	201,968	201,967
Restricted for:		
Library	198,063	198,063
Committed:		
Subsequent year contractual obligations	431,487	69,426
Assigned to:		
Compensated absences	376,656	431,619
Insurance stabilization	51,454	51,454
Fire department capital outlay	25,000	-
Vehicle replacement	158,750	-
Unassigned:		
General fund	5,348,413	4,731,407
	<u>                    </u>	<u>                    </u>
<b>TOTAL FUND BALANCES</b>	<u>6,801,641</u>	<u>5,693,925</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 8,312,981</u>	<u>\$ 7,044,010</u>

CITY OF ST. PETE BEACH, FLORIDA

SCHEDULE OF REVENUES AND EXPENSES COMPARED WITH BUDGET  
 PROPRIETARY FUND - WASTEWATER

For the Year Ended September 30, 2015  
 With Comparative Actual Amounts for the Year Ended September 30, 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual Amounts Budgetary Basis		Actual
	Original	Final			
<b>RESOURCES (INFLOWS)</b>					
Charges for services					
Customer service charges	\$ 4,803,269	\$ 4,803,269	\$ 5,218,696	\$ 415,427	\$ 5,048,037
Grants				-	-
Miscellaneous revenues					
Impact fees	7,320	7,320	1,034	(6,286)	1,035
Sale (disposal) of capital assets			(3,987)	(3,987)	-
Other	1,000	1,000	3,802	2,802	3,643
Other financing source	2,232,000	5,000,000	5,000,000	-	-
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<u>7,043,589</u>	<u>9,811,589</u>	<u>10,219,545</u>	<u>407,956</u>	<u>5,052,715</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>					
Personal services	529,980	529,980	534,064	(4,084)	481,568
Contractual/other services	2,951,928	3,195,652	3,111,008	84,644	3,041,590
Interest and fiscal charges	62,640	62,640	151,875	(89,235)	67,222
Capital outlay	2,282,000	3,625,323	1,705,486	1,919,837	2,078,040
State revolving loan principle	178,916	178,916	178,697	219	174,060
Transfer to Capital Improvement Projects Fund	1,038,125	1,116,595	12,121	1,104,474	15,234
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>7,043,589</u>	<u>8,709,106</u>	<u>5,693,251</u>	<u>3,015,855</u>	<u>5,857,714</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<u>\$ -</u>	<u>\$ 1,102,483</u>	<u>\$ 4,526,294</u>	<u>\$ 3,423,811</u>	<u>\$ (804,999)</u>

NOTES TO SCHEDULE:

The City does not budget for depreciation expense. Total expenses, including depreciation expense of \$426,016, for generally accepted accounting principles (GAAP) purposes was \$4,235,084. Capital outlay expenditures of \$1,705,486 and state revolving loan principle of \$178,697, are not expenses for GAAP purposes. Other financing source debt proceeds of \$5,000,000 are not revenues for GAAP purposes.

CITY OF ST. PETE BEACH, FLORIDA

SCHEDULE OF REVENUES AND EXPENSES COMPARED WITH BUDGET  
 PROPRIETARY FUND - RECLAIMED WATER

For the Year Ended September 30, 2015  
 With Comparative Actual Amounts for the Year Ended September 30, 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual Amounts Budgetary Basis		Actual
	Original	Final			
<b>RESOURCES (INFLOWS)</b>					
Charges for services					
Customer service charges	\$ 844,000	\$ 844,000	\$ 846,638	\$ 2,638	\$ 842,702
Investment income					
Interest	600	600	1,190	590	1,310
Miscellaneous revenues					
Impact fees	1,250	1,250	1,650	400	1,425
Sale (disposal) of capital assets	-	-	-	-	(330)
Other	13,000	13,000	21,159	8,159	20,759
Other financing source	500,000	500,000	-	(500,000)	-
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<u>1,358,850</u>	<u>1,358,850</u>	<u>870,637</u>	<u>(488,213)</u>	<u>865,866</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>					
Personal services	92,603	92,603	100,772	(8,169)	91,116
Contractual/other services	361,803	363,394	416,323	(52,929)	353,594
State revolving loan debt service	597,101	597,101	597,083	18	597,101
Transfers out	83,176	71,176	1,831	69,345	46,565
Capital Outlay	25,000	25,000	-	25,000	-
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>1,159,683</u>	<u>1,149,274</u>	<u>1,116,009</u>	<u>33,265</u>	<u>1,088,376</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<u>\$ 199,167</u>	<u>\$ 209,576</u>	<u>\$ (245,372)</u>	<u>\$ (454,948)</u>	<u>\$ (222,510)</u>

NOTES TO SCHEDULE:

The City does not budget for depreciation expense. Total expenses, including depreciation expense of \$238,938, for generally accepted accounting principles (GAAP) purposes was \$763,026. State revolving loan principal and prior year accrued interest of \$591,921 is not an expense for GAAP purposes.

CITY OF ST. PETE BEACH, FLORIDA

SCHEDULE OF REVENUES AND EXPENSES COMPARED WITH BUDGET  
 PROPRIETARY FUND - STORMWATER

For the Year Ended September 30, 2015  
 With Comparative Actual Amounts for the Year Ended September 30, 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual Amounts Budgetary Basis		Actual
	Original	Final			
<b>RESOURCES (INFLOWS)</b>					
Charges for services					
Customer service charges	\$ 619,000	\$ 619,000	\$ 644,968	\$ 25,968	\$ 636,163
Investment income					
Interest	100	100	822	722	(182)
Other financing source	540,000.00	3,540,000.00	3,000,000	(540,000)	-
Transfers in	-	-	-	-	24,450
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<u>1,159,100</u>	<u>4,159,100</u>	<u>3,645,790</u>	<u>(513,310)</u>	<u>660,431</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>					
Personal services	116,387	116,387	86,408	29,979	53,793
Contractual/other services	214,133	286,445	186,911	99,534	177,541
Transfers out	828,580	2,547,980	43,957	2,504,023	19,097
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>1,159,100</u>	<u>2,950,812</u>	<u>317,276</u>	<u>2,633,536</u>	<u>250,431</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<u>\$ -</u>	<u>\$ 1,208,288</u>	<u>\$ 3,328,514</u>	<u>\$ 2,120,226</u>	<u>\$ 410,000</u>

NOTES TO SCHEDULE:

The City does not budget for depreciation expense and did not budget for interest expense. Total expenses, including depreciation expense of \$15,525 and interest expense of \$31,608, for generally accepted accounting principles (GAAP) purposes was \$364,409. Other financing source debt proceeds of \$3,000,000 are not revenues for GAAP purposes.

CITY OF ST. PETE BEACH, FLORIDA

RECONCILIATION OF TOTAL FUND BALANCE FOR THE GOVERNMENTAL FUNDS  
TO TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES

September 30, 2014

	Total Governmental Funds	Long-term Assets, Liabilities	Other Items, Reclasses and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash	\$ 2,850	\$ -	\$ -	\$ 2,850
Pooled cash and investments and cash equivalents	10,628,570	-	-	10,628,570
Receivables				
Other	271,845	-	-	271,845
Due from other funds	273,144	-	-	273,144
Due from other governments	772,571	-	-	772,571
Supplies inventory	2,064	-	-	2,064
Prepaid insurance and deposits	7,986	-	-	7,986
Restricted cash equivalents:				
Long-term debt requirements	268,819	-	-	268,819
Unexpended bond proceeds	12,400,521	-	-	12,400,521
Land and improvements	-	3,905,294	-	3,905,294
Buildings and other improvements	-	20,941,243	-	20,941,243
Furniture, machinery and equipment	-	4,555,091	-	4,555,091
Infrastructure	-	15,841,154	-	15,841,154
Capital projects in process	-	1,513,513	-	1,513,513
Less: accumulated depreciation	-	(18,728,936)	-	(18,728,936)
Un-amortized debt costs	-	19,085	-	19,085
Deferred outflows of resources				
Defined benefit pension plans	-	2,695,178	-	2,695,178
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 24,628,370</b>	<b>\$ 30,741,622</b>	<b>\$ -</b>	<b>\$ 55,369,992</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 881,996	\$ -	\$ -	\$ 881,996
Accrued liabilities	907,493	-	-	907,493
Due to other governments	89,719	-	-	89,719
Current portion of				
Unearned revenue	119,168	10,429	-	129,597
Compensated absences	-	28,351	-	28,351
Revenue bonds payable	-	700,000	-	700,000
Capital lease obligation	-	74,637	-	74,637
Non-current portion of				
Net other post employment benefit obligation	-	52,100	-	52,100
Net pension liability	-	16,030,325	-	16,030,325
Unearned revenue	-	55,188	-	55,188
Compensated absences	-	348,305	-	348,305
Revenue bonds payable	-	13,505,000	-	13,505,000
Capital lease obligation	-	154,554	-	154,554
Un-matured long-term debt - judgment payable	-	223,500	-	223,500
Deferred inflows of resources				
Defined benefit pension plans	-	472,070	-	472,070
<b>TOTAL LIABILITIES</b>	<b>1,998,376</b>	<b>31,654,459</b>	<b>-</b>	<b>33,652,835</b>
<b>TOTAL FUND BALANCES / NET POSITION</b>	<b>22,629,994</b>	<b>(912,837)</b>	<b>-</b>	<b>21,717,157</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES / NET POSITION</b>	<b>\$ 24,628,370</b>	<b>\$ 30,741,622</b>	<b>\$ -</b>	<b>\$ 55,369,992</b>

CITY OF ST. PETE BEACH, FLORIDA

RECONCILIATION OF NET CHANGE IN FUND BALANCES FOR THE GOVERNMENTAL FUNDS  
TO CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES

For the Year Ended September 30, 2015

	Total Governmental Funds	Capital Outlay, Disposals and Depreciation	Long-term Debt Transactions	Pensions, Other Items, Reclasses and Eliminations	Statement of Activities Totals
<b>REVENUES</b>					
Taxes	\$ 10,156,313	\$ -	\$ -	\$ (10,156,313)	\$ -
Licenses and permits	713,346	-	-	(713,346)	-
Intergovernmental revenue	3,873,495	-	-	(3,873,495)	-
Charges for services	2,592,614	-	-	1,179,314	3,771,928
Fines and forfeitures	99,405	-	-	(99,405)	-
Miscellaneous revenues	479,622	-	12,211	(491,833)	-
Operating grants and contributions	-	-	-	1,650,010	1,650,010
Capital grants and contributions	-	-	-	2,810	2,810
General revenues	-	-	-	12,502,258	12,502,258
<b>TOTAL REVENUES</b>	<b>17,914,795</b>	<b>-</b>	<b>12,211</b>	<b>-</b>	<b>17,927,006</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	1,660,190	23,470	(7,719)	142,233	1,818,174
Community development	792,883	(3,554)	(13,951)	64,398	839,776
Recreation	1,139,551	322,817	(3,702)	100,262	1,558,928
Library	617,829	32,783	(11,488)	56,136	695,260
Parking enforcement	344,108	23,268	130	15,606	383,112
Public safety	6,272,784	-	-	(6,272,784)	-
Public safety - police	-	63,783	-	2,908,504	2,972,287
Public safety - fire	-	245,562	(8,738)	3,844,293	4,081,117
Public services	2,790,557	777,554	(2,807)	75,808	3,641,112
Capital Outlay	1,691,375	(1,691,375)	-	-	-
<b>Debt service</b>					
Principal retirement	437,930	-	(437,930)	-	-
Interest and fiscal charges	241,985	-	(14,471)	-	227,514
<b>TOTAL EXPENDITURES</b>	<b>15,989,192</b>	<b>(205,692)</b>	<b>(500,676)</b>	<b>934,456</b>	<b>16,217,280</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of surplus capital assets	23,615	(23,615)	-	-	-
Issuance of debt - revenue bonds	13,048,318	-	(13,048,318)	-	-
Transfers in	1,961,909	-	-	(1,904,000)	57,909
Transfers out	(1,904,000)	-	-	1,904,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>13,129,842</b>	<b>(23,615)</b>	<b>(13,048,318)</b>	<b>-</b>	<b>57,909</b>
<b>SPECIAL ITEM - LEGAL SETTLEMENTS</b>	<b>(428,637)</b>	<b>-</b>	<b>(223,500)</b>	<b>-</b>	<b>(652,137)</b>
<b>NET CHANGE IN FUND BALANCE / NET POSITION</b>	<b>\$ 14,626,808</b>	<b>\$ 182,077</b>	<b>\$ (12,758,931)</b>	<b>\$ (934,456)</b>	<b>\$ 1,115,498</b>

## **Statistical Section - Supplemental Information**

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

The City of St. Pete Beach has had no general bonded debt or revenue bonded debt in the last ten fiscal years requiring sinking fund deposits from general government revenues or other pledged revenues, respectively.

The City of St. Pete Beach's Charter makes no provision for a general obligation legal debt margin.

## **Schedules of Financial Trends Information**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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City of St. Pete Beach, Florida  
Schedule 1  
Net Position by Component  
Last Ten Fiscal Years

	2006	2007	2008	2009	2010
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 27,490,946	\$ 30,398,426	\$ 30,608,205	\$ 23,194,806	\$ 23,703,266
Restricted	4,301,727	4,081,739	3,869,130	380,065	382,107
Unrestricted	3,463,277	720,323	1,447,615	3,556,029	3,764,169
<b>Total governmental activities net assets</b>	<b>\$ 35,255,950</b>	<b>\$ 35,200,488</b>	<b>\$ 35,924,950</b>	<b>\$ 27,130,900</b>	<b>\$ 27,849,542</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 7,416,175	\$ 7,966,862
Restricted	-	-	-	3,149,490	2,761,992
Unrestricted	-	-	-	(1,004,406)	(263,623)
<b>Total business-type activities net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,561,259</b>	<b>\$ 10,465,231</b>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 27,490,946	\$ 30,398,426	\$ 30,608,205	\$ 30,610,981	\$ 31,670,128
Restricted	4,301,727	4,081,739	3,869,130	3,529,555	3,144,099
Unrestricted	3,463,277	720,323	1,447,615	2,551,623	3,500,546
<b>Total primary government net assets</b>	<b>\$ 35,255,950</b>	<b>\$ 35,200,488</b>	<b>\$ 35,924,950</b>	<b>\$ 36,692,159</b>	<b>\$ 38,314,773</b>

Notes:

The City converted the wastewater and reclaimed water funds from special revenue funds to enterprise funds in FY 2010.  
Fiscal year 2009 was converted for comparison purposes

2011	2012	2013	2014	2015
\$ 24,778,730	\$ 25,813,130	\$ 25,885,225	\$ 26,275,283	\$ 26,222,880
369,866	387,549	388,582	414,080	683,376
3,601,370	4,158,240	6,818,460	7,900,552	(5,189,099)
<u>\$ 28,749,966</u>	<u>\$ 30,358,919</u>	<u>\$ 33,092,267</u>	<u>\$ 34,589,915</u>	<u>\$ 21,717,157</u>
\$ 8,584,028	\$ 9,504,196	\$ 10,617,326	\$ 13,045,091	\$ 14,956,744
2,360,200	1,869,900	1,373,720	875,172	260,195
1,090,718	1,936,117	2,866,840	2,589,632	2,105,940
<u>\$ 12,034,946</u>	<u>\$ 13,310,213</u>	<u>\$ 14,857,886</u>	<u>\$ 16,509,895</u>	<u>\$ 17,322,879</u>
\$ 33,362,758	\$ 35,317,326	\$ 36,502,551	\$ 39,320,374	\$ 41,179,624
2,730,066	2,257,449	1,762,302	1,289,252	943,571
4,692,088	6,094,357	9,685,300	10,490,184	(3,083,159)
<u>\$ 40,784,912</u>	<u>\$ 43,669,132</u>	<u>\$ 47,950,153</u>	<u>\$ 51,099,810</u>	<u>\$ 39,040,036</u>

City of St. Pete Beach, Florida  
Schedule 2  
Changes in Net Position  
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>								
Governmental activities:								
General government	\$ 2,413,760	\$ 2,546,390	\$ 2,093,889	\$ 2,223,320	\$ 2,306,345	\$ 1,975,312	\$ 2,238,921	\$ 1,772,659
Community Development	-	-	707,288	620,111	593,337	581,888	576,218	607,796
Recreation	-	-	-	-	-	-	1,371,830	1,357,270
Library	-	-	603,915	613,869	552,497	571,243	558,416	584,453
Parking Enforcement	-	-	-	-	-	267,877	318,855	359,881
Public Safety - police	4,006,979	4,165,767	4,400,470	4,132,774	4,048,923	3,884,179	3,892,761	2,832,865
Public Safety - fire	2,863,945	3,023,061	3,249,397	3,071,551	3,100,901	3,047,866	3,274,286	3,408,902
Public Services	2,905,516	3,058,319	4,217,367	3,999,036	3,872,799	3,962,149	2,761,043	3,091,481
Leisure services	2,056,743	2,477,342	-	-	-	-	-	-
Interest on long term-debt	325,147	509,659	534,107	483,111	255,846	203,379	147,049	123,922
Total governmental activities expenses	14,572,090	15,780,538	15,806,433	15,143,772	14,730,648	14,493,893	15,139,379	14,139,229
Business-type activities:								
Water pollution control - sewer	3,079,658	4,022,773	3,457,675	3,385,327	3,467,822	3,052,904	3,756,305	3,691,949
Water pollution control - reclaimed water	653,777	643,833	638,710	776,244	778,626	819,844	884,287	772,697
Water pollution control - stormwater	-	-	-	-	110,227	152,728	259,057	332,920
Total business-type activities expenses	3,733,435	4,666,606	4,096,385	4,161,571	4,356,675	4,025,476	4,899,649	4,797,566
Total primary government expenses	\$ 18,305,525	\$ 20,447,144	\$ 19,902,818	\$ 19,305,343	\$ 19,087,323	\$ 18,519,369	\$ 20,039,028	\$ 18,936,795
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
General Government	\$ 1,076,223	\$ 411,629	\$ 435,010	\$ 425,373	\$ 439,404	\$ 450,656	\$ 473,458	\$ 469,324
Community Development	52,250	58,176	449,139	359,829	399,355	363,853	450,065	470,650
Recreation	-	-	-	-	-	-	574,324	739,016
Library	-	-	28,069	30,182	27,427	25,048	25,356	26,771
Parking Enforcement	-	-	-	-	928,834	1,143,883	1,404,482	1,444,844
Public Safety - Police	278,485	969,146	1,155,181	1,147,821	141,741	169,361	143,527	41,819
Public Services	716,278	619,330	419,320	399,399	431,290	536,404	-	-
Leisure Services	189,466	263,963	-	-	-	-	-	-
Operating grants and contributions	1,651,769	1,314,450	1,625,473	1,581,096	1,414,213	1,411,742	1,541,530	1,800,650
Capital grants and contributions	27,817	653,672	276,854	264,062	371,068	316,946	1,143,600	353,008
Total governmental activities program revenues	3,992,288	4,290,366	4,389,046	4,207,762	4,153,332	4,417,893	5,756,342	5,346,082
Business-type activities:								
Charges for services:								
Water pollution control - sewer	2,846,516	2,944,746	3,222,774	3,753,190	4,556,755	4,605,011	4,741,773	4,680,651
Water pollution control - reclaimed water	564,592	567,251	562,528	548,899	603,741	699,152	797,045	800,471
Water pollution control - stormwater	-	-	-	-	-	264,594	610,966	637,350
Operating grants and contributions	-	-	-	-	-	-	3,176	118,280
Capital grants and contributions	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,411,108	3,511,997	3,785,302	4,302,089	5,160,496	5,568,757	6,152,960	6,236,752
Total primary government program revenues	\$ 7,403,396	\$ 7,802,363	\$ 8,174,348	\$ 8,509,851	\$ 9,313,828	\$ 9,986,650	\$ 11,909,302	\$ 11,582,834
Net (Expense)/Revenue								
Governmental activities	\$ (10,579,802)	\$ (11,490,172)	\$ (11,417,387)	\$ (10,936,010)	\$ (10,577,316)	\$ (10,076,000)	\$ (9,383,037)	\$ (8,793,147)
Business-type activities	(322,327)	(1,154,609)	(311,083)	140,518	803,821	1,543,281	1,253,311	1,439,186
Total primary government net expense	\$ (10,902,129)	\$ (12,644,781)	\$ (11,728,470)	\$ (10,795,492)	\$ (9,773,495)	\$ (8,532,719)	\$ (8,129,726)	\$ (7,353,961)
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Taxes								
Ad valorem	\$ 6,361,917	\$ 7,205,756	\$ 6,662,973	\$ 6,057,622	\$ 5,655,614	\$ 5,659,947	\$ 5,641,473	\$ 6,474,606
Franchise fees	1,123,954	1,129,082	1,104,184	1,224,333	1,291,867	1,198,408	1,157,857	1,105,415
Utility taxes	1,952,652	1,993,340	2,032,406	2,057,562	2,238,043	2,124,927	2,052,136	2,082,201
State sales tax	585,464	558,172	530,500	484,524	480,771	485,227	491,998	513,577
Infrastructure tax	979,980	947,581	920,711	808,949	805,652	719,060	761,136	804,221
Local option gas tax	92,348	88,496	133,095	128,949	139,354	126,339	126,619	131,214
State excise tax - public safety	194,804	300,840	334,351	224,860	252,317	244,087	292,403	277,654
Other taxes	44,328	40,112	42,785	52,617	45,060	45,701	46,793	47,710
State revenue sharing - unrestricted	270,611	272,013	267,207	262,715	263,617	264,996	265,814	67,817
State revenue sharing - guaranteed entitlement	-	-	-	-	-	-	-	199,235
Investment income	426,297	508,419	345,567	56,045	6,892	2,491	13,413	9,700
Miscellaneous	72,278	85,022	79,153	105,148	116,770	105,241	146,592	93,367
Transfers	-	-	-	-	-	-	-	(75,418)
Special item - Change in assumptions - OPEB	-	-	-	-	-	-	-	556,716
Special item - Transfer of operations	-	-	-	-	-	-	-	(747,433)
Special item - loss on capital assets	-	(539,514)	-	-	-	-	-	-
Special item - Legal Settlements	-	-	-	-	-	-	-	-
Total governmental activities	12,104,633	12,589,319	12,452,932	11,463,324	11,295,957	10,976,424	10,996,234	11,540,582
Business-type activities:								
Investment income	-	-	-	99,377	100,152	26,434	9,616	4,584
Miscellaneous	-	-	-	-	-	-	12,340	(7,866)
Transfers	-	-	-	-	-	-	-	75,418
Special item - Change in assumptions - OPEB	-	-	-	-	-	-	-	36,351
Total business-type activities	-	-	-	99,377	100,152	26,434	21,956	108,487
Total primary government	\$ 12,104,633	\$ 12,589,319	\$ 12,452,932	\$ 11,562,701	\$ 11,396,109	\$ 11,002,858	\$ 11,018,190	\$ 11,649,069
<b>Change in Net Assets</b>								
Governmental activities	\$ 1,524,831	\$ 1,099,147	\$ 1,035,545	\$ 527,314	\$ 718,641	\$ 900,424	\$ 1,613,197	\$ 2,747,435
Business-type activities	(322,327)	(1,154,609)	(311,083)	239,895	903,973	1,569,715	1,275,267	1,547,673
Total primary government	\$ 1,202,504	\$ (55,462)	\$ 724,462	\$ 767,209	\$ 1,622,614	\$ 2,470,139	\$ 2,888,464	\$ 4,295,108

2014	2015
\$ 1,653,433	\$ 1,818,174
664,648	839,776
1,405,019	1,558,928
603,073	695,260
337,912	383,112
2,926,351	2,972,287
3,542,091	4,081,117
3,713,816	3,641,112
-	-
109,061	227,514
<u>14,955,404</u>	<u>16,217,280</u>
3,893,752	4,222,963
709,244	761,196
243,292	320,452
4,846,288	5,304,611
<u>\$ 19,801,692</u>	<u>\$ 21,521,891</u>

Notes:

- 1 Beginning in fiscal year 2006, parking meter revenues were recorded as a charge for service in Public Safety - Police rather than in General Government.
- 2 Beginning in fiscal year 2011, parking meter revenues have been recorded as a charge for service in Parking Enforcement rather than Public Safety-Police.
- 3 Beginning in fiscal year 2008, the following departmental changes were implemented:
  - a. Community Development department has been separately presented;
  - b. Library division has been separately presented;
  - c. The Parks and Recreation divisions have been included as part of Public Services.
- 4 Beginning in fiscal year 2010, the wastewater and reclaimed water funds are classified as enterprise funds
- 5 Beginning in fiscal year 2013 the Recreation department has been separately presented and no longer included as a part of Public Services. Fiscal year 2012 has been restated for comparison purposes.
- 6 Beginning in 2014 the guaranteed entitlement portion of State Revenue Sharing is separately presented. Separate presentation for 2013 has been included for comparison purposes.

\$ 482,675	\$ 503,155
587,335	643,007
719,884	823,417
31,355	33,347
1,555,258	1,744,353
147,864	24,649
-	-
-	-
1,544,867	1,650,010
6,309	2,810
<u>5,075,547</u>	<u>5,424,748</u>

5,051,892	5,219,730
864,886	869,447
636,163	644,968
-	-
24,450	-
6,577,391	6,734,145
<u>\$ 11,652,938</u>	<u>\$ 12,158,893</u>

\$ (9,879,857)	\$ (10,792,532)
1,731,103	1,429,534
<u>\$ (8,148,754)</u>	<u>\$ (9,362,998)</u>

\$ 5,694,314	\$ 6,783,032
1,175,145	1,205,644
2,211,732	2,167,637
539,946	567,057
858,293	923,839
131,110	135,402
297,976	269,876
41,341	51,530
70,119	73,737
199,235	199,235
9,320	17,210
68,078	108,059
80,896	57,909
-	-
-	-
-	-
-	(652,137)
<u>11,377,505</u>	<u>11,908,030</u>

2,132	1,827
(330)	-
(80,896)	(57,909)
-	-
(79,094)	(56,082)
<u>\$ 11,298,411</u>	<u>\$ 11,851,948</u>

\$ 1,497,648	\$ 1,115,498
1,652,009	1,373,452
<u>\$ 3,149,657</u>	<u>\$ 2,488,950</u>

City of St. Pete Beach, Florida  
 Schedule 3  
 Fund Balances, Governmental Funds  
 Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved	\$ 213,744	\$ 210,005	\$ 209,325	\$ 1,567,842	\$ -
Unreserved	2,857,924	2,936,042	3,192,546	2,401,267	-
Nonspendable	-	-	-	-	1,134,260
Restricted	-	-	-	-	198,063
Committed	-	-	-	-	-
Assigned	-	-	-	-	668,445
Unassigned	-	-	-	-	2,337,289
Total general fund	<u>\$ 3,071,668</u>	<u>\$ 3,146,047</u>	<u>\$ 3,401,871</u>	<u>\$ 3,969,109</u>	<u>\$ 4,338,057</u>
All Other Governmental Funds					
Reserved	\$ 4,140,422	\$ 3,917,959	\$ 3,707,404	\$ 3,397,217	\$ -
Unreserved					
Special revenue funds	636,941	(702,015)	(1,047,146)	-	-
Debt service fund	734	(46,827)	(49,778)	-	-
Capital project fund	716,737	(651,603)	49,928	564,051	-
Restricted	-	-	-	-	184,044
Committed	-	-	-	-	-
Assigned	-	-	-	-	475,479
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 5,494,834</u>	<u>\$ 2,517,514</u>	<u>\$ 2,660,408</u>	<u>\$ 3,961,268</u>	<u>\$ 659,523</u>

Note:

The City converted the wastewater and reclaimed water funds from special revenue funds to enterprise funds in FY 2010. Fiscal year 2009 converted for comparison purposes

The City implemented GASB Statement #54 - "Fund Balance Reporting and Governmental Fund Type Definitions" for the year ended September 30, 2011. The fund balance classifications for this year ended September 30, 2010 were restated for comparison purposes.

2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
920,961	352,325	284,467	211,956	211,818
198,063	198,063	198,063	198,063	198,063
-	-	-	69,426	431,487
565,656	543,695	412,809	483,073	611,860
3,229,855	3,617,274	4,124,482	4,731,407	5,348,413
<u>\$ 4,914,535</u>	<u>\$ 4,711,357</u>	<u>\$ 5,019,821</u>	<u>\$ 5,693,925</u>	<u>\$ 6,801,641</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
171,803	189,484	190,519	216,017	12,885,834
-	-	-	431,766	494,378
-	561,608	1,372,620	1,661,478	2,448,141
(198,166)	-	-	-	-
<u>\$ (26,363)</u>	<u>\$ 751,092</u>	<u>\$ 1,563,139</u>	<u>\$ 2,309,261</u>	<u>\$ 15,828,353</u>

City of St. Pete Beach, Florida  
Schedule 4  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011
<b>Revenues</b>						
Taxes	\$ 9,438,522	\$ 10,328,178	\$ 9,799,563	\$ 9,339,517	\$ 9,185,523	\$ 8,983,281
Licenses and permits	807,175	713,523	534,094	455,394	494,634	459,849
Intergovernmental revenue	3,846,278	3,922,805	4,004,139	3,689,253	3,678,096	3,579,651
Charges for services	4,518,661	4,679,076	5,325,751	1,572,766	1,512,469	1,768,756
Fines and forfeitures	215,241	224,958	209,512	163,951	150,192	226,328
Miscellaneous revenue	665,691	1,029,823	731,898	360,139	389,009	346,267
Total revenues	<u>19,491,568</u>	<u>20,898,363</u>	<u>20,604,957</u>	<u>15,581,020</u>	<u>15,409,923</u>	<u>15,364,132</u>
<b>Expenditures</b>						
<b>Current</b>						
General government	2,240,435	2,378,877	1,926,479	2,015,314	2,099,784	1,786,770
Community Development	-	-	716,378	610,481	581,496	567,536
Recreation	-	-	-	-	-	-
Library	-	-	571,361	587,953	530,304	529,431
Parking enforcement	-	-	-	-	-	267,877
Public safety	6,416,531	6,810,757	7,308,294	6,749,074	6,738,104	6,628,405
Public services	2,564,046	2,629,373	3,401,670	3,138,324	3,026,346	3,064,189
Water pollution control	3,359,030	4,259,808	3,701,133	-	-	-
Leisure services	1,806,596	2,158,388	-	-	-	-
Total Current Expenditures	<u>16,386,638</u>	<u>18,237,203</u>	<u>17,625,315</u>	<u>13,101,146</u>	<u>12,976,034</u>	<u>12,844,208</u>
<b>Capital outlay</b>						
General government	486,928	69,723	163,246	54,889	17,551	300,488
Community Development	-	-	3,000	6,350	-	8,590
Recreation	-	-	-	-	-	-
Library	-	-	163,251	-	3,894	26,236
Parking enforcement	-	-	-	-	-	-
Public safety	1,065,265	231,343	70,770	69,216	265,200	211,183
Public services	678,155	802,927	418,265	219,989	1,206,059	735,242
Water pollution control	1,838,557	1,358,178	25,399	274,086	-	-
Leisure services	2,565,988	6,731,060	-	-	-	-
Total Capital Outlay	<u>6,634,893</u>	<u>9,193,231</u>	<u>843,931</u>	<u>624,530</u>	<u>1,492,704</u>	<u>1,281,739</u>
<b>Debt service</b>						
Principal retirement	819,389	1,338,279	1,433,818	813,322	1,340,375	1,169,185
Interest and fiscal charges	320,480	571,085	521,138	261,648	245,623	194,704
Total Debt Service	<u>1,139,869</u>	<u>1,909,364</u>	<u>1,954,956</u>	<u>1,074,970</u>	<u>1,585,998</u>	<u>1,363,889</u>
Total expenditures	<u>24,161,400</u>	<u>29,339,798</u>	<u>20,424,202</u>	<u>14,800,646</u>	<u>16,054,736</u>	<u>15,489,836</u>
Excess of revenues over (under) expenditures	(4,669,832)	(8,441,435)	755	780,374	(644,813)	(125,704)
<b>Other Financing Sources (Uses)</b>						
Capital lease obligation incurred	658,553	-	-	-	-	-
Bond proceeds	-	4,100,598	-	-	-	-
Loan proceeds	1,455,892	1,414,321	388,742	269,843	875,000	-
Proceeds from sale of surplus capital assets	14,354	23,575	9,221	31,746	52,231	16,296
Transfers in	589,101	934,601	547,101	400,000	475,000	492,000
Transfers out	(589,101)	(934,601)	(547,101)	(400,000)	(475,000)	(492,000)
Total other financing sources (uses)	<u>2,128,799</u>	<u>5,538,494</u>	<u>397,963</u>	<u>301,589</u>	<u>927,231</u>	<u>16,296</u>
Special items	-	-	-	-	-	-
Net change in fund balances	(2,541,033)	(2,902,941)	398,718	1,081,963	282,418	(109,408)
Fund balances - beginning of year	11,107,535	8,566,502	5,663,561	3,633,199	4,715,162	4,997,580
Fund balance - end of year	<u>\$ 8,566,502</u>	<u>\$ 5,663,561</u>	<u>\$ 6,062,279</u>	<u>\$ 4,715,162</u>	<u>\$ 4,997,580</u>	<u>\$ 4,888,172</u>
Debt service as a percentage of non-capital expenditures	6.5%	9.5%	10.0%	7.6%	10.9%	9.6%

Note: The City converted the wastewater and reclaimed water funds from special revenue funds to enterprise funds in FY 2010.  
Fiscal year 2009 was converted for comparison purposes

	2012	2013	2014	2015
\$	8,851,466	\$ 9,662,222	\$ 9,081,191	\$ 10,156,313
	516,512	540,699	640,300	713,346
	4,651,553	4,195,087	3,685,146	3,873,495
	2,135,514	2,212,547	2,292,991	2,592,614
	141,215	132,755	222,517	99,405
	416,937	383,821	481,292	479,622
	<u>16,713,197</u>	<u>17,127,131</u>	<u>16,403,437</u>	<u>17,914,795</u>
	2,082,197	1,729,444	1,651,768	1,660,190
	565,632	595,161	664,048	792,883
	903,841	1,045,861	1,074,734	1,139,551
	517,505	547,258	569,904	617,829
	318,540	336,416	316,752	344,108
	6,884,686	6,985,526	6,154,403	6,272,784
	2,324,891	2,408,160	2,798,998	2,790,557
	-	-	-	-
	-	-	-	-
	<u>13,597,292</u>	<u>13,647,826</u>	<u>13,230,607</u>	<u>13,617,902</u>
	22,050	20,330	14,604	53,428
	-	-	-	-
	16,603	109,307	357,943	43,704
	16,932	-	-	-
	6,290	-	-	71,919
	891,194	485,990	449,349	-
	718,731	862,497	866,271	1,522,324
	-	-	-	-
	-	-	-	-
	<u>1,671,800</u>	<u>1,478,124</u>	<u>1,688,167</u>	<u>1,691,375</u>
	760,000	495,000	422,010	437,930
	144,126	121,397	106,855	241,985
	904,126	616,397	528,865	679,915
	<u>16,173,218</u>	<u>15,742,347</u>	<u>15,447,639</u>	<u>15,989,192</u>
	539,979	1,384,784	955,798	1,925,603
	-	-	379,132	-
	-	-	-	13,048,318
	-	-	-	-
	34,298	19,056	4,400	23,615
	925,000	1,384,400	1,905,896	1,961,909
	(925,000)	(1,325,000)	(1,825,000)	(1,904,000)
	<u>34,298</u>	<u>78,456</u>	<u>464,428</u>	<u>13,129,842</u>
	-	(342,729)	-	(428,637)
	574,277	1,120,511	1,420,226	14,626,808
	4,888,172	5,462,449	6,582,960	
\$	<u>5,462,449</u>	<u>6,582,960</u>	<u>8,003,186</u>	<u>14,626,808</u>
	6.2%	4.3%	3.8%	4.8%

City of St. Pete Beach, Florida  
 Schedule 5  
 Program Revenue by Function / Program  
 Last Ten Fiscal Years

	2006	2007	2008	2009
<b>Function / Program</b>				
Governmental activities :				
Charges for services				
General government	\$ 450,424	\$ 411,629	\$ 435,010	\$ 425,373
Community development	52,250	58,176	449,139	359,829
Recreation	-	-	-	-
Library	-	-	28,069	30,182
Parking enforcement	-	-	-	-
Public safety - police	904,284	969,146	1,155,181	1,147,821
Public services	716,278	619,330	419,320	399,399
Leisure services	189,466	263,963	-	-
Total charges for services	<u>2,312,702</u>	<u>2,322,244</u>	<u>2,486,719</u>	<u>2,362,604</u>
Operating grants and contributions				
General government	-	-	-	-
Library	235,674	271,841	248,257	218,470
Public safety - police	14,484	92,235	76,465	47,129
Public safety - fire	865,930	904,660	1,182,893	1,236,947
Public services	535,681	45,714	117,858	49,532
Total operating grants and contributions	<u>1,651,769</u>	<u>1,314,450</u>	<u>1,625,473</u>	<u>1,552,078</u>
Capital grants and contributions				
General government	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	-
Public safety - police	-	-	-	118,719
Public safety - fire	-	-	-	-
Public services	-	-	-	174,361
Leisure services	27,817	653,672	276,854	-
Total capital grants and contributions	<u>27,817</u>	<u>653,672</u>	<u>276,854</u>	<u>293,080</u>
Sub-total governmental activities	<u>\$ 3,992,288</u>	<u>\$ 4,290,366</u>	<u>\$ 4,389,046</u>	<u>\$ 4,207,762</u>
Business-type activities:				
Charges for services:				
Water pollution control - sewer	\$ 2,846,516	\$ 2,944,746	\$ 3,222,774	\$ 3,753,190
Water pollution control - reclaimed water	564,592	567,251	562,528	548,899
Water pollution control - stormwater	-	-	-	-
	<u>3,411,108</u>	<u>3,511,997</u>	<u>3,785,302</u>	<u>4,302,089</u>
Operating grants and contributions				
Total operating grants and contributions	-	-	-	-
Capital grants and contributions				
Total capital grants and contributions	-	-	-	-
Sub-total business type activities program revenues	<u>3,411,108</u>	<u>3,511,997</u>	<u>3,785,302</u>	<u>4,302,089</u>
Total primary government program revenues	<u>\$ 7,403,396</u>	<u>\$ 7,802,363</u>	<u>\$ 8,174,348</u>	<u>\$ 8,509,851</u>

	2010	2011	2012	2013	2014	2015
\$	439,404	\$ 450,656	\$ 473,458	\$ 469,324	\$ 482,675	\$ 503,155
	399,355	363,853	450,065	470,650	587,335	643,007
	-	-	574,324	739,016	719,884	823,417
	27,427	25,048	25,356	26,771	31,355	33,347
	928,834	1,143,883	1,404,482	1,444,844	1,555,258	1,744,353
	141,741	169,361	143,527	41,819	147,864	24,649
	431,290	536,404	-	-	-	-
	-	-	-	-	-	-
	<u>2,368,051</u>	<u>2,689,205</u>	<u>3,071,212</u>	<u>3,192,424</u>	<u>3,524,371</u>	<u>3,771,928</u>
	-	-	-	-	-	41,050
	189,859	173,606	168,334	162,137	153,237	154,130
	63,569	82,127	97,676	20,976	-	-
	1,108,691	1,101,575	1,216,072	1,452,525	1,317,862	1,355,080
	52,084	54,434	59,448	165,012	73,768	99,750
	<u>1,414,203</u>	<u>1,411,742</u>	<u>1,541,530</u>	<u>1,800,650</u>	<u>1,544,867</u>	<u>1,650,010</u>
	-	142,500	-	-	-	-
	-	-	272,500	-	4,050	-
	-	10,000	-	-	-	-
	247,341	99,760	6,100	2,508	2,259	2,810
	-	-	665,000	-	-	-
	123,727	64,686	200,000	350,500	-	-
	-	-	-	-	-	-
	<u>371,068</u>	<u>316,946</u>	<u>1,143,600</u>	<u>353,008</u>	<u>6,309</u>	<u>2,810</u>
	<u>\$4,153,322</u>	<u>\$ 4,417,893</u>	<u>\$ 5,756,342</u>	<u>\$ 5,346,082</u>	<u>\$ 5,075,547</u>	<u>\$ 5,424,748</u>
\$	4,556,755	\$ 4,605,011	\$ 4,741,773	\$ 4,680,651	\$ 5,051,892	\$ 5,219,730
	603,741	699,152	797,045	800,471	864,886	869,447
	-	264,594	610,966	637,350	636,163	644,968
	<u>5,160,496</u>	<u>5,568,757</u>	<u>6,149,784</u>	<u>6,118,472</u>	<u>6,552,941</u>	<u>6,734,145</u>
	-	-	3,176	118,280	-	-
	-	-	-	-	24,450	-
	<u>5,160,496</u>	<u>5,568,757</u>	<u>6,152,960</u>	<u>6,236,752</u>	<u>6,577,391</u>	<u>6,734,145</u>
\$	<u>9,313,818</u>	<u>\$ 9,986,650</u>	<u>\$ 11,909,302</u>	<u>\$ 11,582,834</u>	<u>\$ 11,652,938</u>	<u>\$ 12,158,893</u>

City of St. Pete Beach, Florida  
 Schedule 6  
 Tax Revenues by Source, Governmental Funds  
 Last Ten Fiscal Years

Fiscal Year Ended September 30,	Ad Valorem	Franchise Fees	Utility Taxes	Total
2015	\$ 6,783,032	\$ 1,205,644	\$ 2,167,637	\$ 10,156,313
2014	5,694,314	1,175,145	2,211,732	9,081,191
2013	6,474,606	1,105,415	2,082,201	9,662,222
2012	5,641,473	1,157,857	2,052,136	8,851,466
2011	5,659,946	1,198,408	2,124,927	8,983,281
2010	5,655,614	1,291,867	2,238,042	9,185,523
2009	6,057,622	1,224,333	2,057,562	9,339,517
2008	6,662,973	1,104,184	2,032,406	9,799,563
2007	7,205,756	1,129,082	1,993,340	10,328,178
2006	6,361,917	1,123,954	1,952,652	9,438,523

## **Schedules of Revenue Capacity Information**

These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.

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City of St. Pete Beach, Florida  
 Schedule 7  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 (in thousands of dollars)

Fiscal Year Ended September 30,	Tax Roll	Residential Property	Commercial Property	Governmental Property	Institutional Property
2015	2014	\$ 1,920,699,855	\$ 397,961,637	\$ 29,848,399	\$ 20,159,599
2014	2013	1,793,883,055	393,536,407	25,463,444	19,456,265
2013	2012	1,785,350,119	383,501,063	25,393,771	19,389,257
2012	2011	1,745,788,800	365,880,150	24,841,805	17,039,690
2011	2010	1,866,594,851	400,024,065	26,970,547	18,534,123
2010	2009	1,974,627,856	445,160,499	31,375,098	20,933,239
2009	2008	2,554,643,705	664,746,200	63,915,000	25,236,900
2008	2007	2,916,165,500	715,107,200	63,887,600	24,314,300
2007	2006	2,943,231,980	751,347,000	64,732,200	23,819,900
2006	2005	2,337,775,200	587,997,200	48,716,300	21,779,100

Source:

Pinellas County Property Appraiser

Other Real Property	Personal Property	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 7,857,808	\$ 63,539,771	\$ 2,440,067,069	\$ 240,837,037	\$ 2,199,230,032	3.1500
7,713,624	61,230,630	2,301,283,425	237,841,071	2,063,442,354	2.8569
7,773,482	57,629,771	2,279,037,463	294,774,137	1,984,263,326	3.3697
7,252,963	57,842,179	2,218,645,587	237,892,158	1,980,753,429	2.9464
8,148,597	53,226,254	2,373,498,437	252,537,396	2,120,961,041	2.7514
9,952,577	55,337,521	2,537,386,790	261,028,318	2,276,358,472	2.5588
4,397,000	53,478,550	3,366,417,355	805,857,299	2,560,560,056	2.4425
5,038,700	50,266,380	3,774,779,680	950,102,233	2,824,677,447	2.4363
3,186,800	47,787,380	3,834,105,260	1,044,433,806	2,789,671,454	2.6656
1,914,900	43,287,248	3,041,469,948	761,552,330	2,279,917,618	2.8792

City of St. Pete Beach, Florida  
 Schedule 8  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (rates per \$1,000 of assessed value)

Fiscal Year	City Millage	City Debt	Total City	Pinellas County			Total County - Operating	Pinellas
				Operating	Mosquito Control	Health Department		School Operating
2015	3.1500	0.0000	3.1500	5.2755	-	0.0622	5.3377	5.0930
2014	2.8569	0.0000	2.8569	5.2755	-	0.0622	5.3377	5.3120
2013	3.2819	0.0878	3.3697	5.0105	-	0.0622	5.0727	5.5540
2012	2.8569	0.0895	2.9464	4.8108	-	0.0622	4.8730	5.6370
2011	2.6718	0.0796	2.7514	4.8108	-	0.0622	4.8730	5.3420
2010	2.4834	0.0754	2.5588	4.8108	-	0.0622	4.8730	5.3480
2009	2.3764	0.0661	2.4425	4.8108	-	0.0622	4.8730	5.1720
2008	2.3764	0.0599	2.4363	4.8108	-	0.0622	4.8730	4.7300
2007	2.6000	0.0656	2.6656	5.3400	0.0600	0.0700	5.4700	5.0460
2006	2.8000	0.0792	2.8792	5.9920	0.0790	0.0700	6.1410	5.1910

Source:

Pinellas County Tax Collector

County School Board		Emerg. Medical Services	Pinellas Planning Council	Juvenile Welfare Board	Southwest	Pinellas	Total
Local School Operating	Total School Board				Florida Water Management District	Anclote River Basin	
2.7480	7.8410	0.9158	0.0160	0.8981	0.3658	-	18.5244
2.7480	8.0600	0.9158	0.0160	0.8981	0.3818	-	18.4663
2.7480	8.3020	0.9158	0.0125	0.8981	0.3928	-	18.9636
2.7480	8.3850	0.8506	0.0125	0.8337	0.3928	-	18.2940
2.9980	8.3400	0.5832	0.0125	0.7915	0.3770	0.2600	17.9886
2.9980	8.3460	0.5832	0.0125	0.7915	0.3866	0.3200	17.8716
2.8890	8.0610	0.5832	0.0170	0.7915	0.3866	0.3600	17.5148
3.0010	7.7310	0.5832	0.0170	0.7384	0.3866	0.3701	17.1356
3.1640	8.2100	0.6300	0.0195	0.7963	0.4220	0.4000	18.6134
3.1990	8.3900	0.6600	0.0218	0.8117	0.4220	0.4000	19.7257

City of St. Pete Beach, Florida  
 Schedule 9  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Don Cesar Resort Hotel	\$ 51,261,027	1	2.33%	\$ 55,347,930	1	2.43%
Nicklaus, H Gregg Tre	2,215,200	2	0.10%	31,900,000	3	1.40%
RIA - Sandpiper Inc	18,029,000	3	0.82%	17,500,000	5	0.77%
B R E Mariner Dolphin Village LLC	16,337,900	4	0.74%	12,103,300	8	0.53%
St. Pete Partners LLC	13,372,020	5	0.61%			
Grand Plaza Resorts Inc	12,900,836	6	0.59%			
RIA - Tradewinds, Inc.	12,000,126	7	0.55%	33,527,490	2	1.47%
Breckenridge Development Inc.	10,543,889	8	0.48%	21,041,450	4	0.92%
RIA - Breckenridge, Inc.	10,290,100	9	0.47%			
Dolphin Holdings, LTD	9,779,700	10	0.44%			
Alden Enterprises, Inc.				10,521,410	10	0.46%
Ton Land Associates, LLC				14,179,500	6	0.62%
Belle Grande, LLC				11,901,300	9	0.52%
National Realty Holdings, Inc.				13,500,000	7	0.59%
Total Principal Taxpayers	156,729,798		7.13%	\$ 221,522,380		9.72%
All Other Taxpayers	2,042,500,234		92.87%	2,058,395,238		90.28%
Total	<u>\$ 2,199,230,032</u>		<u>100%</u>	<u>\$ 2,279,917,618</u>		<u>100%</u>

Source:

Pinellas County Property Appraiser's Office

City of St. Pete Beach, Florida  
 Schedule 10  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2015	\$ 6,927,575	\$ 6,783,032	97.91%
2014	5,895,048	5,694,314	96.59%
2013	6,686,372	6,474,606	96.83%
2012	5,836,092	5,641,473	96.67%
2011	5,835,612	5,659,946	96.99%
2010	5,824,746	5,655,614	97.10%
2009	6,254,168	6,057,622	96.86%
2008	6,881,762	6,662,973	96.82%
2007	7,436,148	7,205,756	96.90%
2006	6,564,338	6,361,917	96.92%

Note:

Subsequent year collections are minimal, therefore only total tax collected within the fiscal year is presented.

Source:

Pinellas County Property Appraiser

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## **Schedules of Debt Capacity Information**

These schedules present information to help the reader understand and assess the City's debt burden and its ability to issue additional debt.

There are no limitations placed upon the amount of debt the City of St. Pete Beach may issue by either the City Charter or the City's Code of Ordinances, or by Florida Statutes.

City of St. Pete Beach, Florida  
 Schedule 11  
 Direct and Overlapping Governmental Activities Debt  
 As of September 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Pinellas County School Board Capital Leases (2)	\$ 1,012,473	3.37%	\$ 34,171
Pinellas County Governmental Activities Bonds (2)	11,558,515	3.37%	390,097
Pinellas County School Board (Overlapping) (2)	<u>14,884,000</u>	3.37%	<u>502,332</u>
Total Overlapping Debt	27,454,988		926,600
City direct debt - governmental activities	<u>14,434,191</u>	100.00%	<u>14,434,191</u>
Total direct and overlapping governmental activities debt	<u>\$ 41,889,179</u>		<u>\$ 15,360,791</u>
Total direct and overlapping governmental activities debt per capita (2) (3)			\$ 1,639

Notes:

- (1) The City's share is calculated based on the ratio of the 2014 City Taxable Value of \$ 2,199,230,032 to the County's Taxable Value of \$ 59,650,849,843 and the School Board Taxable Value of \$65,162,815,462.
- (2) The City of St. Pete Beach is not responsible for the debt of the County or School Board.
- (3) 2015 permanent St. Pete Beach population at 9,373.

Source:

Pinellas County, Florida; City of St. Pete Beach Finance Department; University of Florida

City of St. Pete Beach, Florida  
Schedule 12  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type	
	General Obligation Bonds 1993	Revenue Bond Series 2001A	Revenue Bond 2006A	Revenue Bond Series 2015	Capital Leases Payable	State Revolving Loan 1992	State Revolving Loan 2003
2015	\$ -	\$ -	\$ 1,205,000	\$ 13,000,000	\$ 229,191	\$ -	\$ 137,145
2014	-	-	1,570,000	-	302,122	576,600	152,070
2013	-	-	1,915,000	-	-	1,133,436	166,549
2012	160,000	-	2,250,000	-	-	1,671,186	180,596
2011	315,000	285,000	2,570,000	-	-	2,190,474	194,225
2010	460,000	560,000	2,875,000	-	444,186	2,691,948	207,448
2009	600,000	820,000	3,170,000	-	214,561	3,176,220	220,276
2008	730,000	1,065,000	3,455,000	-	490,269	3,643,880	232,722
2007	855,000	1,300,000	3,725,000	-	663,950	4,095,498	244,796
2006	975,000	1,525,000	-	-	829,920	4,531,626	256,511

Activities					General Bonded Debt			Total Primary Government Debt Per Capita
	State Revolving Loan 2005	Wastewater Revenue Bond 2015	Stormwater Revenue Bond 2015	Capital Leases Payable	Total Primary Government	Percentage of Actual Taxable Value of Property	Per Capita	
\$ 2,111,865	\$ 5,000,000	\$ 3,000,000	\$ -	\$ 24,683,201	0.000%	\$ -	0.00%	2,633
2,275,638	-	-	-	4,876,430	0.000%	-	0.00%	515
2,435,220	-	-	-	5,650,205	0.000%	-	0.00%	604
2,590,716	-	-	-	6,852,498	0.008%	17	0.04%	736
2,752,362	-	-	32,837	8,339,898	0.015%	31	0.07%	829
2,919,867	-	-	64,128	10,222,579	0.020%	46	0.09%	1,020
3,083,084	-	-	93,955	11,378,102	0.023%	59	0.12%	1,124
2,976,163	-	-	-	12,593,040	0.026%	72	0.15%	1,236
2,753,865	-	-	-	13,638,115	0.031%	85	0.22%	1,352
1,529,010	-	-	-	9,647,073	0.043%	97	0.27%	962

City of St. Pete Beach, Florida  
 Schedule 13  
 Pledged-Revenue Coverage  
 Last Ten Fiscal Years

Year	Ad valorem Taxes	General Obligation Bonds 1993			Reclaimed Water Service Charges	Less: Operating Expenses	Plus: Sinking Fund - Sale of U.S. Treasury Zero Coupon Bonds	Net Available Revenue	State Revolving Loan	
		Principal	Interest	Coverage					Principal	Interest
2015	\$ -	\$ -	\$ -	-	\$ 846,638	\$ 517,095	\$ 500,000	\$ 829,543	\$ 576,600	\$ 5,163
2014	-	-	-	-	842,702	444,710	500,000	897,992	556,836	40,265
2013	168,400	160,000	8,400	1.00	775,886	488,690	500,000	787,196	537,750	59,351
2012	171,357	155,000	16,357	1.00	781,555	582,818	500,000	698,737	519,287	77,814
2011	169,150	145,000	24,150	1.00	683,605	501,695	500,000	681,910	501,474	95,627
2010	171,500	140,000	31,500	1.00	591,590	432,211	500,000	659,379	484,272	112,829
2009	168,325	130,000	38,325	1.00	525,084	524,699	500,000	500,385	467,660	129,441
2008	170,383	125,000	44,575	1.00	545,836	399,199	500,000	646,637	451,618	145,482
2007	171,383	120,000	50,575	1.00	548,495	416,599	500,000	631,896	436,128	160,973
2006	172,133	115,000	57,133	1.00	551,893	421,297	500,000	630,596	421,169	175,933

Note:

(A) The Revenue Bonds Series 2001A and 2006A are secured by non - ad valorem revenues. The City has utilized the infrastructure sales surtax revenue as the source for debt payments.

<u>1992</u> <u>Coverage</u>	<u>Wastewater</u> <u>Service</u> <u>Charges</u>	<u>Less:</u> <u>Operating</u> <u>Expenses</u>	<u>Net</u> <u>Available</u> <u>Revenue</u>	<u>State Revolving Loan</u> <u>2003 and 2005</u>			<u>Infrastructure</u> <u>Sales Tax</u>	<u>Revenue Bonds</u> <u>Series 2001A and Series 2006A</u>		
				<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>		<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
1.43	\$ 5,218,696	\$ 3,645,072	\$ 1,573,624	\$ 178,697	\$ 62,858	6.51	\$ 923,839	\$ 365,000	\$ 78,500	2.08
1.50	5,048,037	3,523,158	1,524,879	174,061	67,222	6.32	858,293	345,000	95,750	1.95
1.32	4,679,616	3,370,293	1,309,323	169,543	72,012	5.42	804,221	335,000	109,150	1.81
1.17	4,737,866	3,467,986	1,269,880	175,273	76,354	5.05	761,136	605,000	122,729	1.05
1.14	4,596,119	2,775,656	1,820,463	180,728	81,170	6.95	719,060	580,000	149,980	0.99
1.10	4,541,287	3,187,248	1,354,039	176,301	85,776	5.17	805,652	555,000	180,450	1.10
0.84	3,719,270	3,230,610	488,660	175,370	86,708	1.86	808,949	530,000	204,475	1.10
1.08	3,222,774	3,349,795	(127,021)	178,518	83,807	None	920,711	505,000	223,084	1.26
1.06	2,944,746	3,890,969	(946,223)	201,181	60,897	None	947,581	415,000	201,857	1.54
1.06	2,846,516	2,945,427	(98,911)	11,365	8,084	None	979,980	215,000	78,788	3.34

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## **Schedules of Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place, and to facilitate comparison of financial statement information over time.

City of St. Pete Beach, Florida  
 Schedule 14  
 Demographic and Economic Statistics  
 Last Ten Calendar Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2015	9,373	\$ 460,036,213	\$ 49,081	56.1	103,779	4.2%
2014	9,471	451,037,433	47,623	55.9	104,104	5.7%
2013	9,357	435,587,064	46,552	57.5	101,337	6.0%
2012	9,307	397,883,557	42,751	56.8	101,818	9.8%
2011	10,063	449,393,454	44,658	56.8	104,001	10.8%
2010	10,026	493,880,760	49,260	56.8	102,672	12.1%
2009	10,121	491,050,678	48,518	56.4	103,302	11.1%
2008	10,192	479,941,280	47,090	55.9	104,717	7.1%
2007	10,085	384,087,225	38,085	44.1	113,651	4.3%
2006	10,032	357,209,424	35,607	44.2	113,651	3.4%

Sources:

- (1) Pinellas County Bureau of Economic Development
- (2) Pinellas County Schools - elementary through high school for Pinellas' County School District.
- (3) U.S. Department of Labor - Bureau of Labor Statistics - Pinellas County

City of St. Pete Beach, Florida  
 Schedule 15  
 Principal Employers, St. Pete Beach  
 Current Year and Nine Years Ago

Employer	2015		2006	
	Employees	Rank	Employees	Rank
Bluegreen at Tradewinds	800	1	637	1
The Don Cesar Beach Resort	550	2	513	2
Sirata Beach Resort	300	3	239	3
Publix Super Markets	200	4	129	8
Tradewinds Island Resort	100	5		
Grand Plaza Hotel	100	6	137	6
Hurricane Lounge, Inc	100	7	100	9
Winn Dixie	100	8		
Guy Harvey Outpost	99	9		
City of St. Pete Beach	90	10	140	5
Beachcomber Beach Resort & Hotel			75	10
Sandpiper Hotel & Suites			153	4
Grace Healthcare of St. Petersburg			134	7
	<u>2,439</u>		<u>2,257</u>	

Source:

Pinellas County Economic Development Department.

## **Schedules of Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of St. Pete Beach, Florida  
 Schedule 16  
 Full-time Equivalent City Government Employees by Function / Program  
 Last Ten Fiscal Years

Function / Program	Full-time Equivalent Employees as of September 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government										
City Manager	3.0	3.0	3.0	2.5	2.5	3.0	3.0	4.0	5.0	5.0
City Clerk	2.9	2.9	3.1	3.1	3.1	3.6	3.5	4.5	4.5	4.5
Community Development	7.0	7.0	6.0	6.0	6.0	6.0	7.0	9.0	10.0	3.0
Finance	4.0	4.0	4.0	4.0	4.0	3.0	3.0	4.0	4.0	4.0
Library	7.2	7.4	6.5	6.5	6.5	6.0	7.0	7.0	-	-
Parking Enforcement	2.2	2.0	2.0	2.0	2.0	-	-	-	-	-
Information Technology	1.0	1.0	1.8	1.8	1.8	2.8	3.0	3.0	3.0	3.0
Police	-	-	-	33.0	33.0	36.0	37.0	44.0	44.0	44.0
Fire	32.0	29.8	29.8	29.8	29.8	29.8	30.0	32.0	32.0	32.0
Public Services	18.0	17.0	18.3	28.9	30.1	31.9	33.2	36.5	16.0	24.0
Recreation	13.8	13.8	11.4	-	-	-	-	-	-	-
Leisure Services	-	-	-	-	-	-	-	-	24.0	20.0
	<u>91.1</u>	<u>87.9</u>	<u>85.9</u>	<u>117.6</u>	<u>118.8</u>	<u>122.1</u>	<u>126.7</u>	<u>144.0</u>	<u>142.5</u>	<u>139.5</u>

Source:

Human Resource Office

Notes:

- (1) Leisure Services Department dissolved. Library now recorded separately.
- (2) Parks staff recorded in Public Services
- (3) Police services were outsourced to Pinellas County Sheriff's Department in January 2013 bringing personnel count to zero.
- (4) Recreation previously reported under Public Services. In fiscal year 2013 became a stand alone department.

City of St. Pete Beach  
Schedule 17  
Operating Indicators by Function / Program  
Last Ten Fiscal Years

Function / Program	2015	2014	2013	2012	2011	2010
<b>Police</b>						
Calls for Service	**	7,023*	23,469	12,891	11,790	16,038
Felony Arrests	**	147	141	103	102	145
Traffic Enforcement	**	1,629	3,235	1,085	2,081	2,118
Parking Violations	2,904	2,612	3,190	2,520	3,314	3,778
<b>Fire</b>						
Medical	1,831	1,880	1,910	1,793	1,844	1,946
Structure Response	288	59	41	116	93	97
Auto Crash	114	120	41	120	128	118
Water Rescue	15	30	18	36	35	38
<b>Public Works</b>						
Street Resurfacing (miles)	1.2 miles	0.95 miles	0 miles	1.18 miles	0.3 miles	0 miles
<b>Recreation</b>						
Summer Camp	398	328	138	191	143	166
Classes Offered	59	53	49	37	28	65
Program Participants	62,000	58,390	46,890	38,217	4,202	3,009
Rentals	321	250	318	361	226	283
<b>Library</b>						
Materials Borrowed	165,548	154,360	153,213	172,082	173,937	138,946
Reference Questions	17,620	15,685	15,706	14,745	9,276	6,539
<b>Sewer</b>						
Average Daily Flow	2.78 mgd	2.95 mgd	2.63 mgd	3 mgd	2.49 mgd	2.59 mgd
Miles of Sewer Lines	41.5	41.5	41.5	41.5	41.5	41.5
<b>Reclaimed Water</b>						
New Connections	24	0	0	14	19	3
Average daily consumption	1.94 mgd	1.64 mgd	2.1 mgd	2.4 mgd	2.6 mgd	2.8 mgd

Source:

Various Government Departments

\* - Statistics provided by the Pinellas County Sheriff's Office do not include Deputies self-initiated activity.

\*\* - The statistical information provided by the Pinellas County Sheriff's Office was not available.

2009	2008	2007	2006
19,672	26,853	29,428	27,980
190	235	222	208
2,760	4,614	4,253	3,783
3,559	3,862	5,800	5,170
2,033	1,951	2,182	2,126
95	95	141	151
143	134	209	198
38	30	28	45
0 miles	0 miles	0 miles	1 mile
170	172	65	63
119	72	55	13
2,608	4,616	3,646	2,168
329	298	203	84
160,874	124,537	129,690	134,077
1,172	1,709	4,703	5,036
2.61 mgd	2.62 mgd	2.61 mgd	2.83 mgd
41.5	41.5	41.5	41.5
8	18	16	26
1.8 mgd	2.57 mgd	2.59 mgd	2.99 mgd

City of St. Pete Beach, Florida  
 Schedule 18  
 Capital Asset Statistics by Function / Program  
 Last Ten Fiscal Years

<u>Function / Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Police						
Stations	1	1	1	1	1	1
Fire						
Stations	2	2	2	2	2	2
Libraries						
Main	1	1	1	1	1	1
Checked out Volumes	165,548	154,360	153,213	172,082	173,937	138,946
Public Schools						
Gulf Beach Elementary (students)	335	296	0	0	0	0
Public Works						
Streets (miles)	45.73	45.73	45.73	45.73	45.73	45.73
Recreation						
Parks (acres)	35.5	35.5	35.5	35.5	35.5	35.5
Beaches (acres)	40	40	40	40	39.8	39.8
Playgrounds	5	5	5	5	7	7
Picnic areas	6	6	6	6	6	6
Fishing piers	2	2	2	2	2	2
Fishing areas	5	5	5	5	5	5
Boat ramps	2	2	2	2	2	2
Tennis courts	9	9	9	9	9	9
Baseball fields	3	3	3	3	3	3
Basketball courts	3	3	3	3	3	3
Water						
Owned and operated by Pinellas County						
Wastewater						
Sanitary sewers (miles)	37	37	37	37	37	37
Pump stations	17	17	17	17	17	17
Average daily flow (mgd)	2.78	2.95	2.63	3	2.49	2.6
Reclaimed water						
Reclaimed lines (miles)	40	40	40	40	40	40
Number of connections	24	0	0	14	19	1

Source:

Various City Departments

2009	2008	2007	2006
1	1	1	1
2	2	2	2
1	1	1	1
176,031	134,077	125,823	124,336
0	390	390	390
45.73	45.73	45.73	45.73
34.7	34.7	34.7	34.7
39.8	39.8	39.8	39.8
7	7	5	5
6	6	5	5
2	2	2	2
5	5	5	5
2	2	2	2
9	9	9	9
3	3	3	3
3	3	3	3
37	37	37	37
17	17	17	17
2.6	2.6	2.8	2.8
40	40	40	40
1	1	1	1

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## **Other Reports**

This section contains the Auditor's Reports required by *Government Auditing Standards*, issued by the Comptroller General of the United States and the Auditor General of the State of Florida

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

The Honorable Mayor, Members of  
the City Commission and City Manager  
City of St. Pete Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Pete Beach, Florida (the City) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 28, 2016.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

May 28, 2016

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor, Members of  
the City Commission and City Manager  
City of St. Pete Beach, Florida

**Report of the Financial Statements**

We have audited the financial statements of the City of St. Pete Beach, Florida, as of and for the year ended September 30, 2015, and have issued our report thereon dated May 28, 2016.

**Auditor's Responsibility**

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

**Other Reports and Schedules**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and our Independent Auditor's Report Regarding Compliance Requirements in Rules of the Auditor General 10.556(10). Disclosures in these reports, which are dated May 28, 2016, should be considered in conjunction with this management letter.

**Prior Audit Findings**

The Rules of the Auditor General Section 10.554 (1)(i) 1., requires that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

**Official Title and Legal Authority**

The Rules of the Auditor General Section 10.554 (1)(i) 4. requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of St. Pete Beach, Florida, is a municipal corporation and operates under applicable provisions of Florida Statutes Chapter 166. The City of St. Pete Beach, Florida has no component units.

**Financial Condition**

Rules of the Auditor General Section 10.554 (1)(i) 5.a., requires a statement be included as to whether or not the local government entity has met one or more conditions described in Section 218.503(1), Florida Statutes, "Determination of Financial Emergency" and identification of the specific condition(s) met. In connection with our audit, we determined that the City of St. Pete Beach, Florida, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

**Annual Financial Report**

Rules of the Auditor General Section 10.554 (1)(i) 5.b., and 10.556 (7), require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City of St. Pete Beach, Florida, for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

**Special District Component Units**

Rules of the Auditor General Section 10.554(1)(i) 5.d., requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided in the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there were no special district component units.

**Other Matters**

The Rules of the Auditor General Section 10.554 (1)(i) 2., requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

The Rules of the Auditor General Section 10.554 (1)(i) 3., requires that we address violations or noncompliance with 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. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

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

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

May 28, 2016

INDEPENDENT AUDITOR'S REPORT  
REGARDING COMPLIANCE REQUIREMENTS IN RULES  
OF THE AUDITOR GENERAL 10.556(10)

The Honorable Mayor, Members of  
the City Commission and City Manager  
City of St. Pete Beach, Florida

We have examined the City of St. Pete Beach, Florida's (the City's) compliance with the requirements of Section 218.415, Florida Statutes during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City of St. Pete Beach, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

*Wells, Houser & Schatzel, P.A.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

May 28, 2016

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