

**City of St. Pete Beach, Florida**  
**Comprehensive Annual Financial Report**

---



**For the Fiscal Year Ended**  
**September 30, 2019**

Prepared by:  
City of St. Pete Beach Finance Department

# Table of Contents

## Introductory Section

Table of Contents .....	1 - 2
Principal City Officials .....	3
Letter of Transmittal.....	4 - 8
Organizational Chart.....	9
Certificate of Achievement for Excellence in Financial Reporting .....	10

## Financial Section

Independent Auditors' Report.....	11 - 12
Management's Discussion and Analysis.....	13 - 23
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	25
Statement of Activities.....	26
Fund Financial Statements	
Balance Sheet—Governmental Funds .....	27
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds.....	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	31
Statement of Net Position – Proprietary Funds.....	32
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	33
Statement of Cash Flows – Proprietary Funds .....	34
Statement of Fiduciary Net Position – Fiduciary Funds .....	35
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	36
Notes to Financial Statements .....	37 - 75
Required Supplementary Information	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios .....	76
Schedules of Changes in Net Pension Liability and Related Ratios – Police Plan .....	77
Schedules of Changes in Net Pension Liability and Related Ratios – Fire Plan.....	78
Schedules of Changes in Net Pension Liability and Related Ratios – General Employees Plan.....	79
Schedule of Contributions – Police Plan.....	80
Schedule of Contributions – Fire Plan .....	81
Schedule of Contributions – General Employees Plan .....	82
Schedules of Investment Returns .....	83

<b>Combining Nonmajor Governmental Funds Financial Statements and Other Schedules</b>	
Combining Balance Sheet – Nonmajor Governmental Funds .....	85
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	86
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Building .....	87
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Improvement Projects .....	88
Schedule of Revenues and Expenditures – Emergency Medical Services.....	89

**Statistical Section**

Schedule 1	Net Position by Component – Last Ten Fiscal Years .....	91
Schedule 2	Changes in Net Position – Last Ten Fiscal Years.....	92 - 93
Schedule 3	Fund Balances – Governmental Funds – Last Ten Fiscal Years .....	94
Schedule 4	Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years .....	95
Schedule 5	Tax Revenues by Source – Governmental Funds – Last Ten Fiscal Years .....	96
Schedule 6	Estimated Actual Value, Assessed Value, and Taxable Value of Property - Last Ten Fiscal Years .....	97
Schedule 7	Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	98
Schedule 8	Principal Property Taxpayers – Current Year and Nine Years Ago.....	99
Schedule 9	Property Tax Levies and Collections – Last Ten Fiscal Years.....	100
Schedule 10	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	101
Schedule 11	Direct and Overlapping Governmental Activities Debt .....	102
Schedule 12	Pledged Revenue Coverage – Last Ten Fiscal Years .....	103
Schedule 13	Demographic and Economic Statistics – Last Ten Calendar Years .....	104
Schedule 14	Principal Employers – Current Year and Nine Years Ago.....	105
Schedule 15	Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years .....	106
Schedule 16	Operating Indicators by Function– Last Ten Fiscal Years .....	107
Schedule 17	Capital Asset Statistics by Function – Last Ten Fiscal Years .....	108

**Single Audit and Other Schedules and Reports**

Schedule of Expenditures of State Financial Assistance .....	109
Schedule of Findings and Questioned Costs.....	110
Independent Auditors’ Report on Compliance for Each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550, Rules of the Auditor General .....	111 - 112
Independent Auditors’ Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with <i>Government Auditing Standards</i> .....	113 - 114
Independent Auditors’ Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General.....	115 - 116
Independent Accountants’ Examination Report.....	117
Impact Fee Affidavit.....	118
Management’s Response to Findings.....	119

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

**Mayor:**

Alan Johnson

**City Commission:**

District 1 – Christopher Graus

District 2 – Doug Izzo

District 3 – Ward Friszolowski

District 4 – Melinda Pletcher

**City Officials:**

City Manager – Alex Rey

City Clerk – Rebecca Haynes

City Attorney – Andrew Dickman

Assistant City Manager/Finance Director – Vincent Tenaglia

Fire Chief – Jim Kilpatrick

Community Development Director – Wesley Wright

Public Works Director – Michael Clarke

Recreation Director – Jennifer McMahon

Transportation Director – Michelle Gonzalez

Library Director – Betcinda Kettells

*City officials in place as of financial reporting date*



City of St. Pete Beach  
155 Corey Avenue  
St. Pete Beach, FL 33706

---

April 30, 2020

To the Honorable Mayor, City Commissioners, and Citizens of the City of St. Pete Beach, Florida:

The Comprehensive Annual Financial Report (CAFR) of the City of St. Pete Beach for the fiscal year ended September 30, 2019 is hereby submitted. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. The CAFR represents the official report of the City's financial position and operations to the City Commission, citizens, rating agencies, bond holders and other interested parties. Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with management. Management believes the data as presented are accurate in all material respects; that the report is presented in a manner which fairly illustrates the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain a complete understanding of the City's financial activities have been included.

To provide a reasonable basis for making the financial presentations, management maintains an internal control structure that provides reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition; that transactions are executed in accordance with management's authorization; and that transactions are recorded properly to facilitate preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by management. Management believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Pursuant to the City Charter, Florida Statutes Chapters 11.45 and 218, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida, an audit of the accounts and financial statements of the City of St. Pete Beach has been completed by the City's independent certified public accountants, James Moore & Co, P.L., whose opinion is included in the financial section of this report. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves 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, 2019, are fairly presented in conformity with GAAP.

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

### **ST. PETE BEACH GOVERNMENT**

The funds related to the City of St. Pete Beach that are included in the CAFR 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. 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 shown in the Table of Contents are included in this report.

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, and appointing the City Manager, the City Attorney and the City Clerk. The City Commission also appoints members to the following boards and advisory committees:

- General Employees' Pension Board
- Firefighters' Pension Board
- Police Pension Board
- Board of Adjustment
- Beach Stewardship Committee
- Finance and Budget Review Committee
- Historic Preservation Board
- Library Advisory Committee
- Planning Board
- Recreation Advisory Committee

The City provides a traditional range of services, including: fire protection and emergency medical service; maintenance of parks, streets, beaches, and infrastructure; planning and zoning; recreation services and amenities; library; wastewater collection; reclaimed water; and stormwater drainage management. On January 6, 2013, the City dissolved the police department and contracted with the Pinellas County Sheriff's Office for law enforcement service. Potable water, solid waste treatment, and criminal justice systems are provided by Pinellas County. Wastewater treatment is provided by the City of St. Petersburg.

### **BUDGETARY INFORMATION**

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 the basic financial statements for the General Fund, which is the only non-capital, major governmental fund for which an appropriated annual budget is adopted. Budget-to-actual comparisons are presented for the Capital Improvement Projects and Building funds as required supplementary information (RSI).

## LOCAL ECONOMY

St. Pete Beach is located at the southern end of Pinellas County, just west of St. Petersburg and immediately south of Treasure Island. The City has a land area of approximately two and one quarter square miles and a year round resident population of 9,779. St. Pete Beach is frequently recognized as a top beach destination and received a Travelers' Choice award in 2020 from TripAdvisor as the second-ranked beach in the United States. The City's beaches, hotels, and historic resources attract tourists and visitors from all over the world. The City is heavily concentrated with resorts, hotels, and other accommodations to support the tourist population.

Florida voters approved an amendment to Save Our Homes legislation in January 2008, limiting property taxes by increasing property value exemptions and providing portability of exemption provisions. The City of St. Pete Beach managed the impact of property tax limitations by steadily increasing its millage rate, peaking in fiscal year ("FY") 2013 to coincide with a historically low property tax base. The City has since rebuilt from the economic recession and housing market collapse by gradually increasing staffing levels and services, with a millage rate of 3.15 in place since FY 2015. Since bottoming in FY 2012, property values have increased by an average annual rate of 6.5%.

Pinellas County voters approved the renewal of the Penny for Pinellas local option sales tax in November 2017. The "Penny" is a 1% sales tax levied by Pinellas County and applied to the first \$5,000 of a single purchase, not including groceries or medications. It typically generates approximately \$1 million annually for the City of St. Pete Beach and will remain in place through December 2030. Funds are restricted for long-term capital infrastructure projects and public safety vehicles.

## LONG TERM FINANCIAL PLANNING

The City Charter requires the City Manager to prepare and submit to the City Commission a Capital Improvement Plan (CIP) every year. The CIP is a planning document for significant capital projects scheduled over a five-year planning period. Project proposal sheets describe the projects and illustrate whether expenditures are intended for acquisition, design, engineering, or construction. Funding sources are matched for each project and, when applicable, the associated operating costs of a project are identified.

In order to ensure that sufficient funds will be available, management begins the CIP process by calculating working capital projections and evaluating the impact of current spending on fund balance. When available funds are insufficient to support an identified project, new revenue must be generated or the project will be deferred to a later year. The most recent CIP was adopted for FY 2020 - FY 2024 with projects totaling approximately \$39.6 million. Projects are supported by the following sources:

- **Capital Improvement Projects Fund:** Funding is derived primarily from two sources: Penny for Pinellas tax revenue and transfers in from the General Fund.
- **Enterprise Funds:** Each of the Wastewater, Reclaimed Water, and Stormwater Funds are established to recover their cost of operations, including associated capital improvements. Rates or fees are managed at sufficient levels to fund projects financed by enterprise funds.
- **Debt Proceeds:** Recent projects supported by the issuance of debt include Pass-a-Grille Way roadway reconstruction (phases I and II), Blind Pass Road reconstruction, and wastewater collection system improvements.
- **Interlocal Agreement:** The Gulf Blvd. electric undergrounding project includes funding derived from an agreement between Pinellas County and the Barrier Islands Government Council to fund

improvements on or adjacent to Gulf Blvd. Funds are generated at the County level from the Penny for Pinellas local option sales tax and allocated to local communities in proportion to their Gulf Blvd. linear mileage.

- **Grants:** Grants are sought to aide in the funding of projects and are often used as a match for capital improvement projects. Grant-funded projects are pursued only if grant funding is secured.
- **State Appropriation:** The City secured \$1 million through the State of Florida for sewer improvements. Funds were allocated to the sanitary sewer capacity improvements project.

### **MAJOR INITIATIVES**

The City of St. Pete Beach borrowed over \$21 million in FY 2015 and approximately \$13.2 million in FY 2020 to finance its capital improvement program. Funding was allocated to the following projects, many of which are complex in nature and involve other stakeholders such as the State of Florida, Southwest Florida Water Management District, Pinellas County, and Duke Energy:

- **Pass-a-Grille Roadway Construction, Phase I:** Complete reconstruction of Pass-a-Grille Way from Maritana Drive to 19<sup>th</sup> Avenue, including rehabilitation of traffic lanes, new sidewalks and bike lanes to greatly enhance multi-modal transportation, and utility undergrounding. Incorporates stormwater, wastewater, and reclaimed water improvements. This project was completed in FY 2018.
- **Pass-a-Grille Roadway Construction, Phase II:** Complete reconstruction of Pass-a-Grille Way from 1<sup>st</sup> Avenue to 19<sup>th</sup> Avenue, including rehabilitation of traffic lanes, new sidewalks and bike lanes to greatly enhance multi-modal transportation, and utility undergrounding. Incorporates stormwater, wastewater, and reclaimed water improvements. This project was completed in FY 2019.
- **Blind Pass Road Reconstruction:** Complete reconstruction of Blind Pass Road from Gulf Blvd. to 75<sup>th</sup> Avenue, including rehabilitation of traffic lanes, new sidewalks and bike lanes to greatly enhance multi-modal transportation, and utility undergrounding. Incorporates stormwater, wastewater, and reclaimed water improvements. This project was in process as of September 30, 2019.
- **Wastewater Inflow and Infiltration Program:** Significant repairs are underway to rebuild the City's sanitary sewer infrastructure, including manhole rehabilitation collection system lining. Funds are programmed annually to address priority areas.
- **Wastewater Pump Station Reconstruction:** Wastewater pump station no. 3, located in Lazarillo Park near the corner of W. Debazan Avenue and Alhambra Street, was rebuilt in FY 2017 following recurring mechanical breakdowns and subsequent flow issues.
- **Sewer System Capacity Improvements:** Designed to restore capacity to the wastewater collection system. A new force main will connect to the existing main at 37<sup>th</sup> Avenue at Gulf Blvd. and run to pump station no. 2, and four new lift stations will be installed. This project ultimately required a second financing installment, which was completed in January 2020. The City borrowed approximately \$13.2 million from the Florida Department of Environmental Protection through the State Revolving Fund loan program.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Pete Beach, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the 23rd consecutive year the City of St. Pete Beach has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Management believes the current CAFR continues to meet the Certificate of Achievement Program's requirements. It will be submitted to the GFOA to determine its eligibility for another certificate. Recognition by GFOA, as evidenced by this award, is verification of the Finance Department's dedication to producing documents that effectively communicate the City's financial condition.

## ACKNOWLEDGMENTS

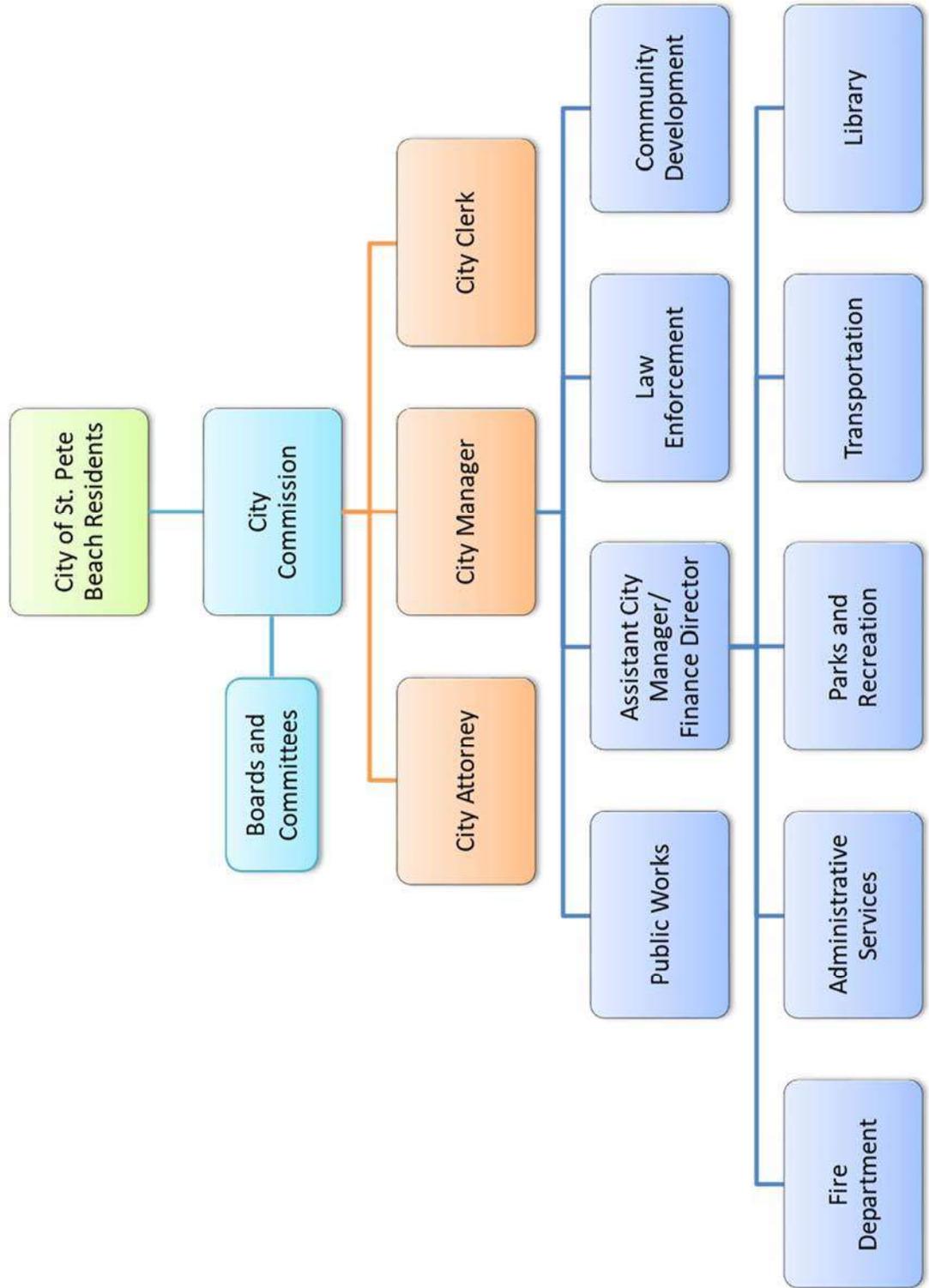
Preparation of the CAFR relies on the diligent and professional efforts of everyone in the Finance Division. The year-end closing process is demanding and time intensive, particularly for the Accounting Manager, Sheila Dalton. Ms. Dalton deserves special recognition for her outstanding contributions to the audit process and to this document. The City's independent auditors, James Moore & Co., P.L., also contributed invaluable to the process by testing data integrity and internal controls. Finally, thank you to the St. Pete Beach City Commission for the overall direction and support provided to management.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Vincent M. Tenaglia". The signature is fluid and cursive, with a large initial "V" and "T".

Vincent M. Tenaglia, MPA, CPFO, CGFO  
Assistant City Manager/Finance Director

# City of St. Pete Beach Organizational Chart





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, 2018**

*Christopher P. Morill*

Executive Director/CEO

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission, and City Manager  
of the 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, (the City), as of and for the year ended September 30, 2019, 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*

The City's 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.

### *Auditors' 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 City of St. Pete Beach, Florida, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and budgetary comparison statement for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

- 11 -

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and required supplementary information, as listed in the table of contents, 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***

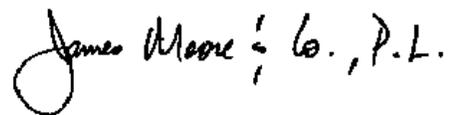
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, and schedule of expenditures of state financial assistance as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and schedule of expenditures of state financial assistance 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 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 information is fairly stated in all material respects in relation to the 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 April 30, 2020 on our consideration of 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



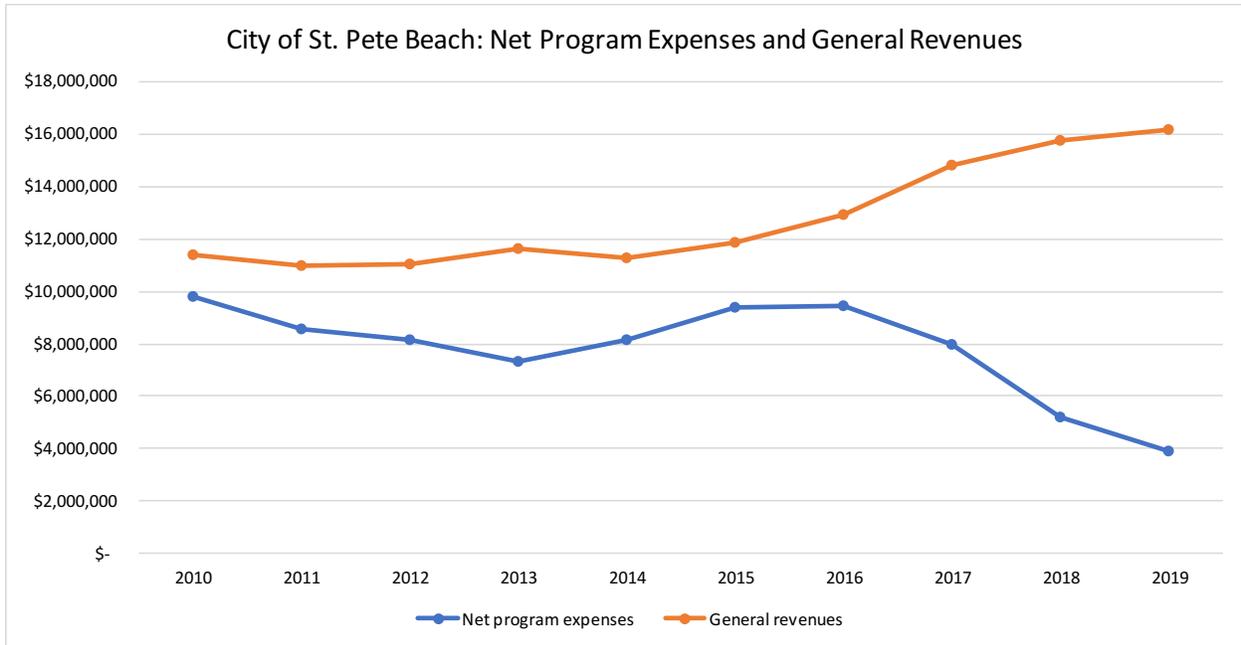
Daytona Beach, Florida  
April 30, 2020

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**

Management’s discussion and analysis (MD&A) is designed to focus on significant financial issues and provide an overview of the City of St. Pete Beach’s financial activity for the fiscal year ended September 30, 2019. The MD&A is designed to focus on the current year’s activities, resulting changes, and currently known facts. It should be read in conjunction with the transmittal letter (beginning on page 4), basic financial statements (beginning on page 26), and notes to the financial statements (beginning on page 38).

**FINANCIAL HIGHLIGHTS**

Fiscal year (FY) 2019 activity reflected both historically low net program expenses (e.g., general government, community development, public safety, etc.) and historically high general revenues (e.g., taxes), as illustrated in the chart below. The difference between the two lines represents *change in net position*. As of September 30, 2019, the change in net position, or the increase in net position from one year to the next, was \$12,268,577. Assets and deferred outflows exceeded liabilities and deferred inflows by \$69,725,463.



Key changes from the prior year included the following:

- ✦ The City experienced the highest rate of property value growth in Pinellas County (11.57%) while maintaining the same millage rate, generating \$961,565 in new revenue. The 3.1500 millage rate has been in place since fiscal year 2015.
- ✦ The City continued its ambitious capital improvement program (CIP). Pass-a-Grille Way Phase II roadway reconstruction was completed, including improvements to all underground utilities (e.g., stormwater, potable water, reclaimed water, electric), roadway restoration, improved pedestrian and bicycling mobility, and landscaping beautification. Blind Pass Road reconstruction, including virtually all the same types of infrastructure improvements, was nearing completion. Design and engineering were completed on the sanitary sewer capacity improvement project, which will restore capacity to the wastewater collection system by constructing over two miles of new force main and installing four new lift stations. Capital grants and contributions increased by \$2,837,151 (105.5%) based on reimbursement agreements and grants associated with the three projects.

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**

- ✦ The City's agreement with the City of St. Petersburg for sanitary sewage treatment includes an annual true-up provision to assess actual wastewater flows and incurred expenses against forecasted estimates. To the extent the City of St. Pete Beach's wastewater flows are down on a relative basis compared to other communities, or the City of St. Petersburg's allocated expenditures to the City of St. Pete beach fail to reach budgeted levels, the true up works out favorably for the City of St. Pete Beach. The fiscal year 2019 calculation generated a refund of \$517,165; an effective increase of \$655,590 compared to the prior year expense of \$138,425.
- ✦ Parking enforcement revenue grew by \$309,244 (11.3%), following a \$0.50 hourly rate increase implemented in the fourth quarter of the prior year.
- ✦ The City acquired a private property via foreclosure, reported as property held for sale at \$183,000.
- ✦ Recreation-related charges for service increased by \$95,610 (8.7%), primarily attributed to the re-solicitation of two concession agreements which generated \$27,623 in additional rent, and the implementation of a third, new concession agreement for beach cabanas, providing an additional \$38,333.
- ✦ Since bottoming in fiscal year 2011, the City's share of Penny for Pinellas local option sales tax (LOST) revenue has increased by an annual average of 5.6%. Fiscal year LOST revenue grew by \$66,146.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements provide insight into the City's ability to provide services and meet obligations, both now and in the future. Trends in assets, liabilities and net position illustrate the City's overall financial position, and can be evaluated to determine whether the City is better off or worse off as a result of its operations.

The financial statements include three components that should be considered together in order to gain a comprehensive understanding of the City's financial position: government-wide financial statements, fund financial statements, and notes to the financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements provide a broad overview of the City's finances, in a manner similar to the private sector. The statements can be found on pages 26-27 of this document, and include two different reports: the statement of net position and the statement of activities.

The **Statement of Net Position** presents information on *all* of the City's assets and liabilities as of September 30, 2019. The difference between assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources) is known in governmental accounting as net position. Analysis of net position requires evaluation of unrestricted and restricted net position as well as net investment in capital assets. The latter category represents the net assets being used by the City to provide goods and services to the community. As such, these assets are not readily available for spending without first being converted to financial resources. Restricted net assets represent those which are controlled by state statutes, enabling legislation, debt covenants, or other external requirements. The remaining balance is unrestricted net position, which represents the accumulated resources available to the City for meeting its future obligations.

The **Statement of Activities** illustrates *how* the City's net position changed as a result of its operations throughout the fiscal year ("FY"). This section categorizes City services by program and illustrates the extent to which various functions are subsidized by general tax revenues. Distinction is made between those operations which are expected to be supported by taxes (i.e., governmental activities) and those which are intended to recover their costs (i.e., business-type activities).

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**

**Fund Financial Statements:**

In governmental accounting, a “fund” is a segregated group of related accounts used to ensure and demonstrate compliance with enabling legislation, legal requirements, or other financial administration goals and objectives. The City of St. Pete Beach reports three types of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** focus on *financial* resources rather than *economic* resources. Financial resources represent those which may be used to meet near-term requirements. Economic resources, such as capital assets which cannot be quickly converted to finance near-term requirements, are excluded from governmental fund reporting. The narrower focus is intended to emphasize the use of spendable assets.

The long-term impact of the City’s shorter-term financial activities can be analyzed by comparing governmental fund reporting to the government-wide statements. Both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison.

A budgetary comparison statement is provided for the General Fund to demonstrate compliance with the legally adopted budget. Budgetary comparison schedules are provided as required supplementary information (RSI) for the Capital Improvement Projects and Building funds. Governmental fund financial statements begin on page 28.

The City’s **Proprietary Funds** include three enterprise funds: Wastewater, Reclaimed Water, and Stormwater. These funds report the same functions and use the same basis of accounting as the business-type activities presented in the government-wide financial statements. Proprietary fund statements are located on page 33.

**Fiduciary Funds** are those which are unavailable to support the City’s operations and are held in a trustee or agency capacity. The City’s fiduciary funds include three pension trusts, beginning on page 36: Police, Firefighters, and General Employees.

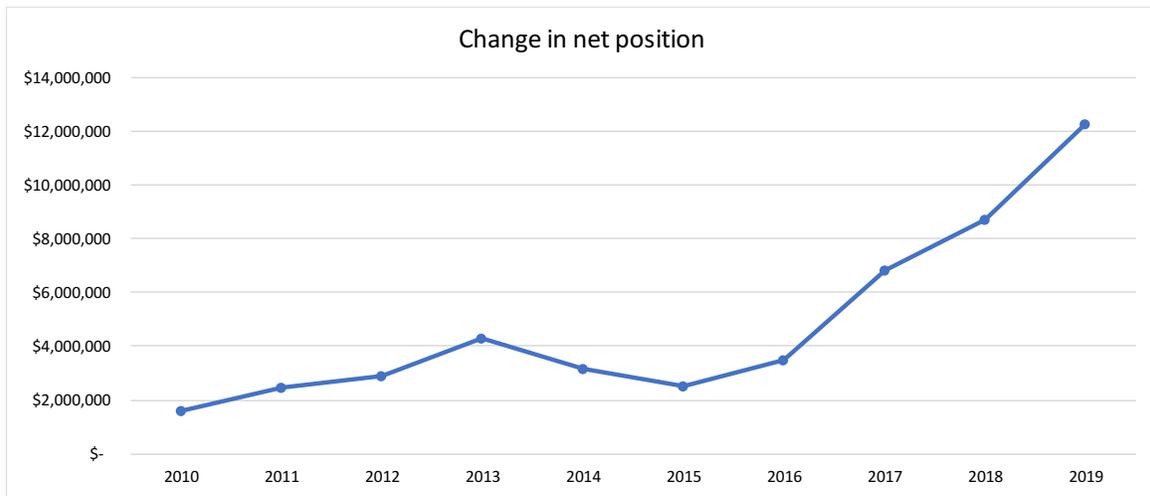
**Notes to the Financial Statements:**

Notes to the financial statements provide additional information that is essential to gaining a full understanding of the data provided in the government-wide and fund financial statements. The notes begin on page 38 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide statements reflected year-over-year improvement by virtually all measures; assets and deferred outflows both increased while liabilities and deferred inflows both decreased. The margin between general revenues (e.g., taxes) and net expenses by the City’s functions and programs continued to grow and the change in net position was the City’s highest since at least 2001. Net position changes over the past ten years are illustrated on the following chart.

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**



The City's robust capital improvement program is reflected at the government-wide level, as total capital assets increased by 20.3%. The previously referenced Pass-a-Grille Way Phase II, Blind Pass Road, and sanitary sewer capacity improvement projects collectively increased capital assets by approximately \$13 million.

Total liabilities declined 3.8%, with favorable changes in the timing of outstanding payable items. Non-current liabilities declined 1.5%, as the City issued no new debt and saw favorable pension plan experience, with the Police, Fire, and General Employees' pension systems netting to a slight reduction in total net pension liability.

The tables to follow present the condensed Statement of Net Position and Statement of Activities for the current year as compared to the previous year.

STATEMENT OF NET POSITION	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 18,199,418	\$ 24,988,434	\$ 9,308,197	\$ 6,768,086	\$ 27,507,615	\$ 31,756,520
Capital assets, net	60,756,154	47,427,298	25,506,430	24,254,720	86,262,584	71,682,018
Total assets	<u>78,955,572</u>	<u>72,415,732</u>	<u>34,814,627</u>	<u>31,022,806</u>	<u>113,770,199</u>	<u>103,438,538</u>
Deferred outflows related to pensions	935,841	842,155	37,961	-	973,802	842,155
Deferred outflows related to OPEB	124,459	139,476	14,938	16,828	139,397	156,304
Total deferred outflows	<u>1,060,300</u>	<u>981,631</u>	<u>52,899</u>	<u>16,828</u>	<u>1,113,199</u>	<u>998,459</u>
Total assets and deferred outflows	<u>80,015,872</u>	<u>73,397,363</u>	<u>34,867,526</u>	<u>31,039,634</u>	<u>114,883,398</u>	<u>104,436,997</u>
Current and other liabilities	2,647,656	3,736,635	878,504	944,989	3,526,160	4,681,624
Long-term liabilities outstanding	31,623,276	31,509,472	9,016,634	9,742,415	40,639,910	41,251,887
Total liabilities	<u>34,270,932</u>	<u>35,246,107</u>	<u>9,895,138</u>	<u>10,687,404</u>	<u>44,166,070</u>	<u>45,933,511</u>
Deferred inflows related to pensions	846,096	929,319	43,045	670	889,141	929,989
Deferred inflows related to OPEB	91,717	104,057	11,007	12,554	102,724	116,611
Total deferred inflows	<u>937,813</u>	<u>1,033,376</u>	<u>54,052</u>	<u>13,224</u>	<u>991,865</u>	<u>1,046,600</u>
Total liabilities and deferred inflows	<u>35,208,745</u>	<u>36,279,483</u>	<u>9,949,190</u>	<u>10,700,628</u>	<u>45,157,935</u>	<u>46,980,111</u>
Net position:						
Invested in capital assets	50,265,720	38,579,444	19,259,026	20,051,782	69,524,746	58,631,226
Restricted	1,395,435	8,144,547	2,195,150	191,481	3,590,585	8,336,028
Unrestricted	(6,854,028)	(9,606,111)	3,464,160	95,743	(3,389,868)	(9,510,368)
Total net position	<u>\$ 44,807,127</u>	<u>\$ 37,117,880</u>	<u>\$ 24,918,336</u>	<u>\$ 20,339,006</u>	<u>\$ 69,725,463</u>	<u>\$ 57,456,886</u>

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**

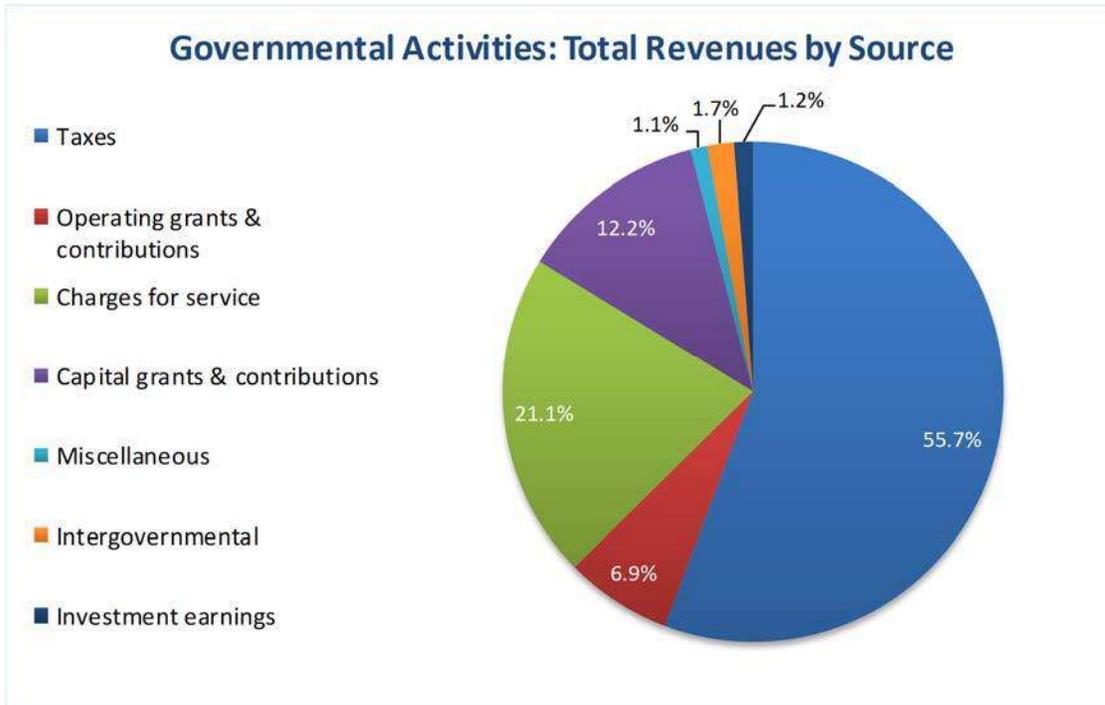
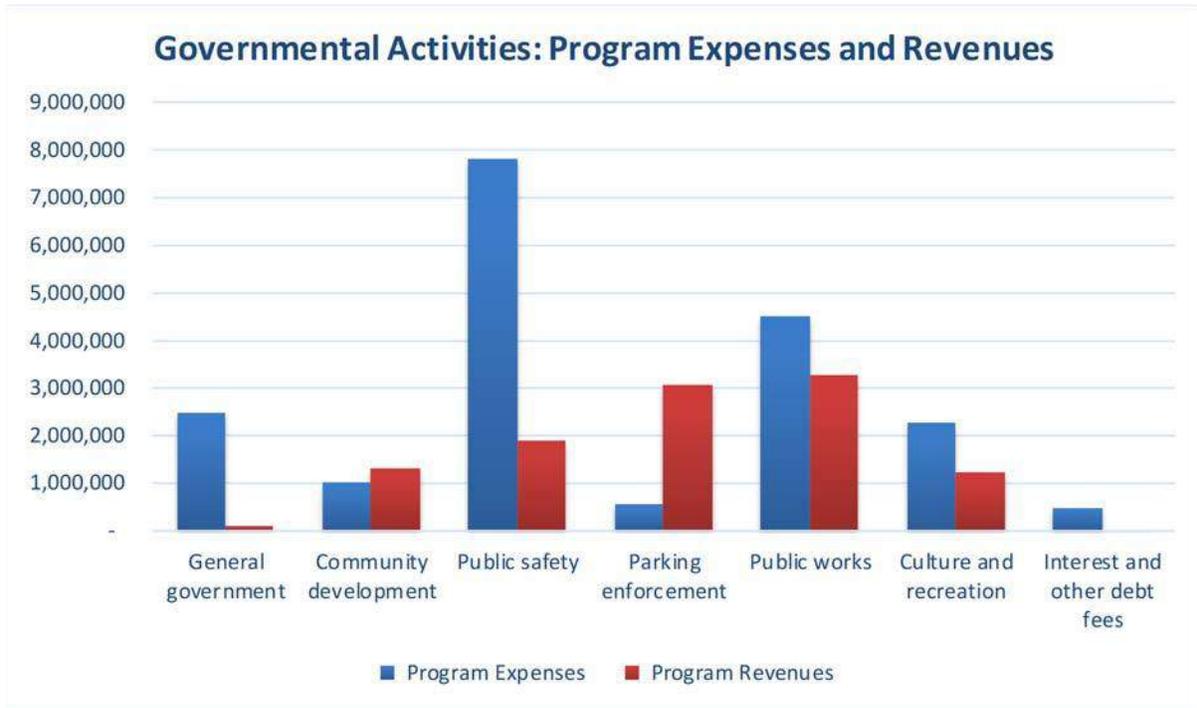
STATEMENT OF ACTIVITIES	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 5,668,725	\$ 5,300,760	\$ 8,598,453	\$ 8,695,650	\$ 14,267,178	\$ 13,996,410
Operating grants & contributions	1,850,411	2,296,165	-	217,746	1,850,411	2,513,911
Capital grants & contributions	3,279,516	640,389	2,248,115	2,050,091	5,527,631	2,690,480
General revenues:					-	-
Property taxes	9,325,425	8,368,981	-	-	9,325,425	8,368,981
Sales taxes	1,739,563	1,661,937	-	-	1,739,563	1,661,937
Franchise and utility taxes	3,471,683	3,301,671	-	-	3,471,683	3,301,671
Other taxes	421,126	419,938	-	-	421,126	419,938
Intergovernmental revenues	465,776	1,471,523	-	-	465,776	1,471,523
Interest earnings	326,849	297,731	137,757	104,084	464,606	401,815
Miscellaneous	289,083	104,888	-	-	289,083	104,888
Total revenues	<u>26,838,157</u>	<u>23,863,983</u>	<u>10,984,325</u>	<u>11,067,571</u>	<u>37,822,482</u>	<u>34,931,554</u>
Expenses:						
General government	\$ 2,470,991	\$ 1,916,784	-	-	\$ 2,470,991	\$ 1,916,784
Community development	1,010,956	918,591	-	-	1,010,956	918,591
Public safety	7,829,874	7,493,658	-	-	7,829,874	7,493,658
Parking enforcement	550,237	521,270	-	-	550,237	521,270
Public works	4,515,104	4,138,155	-	-	4,515,104	4,138,155
Culture and recreation	2,281,504	2,213,821	-	-	2,281,504	2,213,821
Wastewater	-	-	5,005,765	5,430,492	5,005,765	5,430,492
Reclaimed water	-	-	764,551	755,705	764,551	755,705
Stormwater	-	-	634,679	519,746	634,679	519,746
Interest and other fees on long-term del	490,244	508,910	-	-	490,244	508,910
Total expenses	<u>19,148,910</u>	<u>17,711,189</u>	<u>6,404,995</u>	<u>6,705,943</u>	<u>25,553,905</u>	<u>24,417,132</u>
Increase (decrease) in net position before transfers and special items:	<u>7,689,247</u>	<u>6,152,794</u>	<u>4,579,330</u>	<u>4,361,628</u>	<u>12,268,577</u>	<u>10,514,422</u>
Transfers	-	1,710,479	-	(1,710,479)	-	-
Special item - legal settlement	-	349,523	-	-	-	349,523
Special item - legal judgment	-	(2,165,195)	-	-	-	(2,165,195)
Total transfers and special items	<u>-</u>	<u>(105,193)</u>	<u>-</u>	<u>(1,710,479)</u>	<u>-</u>	<u>(1,815,672)</u>
Increase (decrease) in net position:	<u>7,689,247</u>	<u>6,047,601</u>	<u>4,579,330</u>	<u>2,651,149</u>	<u>12,268,577</u>	<u>8,698,750</u>
Net position: October 1	37,117,880	31,587,180	20,339,006	17,753,638	57,456,886	49,340,818
Net position: October 1, as restated	-	31,070,279	-	17,687,857	-	48,758,136
Net position: September 30	<u>\$ 44,807,127</u>	<u>\$ 37,117,880</u>	<u>\$ 24,918,336</u>	<u>\$ 20,339,006</u>	<u>\$ 69,725,463</u>	<u>\$ 57,456,886</u>

**Governmental Activities:**

Governmental activities increased the City's net position by \$7,689,247. Two of the three major reconstruction projects described previously – Pass-a-Grille Way Phase II and Blind Pass Road – are reflected in governmental activities. Outstanding balances owed to the Police or Fire pensions systems are also reported as governmental activities. The prior year balance included a large payment in transit to the Police pension system. The balance at September 30, 2019 reflected a much smaller pending contribution, and the liability due to fiduciary funds therefore declined 80.6%.

The net program expense of governmental activities (before accounting for general revenues, such as taxes) decreased 11.9%, primarily due to the extent of capital contributions received in relation to the two major roadway projects. Joint project agreements between the City and Pinellas County provided for reimbursement of all potable water and some reclaimed water infrastructure improvement costs.

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**



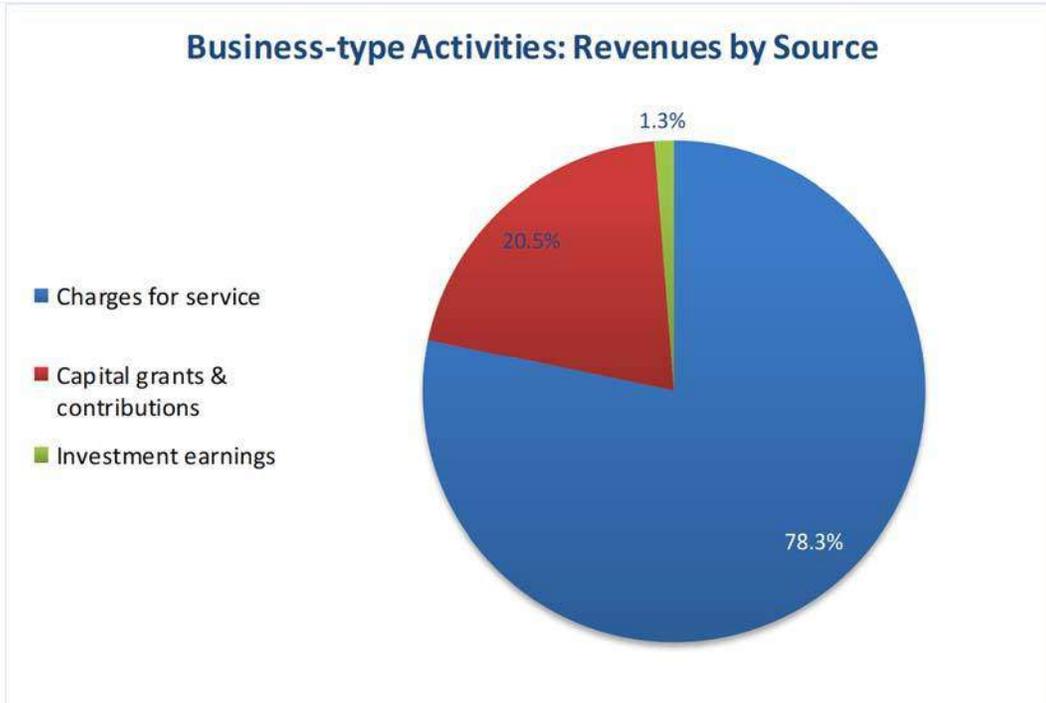
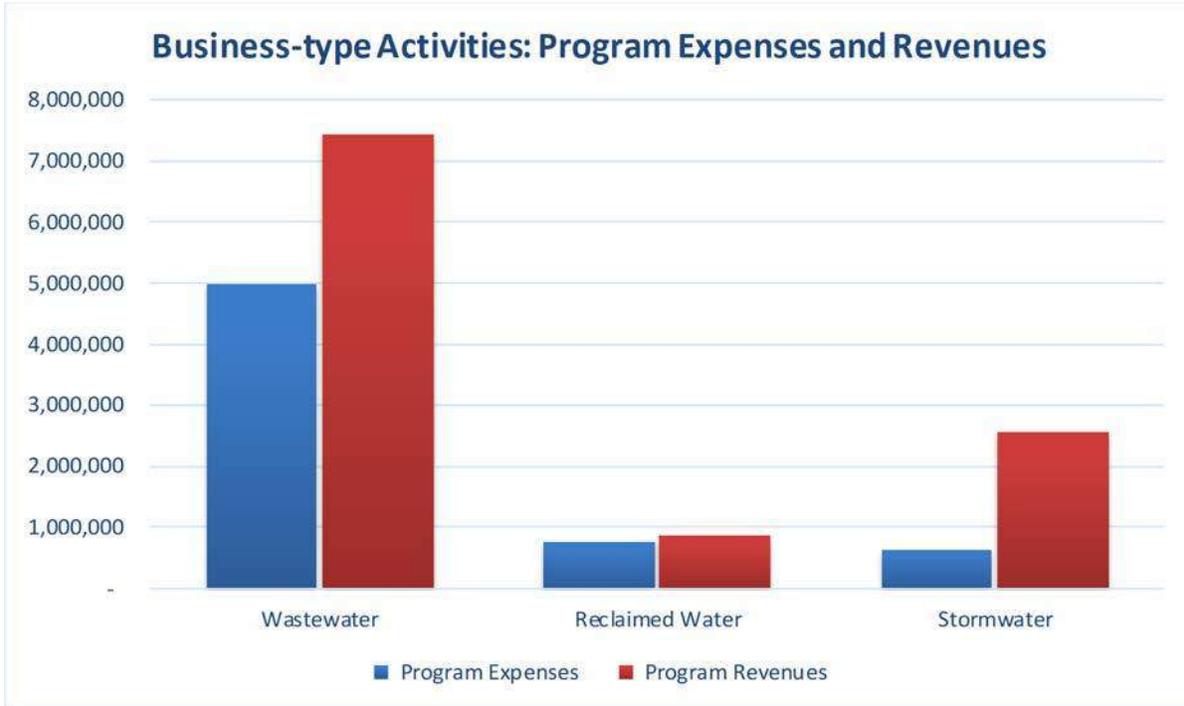
**Business-type Activities:**

Business-type activities increased the City’s net position by \$4,579,330, driven primarily by Wastewater and Stormwater activity. The sanitary sewer capacity improvements project described previously is reflected in business-type activities, contributing to the \$1,251,710 increase in capital assets. Similarly, the

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**

sanitary sewer true-up assessment contributed substantially to the 60.4% increase in net Wastewater function revenue. Wastewater activity generated \$2,429,572 in net revenue.

The Stormwater function reported capital grant revenue of \$1,367,334 from the Southwest Florida Water Management District, for contributions to the Pass-a-Grille Way Phase II and Blind Pass Road projects. Charges for service increased 8.3% following the third of a four-year sequential fee increase. The Stormwater function provided net revenue of \$1,922,889.



**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**

**FUND STATEMENT FINANCIAL ANALYSIS**

**Governmental Funds:**

Whereas the government-wide statements reported an increase of \$10,331,661 in total assets, governmental funds reported a decrease of \$6,918,096. This reflects the utilization of current financial resources (e.g., cash and debt proceeds) to acquire economic resources (e.g., capital assets). Consequently, while the City experienced perhaps its best year on record in terms of the growth in net position, governmental fund balance (i.e., the difference between assets and liabilities in a governmental fund) declined rather significantly. This dynamic is most directly observed in the Capital Improvement Projects Fund, which accounts for governmental fund infrastructure improvements, and which reported a 50.8% decline in fund balance following capital outlay expenditures of \$14,200,059. The General Fund also experienced a decline in total fund balance, due to the following:

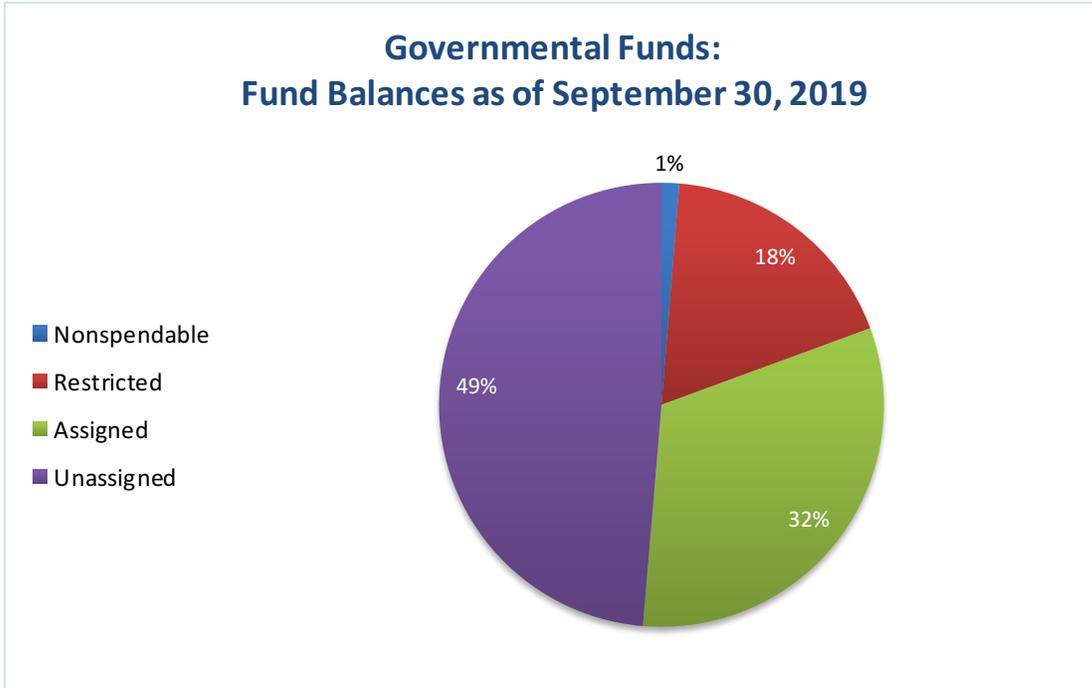
- ✦ Transfers out to the Capital Improvement Projects Fund to support the City's capital improvement plan, totaling \$4,758,057.
- ✦ Legal expenditures of \$1,089,500 stemming from a 2009 lawsuit regarding beach property access, the final installment of attorney fees related to the case.
- ✦ Land acquisition of \$682,000 for future parking or expansion, which represents an expenditure at the fund level.

As a result, unassigned balance declined for the first time since being introduced on the financial statements in fiscal year 2011. Still, management considers unassigned balance very healthy – equivalent to 42.1% of FY 2019 General Fund total expenditures.

Fund balance is a commonly used measure of a government's available resources and liquidity. Designations are applied to various components of fund balance to describe the extent to which resources may be limited, as further described in Note A. The balances below reflect the limitations applicable to the City's governmental fund resources as of September 30, 2019.

- **Non-spendable** fund balance items include inventories, prepaid accounts, and other resources that are inherently not easily convertible into financial resources. The City's non-spendable fund balance was \$200,709.
- **Restricted** fund balance includes accounts and designations upon which restrictions have been externally imposed, totaling \$2,835,001 at September 30, 2019.
- **Assigned** fund balance represents management's intended use of specific resources. The City's assigned balance includes reserves for capital projects, vehicle replacement, compensated absences, future budget periods, and insurance stabilization. The total balance as of September 30, 2019 was \$4,999,059.
- **Unassigned** balance should be considered the City's least restricted resource available for appropriation. Due to St. Pete Beach's geographic position as a barrier island and potential exposure to hurricanes or other storm-related events, the City has prioritized the accumulation of unassigned balance, but saw its first decline in fiscal year 2019 following the legal expenditures described above. Unassigned balance declined 1.9% to \$7,617,320.

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**



**Proprietary Funds:**

At the proprietary fund level, the most significant year-over-year change not previously illustrated on the government-wide basis was the absence of any transfers out to governmental funds. Income generated before contributions and transfers was therefore retained and contributed directly to net position. Prior year transfers out totaled \$1,710,479 relating to previous CIP projects.

Wastewater Fund operating income increased 15.1%, primarily due to the true-up process described previously. Stormwater Fund and Reclaimed Water Fund operating income declined slightly, both due to additional repair expenses incurred to maintain infrastructure.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's General Fund is structurally sound, routinely generating robust net revenue utilized to support the CIP. Excess revenue over expenditures (before accounting for transfers) totaled \$3,896,735 but was down \$904,451 from the prior year, primarily attributed to the lawsuit fees cited previously.

*Revisions from adopted to final budget:*

Final authorized expenditures included supplemental appropriations of \$2,105,335, including encumbrances carried forward from FY 2018 totaling \$262,335, operating expenditure additions of \$71,500, and funding for the two significant expenditures described earlier: attorney fees (\$1,089,500) and land acquisition (\$682,000).

*Significant budgetary variances:*

The Charter Officer program exceeded annual budgetary estimates, with significant variances reported in both the City Manager and Legal divisions. Unplanned expenditures in the City Manager division

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**

surrounded the retirement of the previous Manager and the compensation package awarded to the new Manager. Meanwhile legal expenditures exceeded budgetary estimates by \$123,161 – an unanticipated cost increase of over 37%. These costs were trending in line with budgetary estimates through the second quarter before increasing substantially in the second half of the fiscal year, after the mid-year budget amendment had been adopted. Moving forward, management will incorporate a subsequent budget amendment to account for late-year adjustments.

**CAPITAL ASSETS**

As noted previously, the City of St. Pete Beach has pursued an ambitious capital improvement program since issuing revenue bonds totaling \$21,000,000 in FY 2015. The completion of the Pass-a-Grille Way roadway improvement project represents a significant milestone for the City, concluding a years-long and multi-phase process of design, engineering, financing, and inter-agency cooperation during construction. Upcoming major construction projects for the City include the sanitary sewer capacity improvement project and Gulf Blvd. electrical utility undergrounding, both of which present similar complexity as experienced on Pass-a-Grille Way.

Note C includes more information on the City's capital assets and activity for FY 2019.

CAPITAL ASSETS, NET	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land, land rights and improvements	\$ 4,505,449	\$ 3,905,294	\$ 310,117	\$ 310,117	\$ 4,815,566	\$ 4,215,411
Buildings and other improvements	10,590,952	10,960,088	97,912	102,297	10,688,864	11,062,385
Infrastructure	34,041,679	21,062,380	23,083,711	20,522,336	57,125,390	41,584,716
Furniture, machinery and equipment	1,898,040	1,957,301	434,835	498,361	2,332,875	2,455,662
Capital projects in process	9,720,034	9,542,235	1,579,855	2,821,609	11,299,889	12,363,844
Total	<u>\$ 60,756,154</u>	<u>\$ 47,427,298</u>	<u>\$ 25,506,430</u>	<u>\$ 24,254,720</u>	<u>\$ 86,262,584</u>	<u>\$ 71,682,018</u>

**DEBT ADMINISTRATION**

Note F includes a detailed listing of long-term liabilities. Following is a summary of the City's outstanding debt as of September 30, 2019 compared to the prior year.

CITY OF ST. PETE BEACH'S OUTSTANDING DEBT	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$ 11,930,000	\$ 12,190,000	\$ 6,681,000	\$ 7,051,000	\$ 18,611,000	\$ 19,241,000
State revolving loans	-	-	1,483,306	1,681,824	1,483,306	1,681,824
Capital leases	-	-	148,383	219,702	148,383	219,702
Total	<u>\$ 11,930,000</u>	<u>\$ 12,190,000</u>	<u>\$ 8,312,689</u>	<u>\$ 8,952,526</u>	<u>\$ 20,242,689</u>	<u>\$ 21,142,526</u>

Since September 30, 2019, the City has completed three, additional financing arrangements:

1. State Revolving Fund loan: \$13,229,748 borrowed over 20 years at a fixed interest rate of 0.22% for the sanitary sewer capacity improvement project.
2. Taxable loan: \$6,700,000 borrowed over 15 years at a fixed interest rate of 2.92% to fund the closed Police Officers' Retirement System pension liabilities.
3. Lease-purchase agreement: \$500,000 borrowed over 5 years at a fixed interest rate of 2.45% to replace Fire Engine 22, subject to annual appropriations.

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019 (UNAUDITED)**

**Next Year's Budget and Rates**

St. Pete Beach property values continued to grow, increasing 6.57% effective fiscal year (FY) 2020. The City maintained its ad valorem tax rate of 3.1500 mills, which will generate approximately \$628,000 in new revenue. The City adopted its FY 2020 budget without appropriating General Fund balance. Wastewater fees increased 7% and are expected to do so for each of the subsequent two years (FY 2021 and FY 2022). Stormwater fees increased for both of the City's assessment tiers, completing a four-year phased in rate adjustment. Tier 1 fees (assessed per parcel) increased 3% and Tier 2 fees (assessed per equivalent residential unit) increased 10.5%.

**Pending Economic Factors**

The coronavirus pandemic will have a significant impact on the City's financial position. Early estimates include potential revenue losses of approximately \$1.5 million while facilities and businesses are closed. The most immediate impacts are parking and recreation-related revenue, with beaches and the Community Center closed to the public. Sales tax revenue impacts will be delayed and likely quantifiable in the third quarter of fiscal year 2020. Management is tentatively pausing the equivalent of \$1.5 million in capital outlay until the financial impact is better understood.

**Requests for information**

This financial report is designed to provide a general overview of the City of St. Pete Beach's financial position for all those interested in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant City Manager/Finance Director at 155 Corey Avenue, St. Pete Beach, Florida 33706.

## **BASIC FINANCIAL STATEMENTS**

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

**CITY OF ST. PETE BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 9,958,002	\$ 3,461,091	\$ 13,419,093
Receivables, net	1,445,481	2,482,158	3,927,639
Internal balances	1,462,116	(1,462,116)	-
Due from other governments	646,594	407,029	1,053,623
Inventories	1,368	54,849	56,217
Prepays	16,341	-	16,341
Property held for sale	183,000	-	183,000
Restricted assets:			
Equity in pooled cash and investments	4,486,516	4,365,186	8,851,702
Capital assets:			
Non-depreciable capital assets	14,225,483	1,889,972	16,115,455
Other capital assets, net of depreciation	46,530,671	23,616,458	70,147,129
Total assets	<u>\$ 78,955,572</u>	<u>\$ 34,814,627</u>	<u>\$ 113,770,199</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	\$ 935,841	\$ 37,961	\$ 973,802
Deferred outflows related to OPEB	124,459	14,938	139,397
Total deferred outflows	<u>\$ 1,060,300</u>	<u>\$ 52,899</u>	<u>\$ 1,113,199</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 2,194,893	\$ 773,753	\$ 2,968,646
Customer deposits	148,099	-	148,099
Unearned revenue	96,916	-	96,916
Accrued interest payable	100,327	104,751	205,078
Due to fiduciary funds	107,421	-	107,421
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	265,000	586,807	851,807
Capital leases	-	73,217	73,217
Compensated absences	249,367	10,850	260,217
Due in more than one year:			
Bonds and notes payable	11,665,000	7,577,499	19,242,499
Capital leases	-	75,166	75,166
Compensated absences	227,633	622	228,255
Total OPEB liability	602,384	72,292	674,676
Net pension liability	18,613,892	620,181	19,234,073
Total liabilities	<u>\$ 34,270,932</u>	<u>\$ 9,895,138</u>	<u>\$ 44,166,070</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 846,096	\$ 43,045	\$ 889,141
Deferred inflows related to OPEB	91,717	11,007	102,724
Total deferred inflows	<u>\$ 937,813</u>	<u>\$ 54,052</u>	<u>\$ 991,865</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 50,265,720	\$ 19,259,026	\$ 69,524,746
Restricted for:			
Library	150,000	-	150,000
Capital improvements	-	2,000,000	2,000,000
Debt service	396,599	195,150	591,749
Building department	627,486	-	627,486
Law enforcement	5,365	-	5,365
Transportation improvements	215,985	-	215,985
Unrestricted	(6,854,028)	3,464,160	(3,389,868)
Total net position	<u>\$ 44,807,127</u>	<u>\$ 24,918,336</u>	<u>\$ 69,725,463</u>

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

**CITY OF ST. PETE BEACH, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
General government	\$ 2,470,991	\$ 66,803	\$ 9,627	\$ -	\$ (2,394,561)	\$ -	\$ (2,394,561)
Community development	1,010,956	1,295,588	-	-	284,632	-	284,632
Public safety	7,829,874	69,337	1,797,929	-	(5,962,608)	-	(5,962,608)
Parking enforcement	550,237	3,044,331	-	-	2,494,094	-	2,494,094
Public works	4,515,104	-	-	3,279,516	(1,235,588)	-	(1,235,588)
Culture and recreation	2,281,504	1,192,666	42,855	-	(1,045,983)	-	(1,045,983)
Interest on long-term debt	490,244	-	-	-	(490,244)	-	(490,244)
Total governmental activities	<u>19,148,910</u>	<u>5,668,725</u>	<u>1,850,411</u>	<u>3,279,516</u>	<u>(8,350,258)</u>	<u>-</u>	<u>(8,350,258)</u>
Business-type activities:							
Wastewater	5,005,765	6,554,556	-	880,781	-	2,429,572	2,429,572
Reclaimed water	764,551	853,663	-	-	-	89,112	89,112
Stormwater	634,679	1,190,234	-	1,367,334	-	1,922,889	1,922,889
Total business-type activities	<u>6,404,995</u>	<u>8,598,453</u>	<u>-</u>	<u>2,248,115</u>	<u>-</u>	<u>4,441,573</u>	<u>4,441,573</u>
Total primary government	<u>\$ 25,553,905</u>	<u>\$ 14,267,178</u>	<u>\$ 1,850,411</u>	<u>\$ 5,527,631</u>	<u>(8,350,258)</u>	<u>4,441,573</u>	<u>(3,908,685)</u>
General revenues:							
Property taxes					9,325,425	-	9,325,425
Sales taxes					1,739,563	-	1,739,563
Utility taxes					2,251,007	-	2,251,007
Other taxes					421,126	-	421,126
Franchise fees					1,220,676	-	1,220,676
Other intergovernmental revenues					465,776	-	465,776
Investment earnings					326,849	137,757	464,606
Miscellaneous revenues					289,083	-	289,083
Total general revenues					<u>16,039,505</u>	<u>137,757</u>	<u>16,177,262</u>
Change in net position					7,689,247	4,579,330	12,268,577
Net position - beginning of year					37,117,880	20,339,006	57,456,886
Net position - end of year					<u>\$ 44,807,127</u>	<u>\$ 24,918,336</u>	<u>\$ 69,725,463</u>

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

**CITY OF ST. PETE BEACH, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	<u>General</u>	<u>Capital Improvement Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 9,078,369	\$ 4,484,962	\$ 881,187	\$ 14,444,518
Property held for sale	183,000	-	-	183,000
Receivables, net	431,208	1,014,273	-	1,445,481
Due from other governments	646,594	-	-	646,594
Due from other funds	-	270,283	-	270,283
Advances to other funds	-	1,191,833	-	1,191,833
Inventories	1,368	-	-	1,368
Prepaid items	16,341	-	-	16,341
<b>Total assets</b>	<u>\$ 10,356,880</u>	<u>\$ 6,961,351</u>	<u>\$ 881,187</u>	<u>\$ 18,199,418</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 685,480	\$ 1,489,427	\$ 19,986	\$ 2,194,893
Customer deposits	135,734	-	12,365	148,099
Unearned revenue	96,916	-	-	96,916
Due to other funds	107,421	-	-	107,421
<b>Total liabilities</b>	<u>1,025,551</u>	<u>1,489,427</u>	<u>32,351</u>	<u>2,547,329</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Property held for sale	183,000	-	-	183,000
Inventories	1,368	-	-	1,368
Prepaid items	16,341	-	-	16,341
Restricted for:				
Library	150,000	-	-	150,000
Capital improvement projects	-	1,439,566	-	1,439,566
Debt service	-	396,599	-	396,599
Building department	-	-	627,486	627,486
Law enforcement	-	-	5,365	5,365
Transportation improvements	-	-	215,985	215,985
Assigned to:				
Capital improvement projects	-	3,635,759	-	3,635,759
Fire capital	124,594	-	-	124,594
Vehicle replacement	550,968	-	-	550,968
Compensated absences	426,664	-	-	426,664
Subsequent year's budget	209,620	-	-	209,620
Insurance stabilization	51,454	-	-	51,454
Unassigned	7,617,320	-	-	7,617,320
<b>Total fund balances</b>	<u>9,331,329</u>	<u>5,471,924</u>	<u>848,836</u>	<u>15,652,089</u>
<b>Total liabilities and fund balances</b>	<u>\$ 10,356,880</u>	<u>\$ 6,961,351</u>	<u>\$ 881,187</u>	<u>\$ 18,199,418</u>

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

<b>Fund balances - total governmental funds</b>		\$ 15,652,089
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
Total governmental capital assets	84,092,819	
Less: accumulated depreciation	<u>(23,336,665)</u>	60,756,154
<p>On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.</p>		
Net pension liability	(18,613,892)	
Deferred outflows related to pensions	935,841	
Deferred inflows related to pensions	<u>(846,096)</u>	(18,524,147)
<p>On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.</p>		
Total OPEB liability	(602,384)	
Deferred outflows related to OPEB	124,459	
Deferred inflows related to OPEB	<u>(91,717)</u>	(569,642)
<p>Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:</p>		
Bonds and notes payable	(11,930,000)	
Accrued interest payable	(100,327)	
Compensated absences	<u>(477,000)</u>	(12,507,327)
<b>Net position of governmental activities</b>		<u><u>\$ 44,807,127</u></u>

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>General</u>	<u>Capital Improvement Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 13,845,950	\$ 1,111,847	\$ -	\$ 14,957,797
Permits and fees	318,892	-	883,311	1,202,203
Intergovernmental	2,106,821	3,376,168	-	5,482,989
Charges for services	1,317,554	-	-	1,317,554
Charges for services - parking enforcement	3,044,331	-	-	3,044,331
Investment income	212,998	107,582	6,269	326,849
Miscellaneous	1,160,584	-	-	1,160,584
Total revenues	<u>22,007,130</u>	<u>4,595,597</u>	<u>889,580</u>	<u>27,492,307</u>
<b>Expenditures</b>				
Current:				
General government:				
Charter officers	1,224,432	-	-	1,224,432
Administrative services	1,857,314	-	-	1,857,314
Non-departmental	1,167,988	-	-	1,167,988
Community development	484,825	-	589,244	1,074,069
Public safety:				
Law enforcement	3,163,490	-	-	3,163,490
Fire department	4,418,498	-	-	4,418,498
Public works	3,425,533	46,718	-	3,472,251
Culture and recreation	1,392,726	-	-	1,392,726
Capital outlay	975,589	14,200,059	-	15,175,648
Debt service:				
Principal retirement	-	260,000	-	260,000
Interest and fiscal charges	-	491,869	-	491,869
Total expenditures	<u>18,110,395</u>	<u>14,998,646</u>	<u>589,244</u>	<u>33,698,285</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,896,735</u>	<u>(10,403,049)</u>	<u>300,336</u>	<u>(6,205,978)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	4,758,057	-	4,758,057
Transfers out	(4,758,057)	-	-	(4,758,057)
Total other financing sources (uses)	<u>(4,758,057)</u>	<u>4,758,057</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(861,322)</u>	<u>(5,644,992)</u>	<u>300,336</u>	<u>(6,205,978)</u>
<b>Fund balances, beginning of year</b>	10,192,651	11,116,916	548,500	21,858,067
<b>Fund balances, end of year</b>	<u>\$ 9,331,329</u>	<u>\$ 5,471,924</u>	<u>\$ 848,836</u>	<u>\$ 15,652,089</u>

The accompanying notes to 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 BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (6,205,978)</b>
Differences in amounts reported for governmental activities in the statement of activities are:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlay expenditures	15,175,648
Depreciation expense	(1,923,163)
Contributed capital assets and adjustments	76,371
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:	
Principal repayment of general long-term debt	260,000
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the Statement of Activities are amounts required to be amortized.	
Change in net pension liability and deferred inflows/outflows related to pensions	239,546
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:	
Change in accrued interest on long-term debt	1,625
Change in compensated absences liability	52,541
Change in total OPEB liability	12,657
<b>Change in net position of governmental activities</b>	<b>\$ 7,689,247</b>

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 13,696,992	\$ 13,696,992	\$ 13,845,950	\$ 148,958
Permits and fees	294,915	294,915	318,892	23,977
Intergovernmental	2,120,140	2,120,140	2,106,821	(13,319)
Charges for services	4,498,527	4,498,527	4,361,885	(136,642)
Investment income	115,000	115,000	212,998	97,998
Miscellaneous	811,441	811,441	1,160,584	349,143
Total revenues	<u>21,537,015</u>	<u>21,537,015</u>	<u>22,007,130</u>	<u>470,115</u>
<b>EXPENDITURES</b>				
Current:				
Charter officers				
Elected Officials	74,569	121,069	107,850	13,219
City Clerk	297,247	297,247	245,626	51,621
City Manager	392,917	392,917	439,795	(46,878)
Legal	308,000	308,000	431,161	(123,161)
Total charter officers	<u>1,072,733</u>	<u>1,119,233</u>	<u>1,224,432</u>	<u>(105,199)</u>
Administrative services:				
Finance	529,360	529,360	517,361	11,999
Information technology	303,985	301,352	268,870	32,482
Library	595,751	599,026	516,266	82,760
Parking enforcement	542,453	542,453	554,817	(12,364)
Total administrative services	<u>1,971,549</u>	<u>1,972,191</u>	<u>1,857,314</u>	<u>114,877</u>
Community development:				
Planning	389,143	416,713	277,160	139,553
Code enforcement	252,077	256,577	207,665	48,912
Total community development	<u>641,220</u>	<u>673,290</u>	<u>484,825</u>	<u>188,465</u>
Law enforcement	<u>3,165,045</u>	<u>3,165,045</u>	<u>3,163,490</u>	<u>1,555</u>
Fire department:				
Fire	2,510,836	2,521,386	2,522,869	(1,483)
EMS	1,953,223	1,968,223	1,895,629	72,594
Total fire department	<u>4,464,059</u>	<u>4,489,609</u>	<u>4,418,498</u>	<u>71,111</u>
Public works:				
Administration	1,021,882	1,024,882	959,154	65,728
Facilities	470,301	470,301	398,681	71,620
Streets	778,750	804,193	685,649	118,544
Parks	1,115,460	1,152,449	1,033,901	118,548
Beaches	357,473	359,292	348,148	11,144
Total public works	<u>3,743,866</u>	<u>3,811,117</u>	<u>3,425,533</u>	<u>385,584</u>
Recreation	<u>1,438,722</u>	<u>1,438,722</u>	<u>1,392,726</u>	<u>45,996</u>
Non-departmental	<u>-</u>	<u>1,179,045</u>	<u>1,167,988</u>	<u>11,057</u>
Capital outlay	<u>287,000</u>	<u>1,041,277</u>	<u>975,589</u>	<u>65,688</u>
Total expenditures	<u>16,784,194</u>	<u>18,889,529</u>	<u>18,110,395</u>	<u>779,134</u>
Excess of revenues over expenditures	<u>4,752,821</u>	<u>2,647,486</u>	<u>3,896,735</u>	<u>1,249,249</u>
<b>Other financing sources (uses)</b>				
Transfers in	69,213	69,213	-	(69,213)
Transfers out	(4,758,057)	(4,758,057)	(4,758,057)	-
Total other financing sources (uses)	<u>(4,688,844)</u>	<u>(4,688,844)</u>	<u>(4,758,057)</u>	<u>(69,213)</u>
<b>Net change in fund balances</b>	<u>63,977</u>	<u>(2,041,358)</u>	<u>(861,322)</u>	<u>1,180,036</u>
<b>Fund balances, beginning of year</b>	<u>10,192,651</u>	<u>10,192,651</u>	<u>10,192,651</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 10,256,628</u>	<u>\$ 8,151,293</u>	<u>\$ 9,331,329</u>	<u>\$ 1,180,036</u>

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Wastewater</b>	<b>Reclaimed Water</b>	<b>Stormwater</b>	<b>Total</b>
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 14,681	\$ 848,274	\$ 2,598,136	\$ 3,461,091
Accounts receivable, net	2,318,293	133,901	29,964	2,482,158
Due from other governments	-	-	407,029	407,029
Inventories	54,849	-	-	54,849
Restricted current assets				
Equity in pooled cash and investments	548,422	-	216,353	764,775
Total current assets	<u>2,936,245</u>	<u>982,175</u>	<u>3,251,482</u>	<u>7,169,902</u>
Noncurrent assets:				
Restricted cash and investments	3,367,748	-	232,663	3,600,411
Capital assets:				
Land	310,117	-	-	310,117
Building and improvements	129,409	-	-	129,409
Infrastructure	20,563,228	11,630,899	3,143,186	35,337,313
Machinery and equipment	894,196	92,678	74,907	1,061,781
Construction in progress	1,414,244	-	165,611	1,579,855
Accumulated depreciation	(6,604,367)	(6,094,237)	(213,441)	(12,912,045)
Total capital assets, net	<u>16,706,827</u>	<u>5,629,340</u>	<u>3,170,263</u>	<u>25,506,430</u>
Total noncurrent assets	<u>20,074,575</u>	<u>5,629,340</u>	<u>3,402,926</u>	<u>29,106,841</u>
Total assets	<u>\$ 23,010,820</u>	<u>\$ 6,611,515</u>	<u>\$ 6,654,408</u>	<u>\$ 36,276,743</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	\$ 25,773	\$ 6,966	\$ 5,222	\$ 37,961
Deferred outflows related to OPEB	9,189	1,581	4,168	14,938
Total deferred outflows	<u>\$ 34,962</u>	<u>\$ 8,547</u>	<u>\$ 9,390</u>	<u>\$ 52,899</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 715,308	\$ 32,310	\$ 26,135	\$ 773,753
Due to other funds	270,283	-	-	270,283
Advances from other funds	-	-	1,191,833	1,191,833
Compensated absences	5,264	1,275	4,311	10,850
Payable from restricted assets:				
Current maturities on long-term debt	399,807	-	187,000	586,807
Current maturities on capital leases	73,217	-	-	73,217
Accrued interest payable	75,398	-	29,353	104,751
Total current liabilities	<u>1,539,277</u>	<u>33,585</u>	<u>1,438,632</u>	<u>3,011,494</u>
Noncurrent liabilities:				
Bonds and notes payable, net	5,376,499	-	2,201,000	7,577,499
Capital leases, net	75,166	-	-	75,166
Compensated absences	-	-	622	622
Total OPEB liability	44,477	7,652	20,163	72,292
Net pension liability	421,062	113,806	85,313	620,181
Total noncurrent liabilities	<u>5,917,204</u>	<u>121,458</u>	<u>2,307,098</u>	<u>8,345,760</u>
Total liabilities	<u>\$ 7,456,481</u>	<u>\$ 155,043</u>	<u>\$ 3,745,730</u>	<u>\$ 11,357,254</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	\$ 29,225	\$ 7,899	\$ 5,921	\$ 43,045
Deferred inflows related to OPEB	6,772	1,165	3,070	11,007
Total deferred inflows	<u>\$ 35,997</u>	<u>\$ 9,064</u>	<u>\$ 8,991</u>	<u>\$ 54,052</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 12,505,260	\$ 5,629,340	\$ 1,124,426	\$ 19,259,026
Restricted for capital improvements	2,000,000	-	-	2,000,000
Restricted for debt service	117,650	-	77,500	195,150
Unrestricted	930,394	826,615	1,707,151	3,464,160
Total net position	<u>\$ 15,553,304</u>	<u>\$ 6,455,955</u>	<u>\$ 2,909,077</u>	<u>\$ 24,918,336</u>

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Wastewater</b>	<b>Reclaimed Water</b>	<b>Stormwater</b>	
<b>Operating revenues</b>				
Charges for services	\$ 6,554,431	\$ 853,663	\$ 1,190,234	\$ 8,598,328
Other revenues	125	-	-	125
Total operating revenues	<u>6,554,556</u>	<u>853,663</u>	<u>1,190,234</u>	<u>8,598,453</u>
<b>Operating expenses</b>				
Personnel services	393,414	74,912	236,556	704,882
Contractual and other services	3,679,925	449,809	217,444	4,347,178
Depreciation	706,552	239,830	108,445	1,054,827
Total operating expenses	<u>4,779,891</u>	<u>764,551</u>	<u>562,445</u>	<u>6,106,887</u>
<b>Operating income</b>	<u>1,774,665</u>	<u>89,112</u>	<u>627,789</u>	<u>2,491,566</u>
<b>Nonoperating revenues (expenses)</b>				
Interest earnings	83,833	12,400	41,524	137,757
Interest and amortization expense	(225,874)	-	(72,234)	(298,108)
Total nonoperating revenues (expenses)	<u>(142,041)</u>	<u>12,400</u>	<u>(30,710)</u>	<u>(160,351)</u>
<b>Income (loss) before contributions and transfers</b>	<u>1,632,624</u>	<u>101,512</u>	<u>597,079</u>	<u>2,331,215</u>
Capital grants	880,781	-	1,367,334	2,248,115
<b>Change in net position</b>	<u>2,513,405</u>	<u>101,512</u>	<u>1,964,413</u>	<u>4,579,330</u>
<b>Net position</b> , beginning of year	13,039,899	6,354,443	944,664	20,339,006
<b>Net position</b> , end of year	<u>\$ 15,553,304</u>	<u>\$ 6,455,955</u>	<u>\$ 2,909,077</u>	<u>\$ 24,918,336</u>

The accompanying notes to 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, 2019**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Wastewater</b>	<b>Reclaimed Water</b>	<b>Stormwater</b>	
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 5,756,809	\$ 859,179	\$ 1,178,597	\$ 7,794,585
Cash paid to employees	(450,810)	(89,629)	(245,630)	(786,069)
Cash paid to suppliers	(3,680,448)	(459,821)	(261,047)	(4,401,316)
Net cash provided by operating activities	<u>1,625,551</u>	<u>309,729</u>	<u>671,920</u>	<u>2,607,200</u>
<b>Cash flows from noncapital financing activities</b>				
Interfund loans	(148,711)	(65,342)	(2,727,726)	(2,941,779)
Net cash provided by (used in) noncapital financing activities	<u>(148,711)</u>	<u>(65,342)</u>	<u>(2,727,726)</u>	<u>(2,941,779)</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition and construction of capital assets	(2,080,707)	-	(225,830)	(2,306,537)
Capital grants	880,781	-	2,733,274	3,614,055
Principal payments of long-term debt	(458,837)	-	(181,000)	(639,837)
Interest paid	(229,040)	-	(74,458)	(303,498)
Net cash provided by (used in) capital and related financing activities	<u>(1,887,803)</u>	<u>-</u>	<u>2,251,986</u>	<u>364,183</u>
<b>Cash flows from investing activities</b>				
Interest received	83,833	12,400	41,524	137,757
<b>Net change in cash and cash equivalents</b>	<u>(327,130)</u>	<u>256,787</u>	<u>237,704</u>	<u>167,361</u>
<b>Cash and cash equivalents, beginning of year</b>	4,257,981	591,487	2,809,448	7,658,916
<b>Cash and cash equivalents, end of year</b>	<u>\$ 3,930,851</u>	<u>\$ 848,274</u>	<u>\$ 3,047,152</u>	<u>\$ 7,826,277</u>
<b>Cash and cash equivalents classified as:</b>				
Unrestricted	\$ 14,681	\$ 848,274	\$ 2,598,136	\$ 3,461,091
Restricted	3,916,170	-	449,016	4,365,186
Total cash and cash equivalents	<u>\$ 3,930,851</u>	<u>\$ 848,274</u>	<u>\$ 3,047,152</u>	<u>\$ 7,826,277</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 1,774,665	\$ 89,112	\$ 627,789	\$ 2,491,566
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation	706,552	239,830	108,445	1,054,827
Changes in assets and liabilities:				
Accounts receivable	(912,974)	5,516	(11,637)	(919,095)
Due from other governments	115,227	-	-	115,227
Inventories	(2,740)	-	4,539	1,799
Prepaid items	4,886	272	-	5,158
Accounts payable and accrued liabilities	(2,669)	(10,284)	(48,142)	(61,095)
Compensated absences	(5,636)	711	10	(4,915)
Net pension liability	(50,500)	(13,649)	(10,232)	(74,381)
Total OPEB liability	(1,260)	(1,779)	1,148	(1,891)
Net cash provided by operating activities	<u>\$ 1,625,551</u>	<u>\$ 309,729</u>	<u>\$ 671,920</u>	<u>\$ 2,607,200</u>

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2019**

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents with trustee	\$ 1,547,774
Receivables	
Due from general fund	107,421
Interest and dividends receivable	114,873
Total receivables	222,294
Investments, at fair value	
Government agency obligations	1,013,504
Asset-backed securities and collateralized obligations	480,667
Corporate bonds	2,458,170
Fixed-income mutual funds	9,073,211
Equities - common stock	3,863,964
Equities - mutual funds	19,124,609
Real estate funds	1,328,109
Total investments	37,342,234
Total assets	\$ 39,112,302
<b>LIABILITIES</b>	
Accounts payable	\$ 34,739
<b>NET POSITION</b>	
Restricted for pensions	\$ 39,077,563

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 2,210,460
Plan members	291,370
State - insurance premium taxes	290,938
Total contributions	2,792,768
Investment earnings	
Net appreciation (depreciation) in fair value of investments	835,063
Interest and dividends	1,073,520
Total investment earnings	1,908,583
Less: investment expense	(126,505)
Net investment income (loss)	1,782,078
Total additions	4,574,846
<b>Deductions</b>	
Benefit payments and refunds	3,555,443
Administrative expenses	118,914
Total deductions	3,674,357
<b>Change in net position</b>	900,489
<b>Net position restricted for pensions, beginning of year</b>	38,177,074
<b>Net position restricted for pensions, end of year</b>	\$ 39,077,563

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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

**Financial reporting entity**

The City of St. Pete Beach, Florida (the City) is a political subdivision of the State of Florida located in Pinellas County. The legislative branch of the City is composed of a five (5) member elected City Commission, which is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Management has determined there are no component units to be included within the reporting entity.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the City. Individual funds are not displayed, but the statements distinguish governmental activities, which normally are supported by taxes and intergovernmental revenues, from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Net Position presents the financial position of the City's governmental and business-type activities at year-end. The effect of interfund activity such as internal balances has been eliminated from the government-wide financial statements.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE A – CONTINUED**

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

Fund financial statements are provided for major governmental funds and enterprise funds. Non-major funds are aggregated and reported in one column, while major funds are reported as separate columns in the fund financial statements. Fiduciary fund statements are provided to account for the City's pension trust funds.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Most state-based or intergovernmental sources, franchise fees, and utility service taxes are susceptible to accrual and are recognized as revenue in the current reporting period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. This approach differs from the manner in which the governmental activities of the City are presented in the government-wide financial statements. The governmental fund financial statements, therefore, include a reconciliation to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenditures vs. expenses. Under the modified accrual basis, property taxes, franchise taxes, licenses, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes must be received within 60 days of year-end to be recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE A – CONTINUED**

**Governmental Funds**

The City reports two major governmental funds:

- General Fund – The City’s primary operating fund, used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.
- Capital Improvement Projects Fund – Used to account for intergovernmental revenue that is restricted for infrastructure improvements and public safety vehicle acquisitions. This fund often includes significant, non-recurring financing sources such as transfers, grants, and other cost sharing arrangements corresponding to specific capital projects.

Non-major funds include the Building Fund, Transportation Impact Fee Fund and Police Confiscation Fund, which are combined for the purposes of financial reporting. More information is available on the non-major funds in the supporting schedules of this document.

**Proprietary Funds**

The City reports three major proprietary funds, which are enterprise funds financed and operated in a manner similar to the private sector; the focus of these funds is cost recovery. Charges for service are designed to generate sufficient revenue to fund ongoing operations and capital improvements. Proprietary funds distinguish operating revenues and expenses from non-operating items; as a rule, those items which are inherently associated with the respective fund’s activity are reported as operating items, while non-recurring items or those associated with financing (e.g., interest or amortization) are reported as non-operating.

- Wastewater Fund: Accounts for activities related to the City’s sanitary sewer system. The City of St. Pete Beach owns and maintains the wastewater collection system infrastructure (i.e., manholes, sanitary sewer pipes, lift stations, etc.) and pays the City of St. Petersburg for sewage treatment and disposal. Operating revenues include charges for service, while operating expenses include the personnel, contractual, and depreciation expenses associated with ongoing operations. Non-operating items include interest earnings and interest expenses.
- Reclaimed Water Fund: Accounts for the City’s provision of reclaimed water service for irrigation purposes. Operating revenues include charges for service based on the City’s fee schedule, while operating expenses include personnel costs, contractual fees for Pinellas County to provide maintenance services, and depreciation expense associated with the reclaimed water infrastructure. Non-operating items include interest earnings and interest expenses.
- Stormwater Fund: Accounts for the management of the City’s stormwater drainage activities. The City adopted an assessment for stormwater service, which is included on residents’ property tax bills. Fees were designed to cover the cost of major capital improvements, with sequential rate increases built into the assessment. Operating revenues include the charges for service associated with the assessment, while operating expenses include the ongoing costs to maintain stormwater outfalls and drainage basins. Non-operating items include interest earnings and interest expenses.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE A – CONTINUED**

**Fiduciary Funds**

The City reports three fiduciary funds, which are pension trust funds that account for the resources held in trust on behalf of the City’s pension plan members (police officers, firefighters, and general employees). These funds are omitted from the government-wide financial statements due to the resources not being available for general government purposes.

**Budgetary Accounting**

Annual budgets are adopted by fund and department for the following funds: General, Building, Capital Improvement Projects, Wastewater, Reclaimed Water, and Stormwater. The City has no annually budgeted major special revenue funds; the only legally adopted major governmental funds are the General and Capital Improvement Projects funds. For the purpose of financial reporting, the Building Fund is reflected in non-major fund totals. Non-major funds also include the Transportation Impact Fee and Police Confiscation funds, which are not legally adopted. A budgetary comparison statement is presented in the basic financial statements for the General Fund. Budgetary comparison schedules are presented as required supplementary information (RSI) for the Capital Improvement Projects and Building funds.

The legal level of budgetary control is at the department level, since the City Manager may authorize the transfer of funds between line items within a department. By Ordinance, the City Commission may transfer unencumbered balances between departments or funds. The City Commission may also amend the adopted budget to provide supplemental appropriations or to revise budgetary estimates. Encumbrance accounting is employed in governmental funds. Encumbrances (i.e., purchase orders) outstanding at year end are reflected in assigned fund balance totals (i.e., “subsequent year’s budget”) and do not constitute expenditures or liabilities because the balances are re-appropriated and honored during the subsequent year.

**Balance Sheet / Statement of Net Position Disclosures**

**Definition of cash equivalents**

The City considers all highly liquid investments, and those with a maturity of three months or less when purchased, to be cash equivalents. As reported on the financial statements, “equity in pooled cash” includes bank deposits and balances in local government investment pools. Note B includes additional information regarding the City’s cash and investment balances.

**Valuation bases**

GASB Statement No. 72, Fair Value Measurement and Application, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using consistent definition and accepted valuation techniques. The City categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles.

Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair value:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE A – CONTINUED**

- Level 2 inputs are not based on quotes but are observable for the asset in active markets at commonly quoted intervals. The City uses monthly and quarterly reports provided by asset managers and custodians to determine level 2 valuations.
- Level 3 inputs are unobservable and determined by assumptions or estimates.

In instances where inputs used to measure fair value fall into different levels in the above hierarchy, measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Investments that are measured at fair value using the net asset value per share (NAV) – or its equivalent – are not classified in the fair value hierarchy as a practical expedient.

As of September 30, 2019, the City of St. Pete Beach held a very conservative cash and investment portfolio comprised of money market instruments and balances in intergovernmental investment pools. Money market instruments are reported at cost, while the intergovernmental investment pools are considered “2a7-like” and therefore reported at NAV.

Investment assets held in the City’s Pension Trust Funds are recorded at fair value. Note B discloses the inputs used to determine fair value of the pension funds’ investments.

**Inventories and prepaid items**

The City records inventories at cost. Wastewater Fund inventory includes stock supplies and equipment warehoused at the City’s Public Works facility. It is valued at cost using the first-in/first-out (FIFO) method. The General Fund reports inventories for fuel located at the City’s fire stations, valued using the average cost basis. The cost of inventory supplies is recorded as an expenditure when inventory is consumed. Certain payments to vendors reflect costs applicable to future accounting periods (e.g., insurance premiums) and are recorded as prepaid items, using the consumption method, in both the government-wide and fund financial statements.

**Property held for sale**

Property held for sale reports the value of vacant land owned by the City and intended to be sold in the future. As of the reporting date, the land was under contract to be sold and was reported at the contracted value.

**Capital asset accounting policies**

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. Additions, improvements and other capital outlays that significantly extend the useful life of the asset are also capitalized.

**CITY OF ST. PETE BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE A – CONTINUED**

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. The estimated useful lives of the assets are as follows:

<b>Category</b>	<b>Estimated Useful Life</b>
Buildings and other improvements	15 – 50 years
Furniture, machinery, and equipment	3 – 20 years
Infrastructure	12 – 40 years

**Deferred Outflows and Inflows**

On the financial statements, deferred outflows are presented with assets and deferred inflows are presented with liabilities. Deferred outflows consist of transactions that consume resources but do not relate to the current accounting period; likewise, deferred inflows represent acquisitions of resources relating to a future period. Balances reported for the City of St. Pete Beach are related to pension and OPEB, and generally represent the difference between projections (e.g., anticipated earnings, assumed economic or demographic factors, etc.) and actual experience.

**Net Position/Fund Balance**

*Net Position:*

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

- Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any external bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.
- Restricted consists of amounts that have constraints placed on them either externally by third parties (e.g., creditors, grantors, and contributors) or by law through constitutional provisions or enabling legislation. Total government-wide restricted balance as of September 30, 2019 was \$3,590,585.
- Unrestricted consists of net position that does not meet the definition of “net investment in capital assets” or “restricted.”

*Fund Balance:*

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy, based primarily on the extent to which the City is bound to honor constraints placed upon available balances. Fund balance is reported in five classifications: non-spendable, restricted, committed, assigned, and unassigned.

*Non-spendable* includes amounts that cannot be spent because they are either not in spendable form (e.g., inventory) or are legally or contractually required to be maintained intact.

**CITY OF ST. PETE BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2019**

**NOTE A – CONTINUED**

*Restricted* consists of amounts that have constraints placed on them either externally by third parties (e.g., creditors, grantors, and contributors) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The City’s restricted balances primarily include unexpended debt proceeds and amounts set aside for pending lawsuits. Total governmental fund restricted balance as of September 30, 2019 was \$2,835,001.

*Committed* includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority. Commitments may only be adopted, amended, and rescinded via Ordinance by the City Commission. No such action has been taken by the St. Pete Beach City Commission; no committed balances are reported.

*Assigned* includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed because they are supported by management’s intent rather than a formal action of City Commission. The City’s assignments include balances set aside for capital outlay, vehicle replacement, compensated absences, future budget periods, and insurance stabilization. The City’s policy is to include such designations in the proposed budget upon approval by the City Manager.

*Unassigned* balance, if positive, can only be found in the General Fund. It represents the residual amount of fund balance not contained in the other classifications.

In the event of expenditures having been incurred when both restricted and unrestricted balances are available for spending, the City considers restricted balances to have been spent first. The City’s policy is to utilize funds in the following spending order:

<b>Governmental Funds</b>	<b>Enterprise Funds</b>
Restricted	Restricted
Committed	Unrestricted
Assigned	
Unassigned	

**Property tax policy**

Property taxes are levied on October 1 of each year, on property values assessed on January 1 of the same year, and are due and payable on March 31 of the following year. 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. Taxes paid in March are not subject to discount. Delinquent taxes on real property bear interest at 18% per year. All unpaid taxes are delinquent on April 1 following the year in which they are assessed. On or about May 31 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 to the certificate holder after a period of two years. Unsold certificates are held by Pinellas County.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE A – CONTINUED**

**Compensated absence policy**

It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO) benefits. Vested or accumulated PTO is recorded as an expense and liability of the appropriate fund as the benefits accrue to employees. The enterprise funds report 100% of compensated absence liability in both the government-wide and the proprietary fund statements, because it is accrued when incurred. The General Fund reports 100% of the amount due in the government-wide statements because it is accrued when incurred, but only the amount the City estimates to be due and payable as of the balance sheet date is recorded as a liability in the governmental fund statements. The remaining amount is presented as assigned fund balance. The City estimates the current portion of compensated absences based on the prior year's history.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE B. DETAILED NOTE DISCLOSURES**

**Assets:**

**Cash and Investments**

*City of St. Pete Beach:*

As of September 30, 2019, the City of St. Pete Beach held the following cash and investment balances:

	<u>Balance</u>	<u>Percentage</u>
Cash on hand	\$ 2,850	0.0%
Cash deposits	10,346,472	46.5%
Cash equivalents:		
Local government investment pools:		
Florida Trust	512,321	2.3%
Florida Prime	2,405,755	10.8%
FL SAFE	5,007,442	22.5%
FL CLASS	2,398,244	10.8%
FL PALM	<u>1,597,710</u>	7.2%
Total	<u>\$ 22,270,795</u>	100.0%

The carrying amount of the City’s deposits with financial institutions (excluding Pension Trust Funds) was \$10,346,472 and the total bank balances were \$10,343,040. Bank deposits were covered by Federal Depository Insurance and held at Florida Qualified Public Depository (“QPD”) financial institutions for collateralization. Fair value reporting was not applicable to the City’s accounts due to the balances being invested in money market instruments and “2a7-like” investment pools.

Reconciliation to Statement of Net Position:

	<u>Balance</u>
Assets:	
Equity in pooled cash and investments	\$ 13,419,093
Restricted assets:	
Equity in pooled cash and investments	<u>8,851,702</u>
Total	<u>\$ 22,270,795</u>

The City’s investment policy defines investment objectives, authorized investments, standards of prudence, maturity guidelines, liquidity requirements, and performance measures. The investment policy is designed to address several risk factors, including interest rate risk, credit risk, and custodial credit risk.

**CITY OF ST. PETE BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE B – CONTINUED**

Authorized investments:

- Investment pools organized pursuant to Section 163.01 and 218.415 of the Florida Statutes
- Local Government Surplus Trust Fund
- Florida Municipal Investment Trust Funds
- SEC registered money market funds with the highest credit quality from a nationally recognized rating agency
- Interest-bearing time deposits or savings accounts in qualified public depositories
- Direct obligations of the U.S. Treasury
- Certificates, notes, bonds, or bills of the United States or other obligations of the United States or its agencies
- Obligations of government-sponsored corporations (instrumentalities)
- Collateralized mortgage obligations
- Bankers’ Acceptance guaranteed by banking institutions with ratings of “AA” on long-term debt
- Commercial Paper (A1/P1 rated)
- Non-negotiable certificates of deposit and bank investment contracts
- Taxable or tax-exempt government bonds, notes or other obligations of investment grade quality
- Repurchase agreements with primary dealers

Interest rate risk: Fixed income securities expose the City to the risk of prevailing interest rate changes. The City’s investment policy controls for this risk by establishing a maximum maturity of five years.

Concentration risk: Concentration risk refers to the risk of loss resulting from over-exposure to a specific security or asset class. The City’s investment policy addresses concentration risk by encouraging a continuous approach to investing in readily available funds such as local government investment pools.

Credit risk: Credit risk is the risk that a security or portfolio will lose value due to a real or perceived change in the ability of the issuer to fulfill its obligations. The selection of banking and investment institutions exposes the City to the possibly of default by external parties. To mitigate credit risk, the City holds all investments on deposit with qualified public depositories, which are required to pledge collateralized assets in the event of a bank failure. The City invests only in local government investment pools with the highest credit quality ratings. As of September 30, 2019, the City held assets in five local government investment pools. Credit ratings and weighted average maturities for each are listed below:

Institution:	Credit Rating	Agency	Weighted Average Maturity September 30, 2019
Florida Prime	AAAm	Standard and Poor’s	37 days
FL SAFE	AAAm	Standard and Poor’s	37 days
FL PALM	AAAm	Standard and Poor’s	39 days
FL CLASS	AAAm	Standard and Poor’s	52 days
Florida Trust	AAAmmf	Fitch	30 days

**CITY OF ST. PETE BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE B – CONTINUED**

*Police Officers’ Retirement System (Police Pension):*

As of September 30, 2019, the Police Pension held the following cash and investment balances:

	<u>Fair Value</u>	<u>Percentage</u>	<u>Fair Value Level</u>
Cash and cash equivalents	\$ 762,058	6.6%	N/A
Equity mutual funds	6,035,583	52.2%	1
Fixed income mutual funds	<u>4,762,616</u>	41.2%	2
Total	<u>\$ 11,560,257</u>	100.0%	

The fair value of the Police Pension’s deposits and investments as of September 30, 2019 was \$11,560,257.

Interest rate risk: Interest rate risk is managed by laddering the fixed income portfolio so that securities mature on a recurring basis to allow for securities to be re-invested at higher prevailing rates, if applicable, or evaluated for other reinvestment options.

Concentration risk: The Board of Trustees of the Police Pension controls for concentration risk by managing an investment policy, which includes the following provisions:

- 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.
- Real Estate and Real Estate Investment Trusts shall not to exceed 15% of the total Police Pension assets.
- 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.

Credit risk: The Police Pension investment policy addresses credit risk by requiring that fixed income securities be investment grade, as measured by Standard & Poor’s or Moody’s, and requiring that equity securities be traded on a national exchange.

**CITY OF ST. PETE BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE B – CONTINUED**

*Firefighters’ Retirement System (Fire Pension):*

As of September 30, 2019, the Firefighters’ Pension held the following cash and investment balances:

	<u>Fair Value</u>	<u>Percentage</u>	<u>Fair Value Level</u>
Cash and cash equivalents	\$ 519,790	3.6%	N/A
Equity mutual funds	6,103,330	41.0%	1
Common stock	2,609,346	17.5%	1
Fixed income mutual funds	4,310,595	29.0%	2
Real estate investment fund	<u>1,328,109</u>	8.9%	1
Total	<u>\$ 14,871,170</u>	100.0%	

The fair value of the Firefighters’ Pension’s deposits and investments as of September 30, 2019 was \$14,871,170.

Interest rate risk: Interest rate risk is managed by laddering the fixed income portfolio so that securities mature on a recurring basis to allow for securities to be re-invested at higher prevailing rates, if applicable, or evaluated for other reinvestment options.

Concentration risk: The Board of Trustees of the Firefighters’ Pension controls for concentration risk by managing an investment policy, which includes the following provisions:

- 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.
- Real Estate and Real Estate Investment Trusts shall not to exceed 15% of the total Firefighters’ Pension assets.
- 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.

Credit risk: The Firefighters’ Pension investment policy addresses credit risk by requiring that fixed income securities be investment grade, as measured by Standard & Poor’s or Moody’s, and requiring that equity securities be traded on a national exchange.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE B – CONTINUED**

*General Employees' Retirement System (General Pension):*

As of September 30, 2019, the General Pension held the following cash and investment balances:

	<u>Fair Value</u>	<u>Percentage</u>	<u>Fair Value Level</u>
Cash and cash equivalents	\$ 265,926	2.1%	N/A
Equity mutual funds	6,985,697	56.1%	1
Common stock	<u>1,254,618</u>	10.1%	1
Fixed income securities:			
U.S. government obligations	1,013,503	8.1%	1
Asset backed securities	480,667	3.9%	2
Corporate bonds	<u>2,458,170</u>	19.7%	2
Fixed income subtotal	<u>3,952,340</u>		
Total	<u><u>\$12,458,581</u></u>	100.0%	

The fair value of the General Pension's deposits and investments as of September 30, 2019 was \$12,458,581. Maturity schedules for the General Pension's fixed income securities are summarized below:

	<u>Maturities by Year</u>
2019	\$ 55,989
2020	851,105
2021	1,048,252
2022	409,902
2023	628,182
2024	728,982
Remaining - combined	<u>229,928</u>
Total	<u><u>\$ 3,952,340</u></u>

Interest rate risk: Interest rate risk is managed by laddering the fixed income portfolio so that securities mature on a recurring basis (as illustrated above) to allow for securities to be re-invested at higher prevailing rates, if applicable, or evaluated for other reinvestment options.

Concentration risk: The Board of Trustees of the General Pension controls for concentration risk by managing an investment policy, which includes the following provisions:

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE B – CONTINUED**

- 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.
- Real Estate and Real Estate Investment Trusts shall not to exceed 15% of the total General Pension assets.
- 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.

Credit risk: The General Pension investment policy addresses credit risk by requiring that fixed income securities be investment grade, as measured by Standard & Poor's or Moody's, and requiring that equity securities be traded on a national exchange.

**Receivable balances**

*Internal activity:*

The fund financial statements report an interfund balance of \$270,283 due from the Wastewater Fund to the Capital Improvement Projects Fund, which was a temporary arrangement to maintain positive equity in pooled cash, pending receipt of a significant receivable balance.

*Utility billing:*

Pinellas County serves as the utility billing agent for the City of St. Pete Beach's sewer fees, reclaimed water fees and water utility service taxes. Receivable balances from Pinellas County included:

- General Fund water utility service tax, included in "Receivables, net" on page 27: \$39,372
- Wastewater Fund service charges, included in "Accounts receivable, net" on page 32: \$968,687
- Reclaimed Water service charges, included in "Accounts receivable, net" on page 32: \$133,718

**Allowance for doubtful accounts**

Utility billing accruals include an allowance for doubtful accounts past 60 days delinquent. Allowances included:

- General Fund water utility service tax: \$2,158
- Wastewater Fund charges for service: \$50,527
- Reclaimed Water Fund charges for service: \$9,027

**Liabilities:**

**Payable balances**

The Wastewater Fund reported \$270,283 due to the Capital Improvement Projects Fund as described above. Other significant payables included the following, all of which were recorded in the Wastewater Fund and included in the "Accounts payable and accrued liabilities" total on page 32:

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE B – CONTINUED**

- City of St. Petersburg wastewater treatment billing: \$298,805
- Valve vault replacement capital improvement project: \$60,623
- Sewer inflow and infiltration rehabilitation work performed: \$97,858

**Construction commitments**

Governmental funds included the following encumbrances as of September 30, 2019, to be paid from assigned balances in the Capital Improvement Projects Fund:

- Pass-a-Grille Way roadway reconstruction, phase two: \$550,035
- Blind Pass Road roadway reconstruction: \$317,476

**Risk management**

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, and environmental matters. The City does not retain risk. Commercial insurance coverage is maintained in amounts management feels is adequate to protect and safeguard the assets of the City. To the extent such insurance has been purchased, all risk of loss has been transferred to the insurance underwriter.

The City maintains policies through Public Risk Management of Florida for the purposes of protecting against workers' compensation losses, real and personal property losses, automobile damage, and general liability including malpractice, errors and omissions. Separate policies are maintained for flood and medical insurances.

Public Risk Management of Florida is an intergovernmental pool that assumes the risk of loss for all participating members. Members are subject to additional premium assessments in the event the risk pool requires additional funding to satisfy all claims. The City of St. Pete beach has not been assessed any additional insurance premiums for the year ended September 30, 2019 nor is management aware of 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 any of the past three fiscal years.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE C. CAPITAL ASSETS**

	<u>Balance</u> <u>10/1/2018</u>	<u>Additions /</u> <u>Transfers in</u>	<u>Deletions /</u> <u>Transfers out</u>	<u>Balance</u> <u>9/30/2019</u>
<b>Governmental activities</b>				
Non-depreciable assets:				
Capital projects in process	\$ 9,542,235	\$ 13,586,354	\$ 13,408,555	\$ 9,720,034
Land, land rights and improvements	3,905,294	600,155	-	4,505,449
Depreciable assets:				
Buildings and other improvements	19,039,910	178,763	-	19,218,673
Furniture, machinery and equipment	5,472,609	417,371	136,140	5,753,840
Infrastructure	<u>31,016,893</u>	<u>13,877,930</u>	<u>-</u>	<u>44,894,823</u>
Total at historical cost	<u>\$ 68,976,941</u>	<u>\$ 28,660,573</u>	<u>\$ 13,544,695</u>	<u>\$ 84,092,819</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	\$ 8,079,822	\$ 547,899	\$ -	\$ 8,627,721
Furniture, machinery and equipment	3,515,308	476,632	136,140	3,855,800
Infrastructure	<u>9,954,513</u>	<u>898,631</u>	<u>-</u>	<u>10,853,144</u>
Total accumulated depreciation	<u>\$ 21,549,643</u>	<u>\$ 1,923,162</u>	<u>\$ 136,140</u>	<u>\$ 23,336,665</u>
Total governmental capital assets, net	<u>\$ 47,427,298</u>	<u>\$ 26,737,411</u>	<u>\$ 13,408,555</u>	<u>\$ 60,756,154</u>
<b>Business-type activities</b>				
Non-depreciable assets:				
Capital projects in process	\$ 2,821,609	\$ 2,268,722	\$ 3,510,476	\$ 1,579,855
Land, land rights and improvements	310,117	-	-	310,117
Depreciable assets:				
Buildings and other improvements	129,409	-	-	129,409
Furniture, machinery and equipment	1,034,802	26,979	-	1,061,781
Infrastructure	<u>31,816,002</u>	<u>3,521,311</u>	<u>-</u>	<u>35,337,313</u>
Total at historical cost	<u>\$ 36,111,939</u>	<u>\$ 5,817,012</u>	<u>\$ 3,510,476</u>	<u>\$ 38,418,475</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	\$ 27,112	\$ 4,385	\$ -	\$ 31,497
Furniture, machinery and equipment	536,441	90,505	-	626,946
Infrastructure	<u>11,293,666</u>	<u>959,936</u>	<u>-</u>	<u>12,253,602</u>
Total accumulated depreciation	<u>\$ 11,857,219</u>	<u>\$ 1,054,826</u>	<u>\$ -</u>	<u>\$ 12,912,045</u>
Total business-type capital assets, net	<u>\$ 24,254,720</u>	<u>\$ 4,762,186</u>	<u>\$ 3,510,476</u>	<u>\$ 25,506,430</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

Depreciation expense was charged as follows:

<b>Governmental activities:</b>	
General government	\$ 29,105
Community development	23,692
Recreation	354,791
Library	50,388
Parking enforcement	51,279
Public safety	251,740
Public works	<u>1,162,167</u>
	<u>\$ 1,923,162</u>
<b>Business-type activities:</b>	
Wastewater	706,552
Reclaimed Water	239,830
Stormwater	<u>108,444</u>
	<u>\$ 1,054,826</u>
Total depreciation expense	<u>\$ 2,977,988</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”.

The City recorded \$76,371 in contributed capital assets and adjustments for the fiscal year ended September 30, 2019. This includes donated capital assets (e.g., library books), which are recorded at acquisition value.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D. PENSION**

**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.

The Police Pension is administered by a 5-member Board of Trustees 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 comprised of two legal residents 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 comprised of two legal residents appointed by the City Commission, two elected employee members, and one public member nominated by the board and appointed by the City Commission.

**Significant Accounting Policies**

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.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

*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, 2019:

	Police Pension	Firefighters' Pension	General Pension
Inactive plan members or beneficiaries currently receiving benefits	28	29	75
Inactive plan members entitled to but not yet receiving benefits	6	5	47
Active plan members	0	31	27
Total	34	65	149

*Benefits Provided:*

**Police Pension**

- 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 Florida Retirement System.
- 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 10-1-1981 will receive 3.2% of average final compensation for service to 10-1-1981 plus 4% of average final compensation for service from 10-1-1981 to 1-13-2013 and for members hired after 10-1-1981 will receive 3.2% of average final compensation for service up to 1-31-2013.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

- 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, 2019 was \$0.
- 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**

- 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.
- 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 55 or the completion of 30 years of credited service regardless of age. These members will receive 3.4% of their average final compensation times credited service.
- The maximum combined benefit is 100% 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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, 2019 was \$12,328.
- Member contribution rates were increased from 3% to 11.9% effective September 30, 2017, except for Plan members who have attained age 55 or 25 years of credited service as of February 1, 2013, who will continue to make contributions at 10.3%.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

- Member contribution rates were increased from 11.9% to 12.1% effective September 30, 2018, except for Plan members who have attained age 55 or 25 years of credited service as of February 1, 2013, who will continue to make contributions at 10.3%.
- Member contribution rates were increased from 12.1% to 13.0% effective September 30, 2019, except for Plan members who have attained age 55 or 25 years of credited service as of February 1, 2013, who will continue to make contributions at 10.3%.

**General Pension**

- 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.
- 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.
- The maximum combined benefit is 75% of average final compensation.
- 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 1/15th for each year that the commencement of payments precedes normal retirement. There is no early retirement for members without frozen benefits.
- 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.
- Members are eligible for total and permanent disability after 10 years of credited service. The benefit is accrued to the date of disability.
- 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.
- 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.
- 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, 2019 was \$(372).
- 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%.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

*Net Pension Liability:*

During the year ended September 30, 2015, the City adopted GASB 68 *Accounting and Financial Reporting for Pensions*. This required the City to record its net pension liability on the basic financial statements. 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, 2019 financial statements was measured as of September 30, 2019.

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

	Police Pension	Firefighters' Pension	General Pension
Projected salary increases	N/A	4.0 - 5.5% per year corresponding to years of credited service	5% per year
Inflation rate	2.5%	2.5%	2.3%
Discount rate	7%	7.55%	7.50%
Investment rate of return	7%	7.55%	7.50%
Mortality rate	RP 2000 Combined Healthy Mortality Table,  Disabled Lives Set Forward 2 Years (female) Set Back 4 years (male)	RP 2000 Combined Healthy Mortality Table,  Disabled Lives Set Forward 2 Years (female) Set Back 4 years (male)	Sex Distinct RP 2000 Combined Healthy Mortality Table,  Disabled Lives Set Forward 2 Years (female) Set Back 4 years (male)

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

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, 2019 are summarized in the following table:

Asset Class	Police Pension Target Allocation	Police Pension Expected Return	Firefighters' Pension Target Allocation	Firefighters' Pension Expected Return	General Pension Target Allocation	General Pension Expected Return
Domestic Equity	45%	7.5%	50%	7.5%	48%	5.82%
International Equity	10%	8.5%	10%	8.5%	6%	5.2%
Global Fixed Income	5%	3.5%	5%	3.5%	-	-
Broad Market Fixed Income	40%	2.5%	25%	2.5%	-	-
Fixed Income	-	-	-	-	40%	1.8%
Real Estate Funds	-	-	10%	4.5%	6%	6%

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, 2019 was:

- Police Pension: 4.76%
- Firefighters' Pension: 5.31%
- General Pension: 3.65%

The discount rate used to measure the total pension liability was 7% for the Police Pension, 7.55% for the Firefighters' Pension and 7.50% for the General Pension. The projection of cash flows used to determine the discount rate assumed that plan member (employee) 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 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.

**CITY OF ST. PETE BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

*Net Pension Liability:*

	Police Pension	Firefighters' Pension	General Pension
Total pension liability	\$ 18,552,768	\$ 22,937,137	\$ 16,821,731
Plan fiduciary net position	(11,658,891)	(14,932,776)	(12,485,896)
Net pension liability	6,893,877	8,004,361	4,335,835
 Net position as a percentage of total pension liability	 62.84%	 65.10%	 74.22%

*Change in Net Pension Liability:* The change in the net pension liability for each pension plan for the year ended September 30, 2019 is as follows, with various differences noted in the ending plan fiduciary net position per the actuarial valuation versus the financial statements due to timing differences resulting from the accrual of income and expense items.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a-b)
<b><u>Police Pension</u></b>			
Beginning balance	\$ 18,315,518	\$ 11,693,699	\$ 6,621,819
Changes for the year:			
Interest	1,238,416	-	1,238,416
Difference between expected & actual experience	246,567	-	246,567
Contributions - employer	-	614,925	(614,925)
Contributions - State	-	107,421	(107,421)
Net investment income	-	526,266	(526,266)
Benefit payments	(1,247,733)	(1,247,733)	-
Administrative expense	-	(35,687)	35,687
Net changes	<u>237,250</u>	<u>(34,808)</u>	<u>272,058</u>
Ending balance	<u>\$ 18,552,768</u>	<u>\$ 11,658,891</u>	<u>\$ 6,893,877</u>
<b><u>Firefighters' Pension</u></b>			
Beginning balance	\$ 21,885,496	\$ 13,984,600	\$ 7,900,896
Changes for the year:			
Service cost	481,584	-	481,584
Interest	1,659,502	-	1,659,502
Difference between expected & actual experience	(226,945)	-	(226,945)
Changes of assumptions	135,391	-	135,391
Changes of benefit terms	(1,397)	-	(1,397)
Contributions - State	-	183,517	(183,517)
Contributions - employer	-	782,210	(782,210)
Contributions - employees	-	266,161	(266,161)
Contributions - Buy Back	63,761	63,761	-
Net investment income (loss)	-	742,409	(742,409)
Benefit payments	(1,060,255)	(1,060,255)	-
Administrative expense	-	(29,627)	29,627
Net changes	<u>1,051,641</u>	<u>948,176</u>	<u>103,465</u>
Ending balance	<u>\$ 22,937,137</u>	<u>\$ 14,932,776</u>	<u>\$ 8,004,361</u>
<b><u>General Pension</u></b>			
Beginning balance	\$ 17,351,565	\$ 12,498,775	\$ 4,852,790
Changes for the year:			
Service cost	60,393	-	60,393
Interest	1,259,117	-	1,259,117
Difference between expected & actual experience	(601,889)	-	(601,889)
Contributions - employer	-	813,325	(813,325)
Contributions - employees	-	25,209	(25,209)
Net investment income	-	449,642	(449,642)
Benefit payments	(1,247,455)	(1,247,455)	-
Administrative expense	-	(53,600)	53,600
Net changes	<u>(529,834)</u>	<u>(12,879)</u>	<u>(516,955)</u>
Ending balance	<u>\$ 16,821,731</u>	<u>\$ 12,485,896</u>	<u>\$ 4,335,835</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

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

<b>Police Pension</b>	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$9,042,545	\$6,893,877	\$5,105,798
<b>Firefighters' Pension</b>	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Net Pension Liability	\$11,025,931	\$8,004,361	\$5,526,519
<b>General Pension</b>	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$6,134,276	\$4,335,835	\$2,827,034

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:*

For the year ended September 30, 2019, the City recognized pension expense in the following amounts:

- Police Pension: \$839,730
- Firefighters' Pension: \$1,020,467
- General Pension: \$327,274

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, 2019 from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Police Pension</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 12,813	\$ -
<b>Firefighters' Pension</b>		
Net difference between projected and actual earnings on pension plan investments	-	18,624
Differences between expected and actual experience	13,084	569,572
Change of assumptions	682,514	-
<b>General Pension</b>		
Differences between expected and actual experience	-	300,945
Net difference between projected and actual earnings on pension plan investments	265,391	-
	<u>\$ 973,802</u>	<u>\$ 889,141</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

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

<u>Year ended September 30,</u>	<u>Police</u>	<u>Firefighters'</u>	<u>General</u>
2020	\$ (70,548)	\$ 3,772	\$(282,005)
2021	(24,717)	31,763	60,020
2022	53,547	(265)	92,347
2023	54,531	72,132	94,084
2024	-	-	-

*Financial Statements:* The financial statements for each of the pension funds as of and for the year ended September 30, 2019 are as follows:

**Statement of Fiduciary Net Position**  
**September 30, 2019**

	<u>Police</u>	<u>Fire</u>	<u>General</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents with trustee	\$ 762,058	\$ 519,790	\$ 265,926	\$ 1,547,774
Receivables				
Due from City	107,421	-	-	107,421
Interest and dividends receivable	4,768	71,830	38,275	114,873
Total receivables	<u>112,189</u>	<u>71,830</u>	<u>38,275</u>	<u>222,294</u>
Investments, at fair value:				
Government agency obligations	-	-	1,013,504	1,013,504
Asset-backed securities & collateralized obligations	-	-	480,667	480,667
Corporate bonds	-	-	2,458,170	2,458,170
Fixed income mutual funds	4,762,616	4,310,595	-	9,073,211
Equities - common stock	-	2,609,346	1,254,618	3,863,964
Equities - mutual funds	6,035,583	6,103,330	6,985,696	19,124,609
Real estate funds	-	1,328,109	-	1,328,109
Total investments	<u>10,798,199</u>	<u>14,351,380</u>	<u>12,192,655</u>	<u>37,342,234</u>
Total assets	<u>11,672,446</u>	<u>14,943,000</u>	<u>12,496,856</u>	<u>39,112,302</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,555	\$ 10,224	\$ 10,960	\$ 34,739
<b>NET POSITION</b>				
Restricted for pensions	\$ 11,658,891	\$ 14,932,776	\$ 12,485,896	\$ 39,077,563

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2019**

	<u>Police</u>	<u>Fire</u>	<u>General</u>	<u>Total</u>
<b>Additions</b>				
Contributions:				
Employer	\$ 614,925	\$ 782,210	\$ 813,325	\$ 2,210,460
Plan members	-	266,161	25,209	291,370
State-insurance premium taxes	<u>107,421</u>	<u>183,517</u>	<u>-</u>	<u>290,938</u>
Total contributions	<u>722,346</u>	<u>1,231,888</u>	<u>838,534</u>	<u>2,792,768</u>
Investment earnings				
Net appreciation (depreciation) - fair value of investments	247,478	357,867	229,718	835,063
Interest and dividends	<u>308,363</u>	<u>499,147</u>	<u>266,010</u>	<u>1,073,520</u>
Total investment earnings	<u>555,841</u>	<u>857,014</u>	<u>495,728</u>	<u>1,908,583</u>
Less: investment expense	(29,575)	(50,844)	(46,086)	(126,505)
Net investment income (loss)	<u>526,266</u>	<u>806,170</u>	<u>449,642</u>	<u>1,782,078</u>
Total additions	<u>1,248,612</u>	<u>2,038,058</u>	<u>1,288,176</u>	<u>4,574,846</u>
<b>Deductions</b>				
Benefit payments and refunds	1,247,733	1,060,255	1,247,455	3,555,443
Administrative expenses	<u>35,687</u>	<u>29,627</u>	<u>53,600</u>	<u>118,914</u>
Total deductions	<u>1,283,420</u>	<u>1,089,882</u>	<u>1,301,055</u>	<u>3,674,357</u>
<b>Change in net position</b>	(34,808)	948,176	(12,879)	900,489
<b>Net position restricted for pensions, beginning of year</b>	<u>11,693,699</u>	<u>13,984,600</u>	<u>12,498,775</u>	<u>38,177,074</u>
<b>Net position restricted for pensions, end of year</b>	<u>\$ 11,658,891</u>	<u>\$ 14,932,776</u>	<u>\$ 12,485,896</u>	<u>\$ 39,077,563</u>

**Defined Contribution Plans**

**Money Purchase Retirement Plan**

*Plan Description:* The City implemented a defined contribution - money purchase - retirement plan (the “DC 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. The DC Plan provides retirement benefits to plan members and beneficiaries. All DC Plan provisions, including benefits, eligibility and vesting, are established by the City Commission and can only be amended with Commission approval.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE D – CONTINUED**

*Funding Policy:* Pursuant to the DC Plan agreement, the City contributes 15% of eligible wages pertaining to the city manager, 12% of eligible wages pertaining to department directors, and 10% of eligible wages for all other personnel that elect to participate. The City’s total contribution for the year ended September 30, 2019 was \$214,390.

**Hybrid Money Purchase Retirement Plan**

*Plan Description:* The City implemented an additional defined contribution - money purchase - retirement plan (the “Hybrid Plan”) effective October 1, 2012. Eligible participants consist of non-managerial general employees that elect to participate in the Hybrid Plan. Participants that elect to participate are still required to participate in the General Employees’ Retirement System.

*Funding Policy:* The City makes a matching contribution to the Hybrid 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. The City’s total contribution for the year ended September 30, 2019 was \$10,617.

Both the DC Plan and Hybrid Plan are administered by ICMA Retirement Corporation. ICMA Retirement Corporation issues financial statements and reports as well as required supplementary information. 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.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE E. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Other Post-Employment Benefits Plan**

*Plan Description:* The City provides a defined benefit post-employment health care, dental, and life insurance plan (the “OPEB Plan”), whereby retired employees are able to purchase medical, dental, and life insurance benefits through the City’s insurance providers. The OPEB Plan is administered by the City as a single-employer plan.

Effective October 1, 2017, the City implemented GASB Statement No. 75, Accounting and Reporting for Post-Employment Benefits Other Than Pensions, for certain post-employment healthcare benefits provided by the City.

*Benefits Provided:* Retired employees, including their eligible dependents, that are eligible to participate in the OPEB Plan are required to pay 100% of their respective health care, dental, and life insurance premiums. Because retirees pay the same premium as active employees rather than age-adjusted premiums, the City’s cost to provide benefits is higher than it otherwise would be without retirees on the plan. This impact to the City is referred to as an “implicit rate subsidy” and the incremental increase in health care, dental, and life insurance premiums is reflected in the City’s OPEB liability.

The OPEB Plan is unfunded and there is no separate trust through which benefits for retirees are funded. No assets are accumulated for the OPEB Plan and all approved benefits are paid from general assets when due. The OPEB Plan does not issue separate, standalone audited financial statements.

*Plan Membership:* At October 1, 2017, the date of the latest actuarial valuation, plan participation consisted of the following:

Active employees:	84
Inactive employees entitled to, but not yet receiving, benefits:	0
Inactive employees:	<u>8</u>
Total:	<u><u>92</u></u>

*Total OPEB Liability:* The City’s total OPEB liability of \$674,676 was measured as of September 30, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs:* The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation:	3.00%
Salary increases:	4.00%
Discount rate:	3.58%
Healthcare cost trend rate:	6.90%
Retirees' share of benefit-related costs:	100.00%

**CITY OF ST. PETE BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE E – CONTINUED**

The discount rate was based the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2018.

Mortality rates were based on the RP-2000 Combined Mortality Table for males and females with mortality improvement projected to 2016 using Scale AA to the RP-2014 Combined Annuitant Mortality Table for males and females.

Changes in the OPEB liability for the fiscal year ended September 30, 2019, were as follows:

	Total OPEB Liability
Balance at September 30, 2018	\$ 692,244
Changes for year:	
Service Cost	36,540
Interest	23,745
Differences between expected and actual experience	-
Changes of assumptions	2,149
Benefit payment - implicit rate subsidy	(79,832)
Other changes	(170)
Net changes	(17,568)
Balance at September 30, 2019	\$ 674,676

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the City calculated using the discount rate of 3.58%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.58%) or 1% higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 712,015	\$ 674,676	\$ 640,148

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE E – CONTINUED**

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the City as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.9%) or 1% higher (7.9%) than the current healthcare cost trend rates (6.9%):

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Total OPEB Liability	\$ 632,909	\$ 674,676	\$ 721,551

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:*

For the year ended September 30, 2019, the City recognized OPEB expense of \$65,284. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB expense from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,571	\$ -
Changes of assumptions	41,826	102,724
 Total	 \$ 139,397	 \$ 102,724

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

<u>Year ended September 30:</u>	<u>Outflows</u>	<u>Inflows</u>
2020	\$ 19,056	\$ 14,057
2021	19,056	14,057
2022	19,056	14,057
2023	19,056	14,057
2024	19,056	14,057
2025	19,056	14,057
2026	19,056	14,057
2027	6,005	4,325

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE F. LONG-TERM LIABILITIES**

Long-term debt activity for the fiscal year ended September 30, 2019 was as follows:

	Balance 9/30/2018	Increases	Decreases	Balance 9/30/2019	Due Within One year
<b>Governmental Activities</b>					
Capital Improvement Revenue Bonds, Series 2015	\$ 12,190,000	\$ -	\$ 260,000	\$ 11,930,000	\$ 265,000
Capital leases	-	-	-	-	-
Accumulated unused Compensated absences	529,541	191,775	244,316	477,000	249,367
	<u>\$ 12,719,541</u>	<u>\$ 191,775</u>	<u>\$ 504,316</u>	<u>\$ 12,407,000</u>	<u>\$ 514,367</u>
<b>Business-Type Activities</b>					
State Revolving Loan (2003)	\$ 89,255	\$ -	\$ 16,845	\$ 72,410	\$ 17,361
State Revolving Loan (2005)	1,592,569	-	181,673	1,410,896	186,446
Wastewater Revenue Bond, Series 2015	4,482,000	-	189,000	4,293,000	196,000
Stormwater Revenue Bond, Series 2015	2,569,000	-	181,000	2,388,000	187,000
Capital leases	219,702	-	71,319	148,383	73,217
Accumulated unused Compensated absences	16,387	6,316	11,231	11,472	10,850
	<u>\$ 8,968,913</u>	<u>\$ 6,316</u>	<u>\$ 651,068</u>	<u>\$ 8,324,161</u>	<u>\$ 670,874</u>
<b>Total</b>	<u>\$ 21,688,454</u>	<u>\$ 198,091</u>	<u>\$ 1,155,384</u>	<u>\$ 20,731,161</u>	<u>\$ 1,185,241</u>

Long-term debt for the governmental activities is comprised of the following as of September 30, 2019:

<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 are 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, Franchise Fees and Utility Service Tax revenues.	11,930,000
<u>Accumulated unused compensated absences:</u> Represents the vested portion of accumulated vacation and sick pay benefits due to employees. These liabilities are liquidated by the General Fund.	<u>477,000</u>
<b>Total Governmental Activities Long-Term Debt</b>	<u><b>\$12,407,000</b></u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE F – CONTINUED**

Long-term debt for the business-type activities is comprised of the following as of September 30, 2019:

<p><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.</p>	\$ 72,410
<p><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.</p>	1,410,896
<p><u>Wastewater Utility System Revenue Bond, Series 2015</u>: 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 are secured by and payable from the net revenues, including connection fees, of the Wastewater Utility System.</p>	4,293,000
<p><u>Stormwater Improvement Assessment Bond, Series 2015</u>: 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 are 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.</p>	2,388,000

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE F – CONTINUED**

Capital leases (2016): The City currently leases a vacuum truck under a lease- purchase agreement that expires in February 2021. The lease terms require the City to pay any taxes, insurance and maintenance expenses related to the vacuum truck. As of September 30, 2019, the present value of future minimum lease payments was:

148,383

Accumulated unused compensated absences: Represents the vested portion of accumulated vacation and sick pay benefits due employees.

11,472

Total Business-Type Activities Long Term Debt

\$8,324,161

The annual requirements to amortize the long-term debt for governmental activities bonds payables as of September 30, 2019, are as follows:

	Principal	Interest	Total
2020	265,000	481,569	746,569
2021	275,000	470,969	745,969
2022	290,000	459,969	749,969
2023	305,000	386,969	691,969
2024	320,000	397,469	717,469
2025-2029	1,805,000	1,943,619	3,748,619
2030-2034	2,155,000	1,559,169	3,714,169
2035-2039	2,615,000	1,099,750	3,714,750
2040-2044	3,180,000	616,325	3,796,325
2045	720,000	29,700	749,700
	<u>\$11,930,000</u>	<u>\$7,445,508</u>	<u>\$19,375,508</u>

The annual requirements to amortize the notes and bonds payable for business-type activities as of September 30, 2019, are as follows:

	Principal	Interest	Total
2020	586,807	261,569	848,376
2021	605,240	245,164	850,404
2022	626,102	228,708	854,810
2023	645,261	211,680	856,941
2024	644,806	192,566	837,372
2025-2029	2,873,090	687,946	3,561,036
2030-2034	1,828,000	272,233	2,100,233
2035-2036	355,000	14,271	369,271
	<u>\$ 8,164,306</u>	<u>\$2,114,137</u>	<u>\$10,278,443</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE F – CONTINUED**

Capital Leases	Total
2020	77,165
2021	77,165
	<u>\$ 154,330</u>
Less: interest	(5,947)
Present value of lease liability	<u>\$ 148,383</u>

The business-type activities capital lease was reported in the asset totals for furniture, machinery, and equipment. Following is an analysis of the leased property under capital lease:

	Cost	Accumulated Depreciation	Book Value
Business-type activities:			
Sewer Vac Truck	\$ 356,843	\$ 127,869	\$ 228,974

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE G. INTERFUND TRANSACTIONS**

The City makes routine transfers between its funds in the course of the fiscal year, typically for construction projects as specified in the City’s capital improvement program. Transfers are reported as other financing sources (uses) in the Governmental Funds and as transfers in (out) in the Proprietary Funds. Interfund transfers included:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 4,758,057
Capital Improvement Projects Fund	4,758,057	-
	\$ 4,758,057	\$ 4,758,057

Interfund receivables and payables as of September 30, 2019, are comprised of the following balances and advances:

*Interfund balances:*

	Due From Other Funds	Due To Other Funds
General Fund	\$ -	\$ 107,421
Capital Improvement Projects Fund	270,283	-
Wastewater Fund	-	270,283
Fiduciary Funds	107,421	-
	\$ 377,704	\$ 377,704

The \$107,421 liability balance reported on the government-wide Statement of Net Position refers to the City’s final FY 2019 contribution from the General Fund to the Police Pension, which was paid shortly after fiscal year end. The \$270,283 balance between the Capital Improvement Projects Fund and Wastewater Fund includes the temporary cash transfer described in Note B.

*Advances:*

	Advances To Other Funds	Advances From Other Funds
Capital Improvement Projects Fund	\$ 1,191,833	\$ -
Stormwater Fund	-	1,191,833
	\$ 1,191,833	\$ 1,191,833

The \$1,191,833 Stormwater Fund liability refers to an advance arrangement with the Capital Improvement Projects Fund relating to the Pass-a-Grille Way Phase II and Blind Pass Road improvement projects. Budgetary transfers were recorded from the Stormwater Fund for drainage-related aspects of the infrastructure improvements, leaving an outstanding balance until final reimbursement of the project by the Southwest Florida Water Management District, at which time cash will be transferred and the liability will be eliminated.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE H. RECENT ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City’s financial statements:

- (a) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2018.
- (b) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after December 15, 2019.
- (c) GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, in August 2018. GASB 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2018.
- (d) GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions in GASB 91 are effective for period beginning after December 15, 2020.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE I. SUBSEQUENT EVENTS**

**Debt Issuance:**

- The City executed an agreement with the Florida Department of Environmental Protection through the State Revolving Fund loan program to finance the sanitary sewer capacity improvement project. The total project fund is \$17,089,002, including borrowing of \$13,230,948 over a twenty-year term at a fixed interest rate of 0.22%.
- The City executed a pension obligation loan agreement of \$6,700,000 to fund the liabilities of the Police pension system, which is closed to new members. This is a taxable debt structure amortized over fifteen years at a fixed interest rate of 2.92%.
- Fire Engine 22 replacement was authorized in the amount of \$600,000, combining \$100,000 from General Fund assigned balance and \$500,000 via lease-purchase. The agreement is subject to annual budget appropriations and includes a five-year term with a fixed interest rate of 2.45%.

**Economic Factors:**

The coronavirus pandemic resulted in the closure of City-owned facilities and restrictions on beach access beginning in March 2020. The City will experience significant, immediate declines in parking and recreation-related revenue in FY 2020. Sales tax-related revenue impacts will be delayed and are unknown as of this report. Short-term plans to address the uncertainty surrounding the event include pausing or deferring capital improvement projects. Longer term, adjustments will be incorporated into the FY 2021 budget as appropriate.

**CITY OF ST. PETE BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
SEPTEMBER 30, 2019  
(UNAUDITED)**

Fiscal Year Ending September 30,	2019	2018
Total OPEB Liability		
Service cost	\$ 36,540	\$ 38,317
Interest	23,745	20,934
Difference between actual and expected experience	-	124,279
Assumption changes	2,149	16,812
Benefit payments - implicit rate subsidy	(79,832)	(72,733)
Other changes	(170)	(96,619)
Net change in total OPEB liability	(17,568)	30,990
Total OPEB liability - beginning	692,244	661,254
Total OPEB liability - ending (a)	\$ 674,676	\$ 692,244
 Covered payroll	 \$ 4,282,059	 \$ 4,282,059
 Total OPEB liability as a percentage of covered payroll	 15.76%	 16.17%

Notes to Schedule:

Valuation Date	10/1/2018	10/1/2018
----------------	-----------	-----------

*Changes of assumptions.* Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Discount Rate	3.58%	3.64%
---------------	-------	-------

\*\* 10 years of data will be presented as it becomes available

**CITY OF ST. PETE BEACH, FLORIDA  
POLICE OFFICERS' RETIREMENT SYSTEM  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
SEPTEMBER 30, 2019  
(UNAUDITED)**

Fiscal Year Ending September 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ 15,380	\$ 45,240
Interest	1,238,416	1,194,357	1,179,519	1,102,568	1,101,556	1,099,695
Difference between actual and expected experience	246,567	682,795	267,414	239,884	255,813	-
Assumption changes	-	-	-	1,161,657	-	-
Benefit payments including refunds of contributions	(1,247,733)	(1,247,746)	(1,222,178)	(1,587,440)	(1,098,393)	(1,078,586)
Net change in total pension liability	237,250	629,406	224,755	916,669	274,356	66,349
Total pension liability - beginning	18,315,518	17,686,112	17,461,357	16,544,688	16,270,332	16,203,983
Total pension liability - ending (a)	<u>\$ 18,552,768</u>	<u>\$ 18,315,518</u>	<u>\$ 17,686,112</u>	<u>\$ 17,461,357</u>	<u>\$ 16,544,688</u>	<u>\$ 16,270,332</u>
Total Fiduciary Net Position						
Contributions - employer	\$ 614,925	\$ 553,743	\$ 472,080	\$ 494,855	\$ 444,748	\$ 577,960
Contributions - state	107,421	97,990	93,815	86,942	87,677	88,047
Contributions - employee	-	-	-	-	274	3,857
Net investment income	526,266	790,622	1,143,369	972,743	(133,318)	1,052,775
Benefit payments, including refunds of contributions	(1,247,733)	(1,247,746)	(1,222,178)	(1,587,440)	(1,098,393)	(1,078,586)
Administrative expense	(35,687)	(46,526)	(26,288)	(15,598)	(24,655)	(32,171)
Net change in plan fiduciary net position	(34,808)	148,083	460,798	(48,498)	(723,667)	611,882
Plan fiduciary net position - beginning	11,693,699	11,545,616	11,084,818	11,133,316	11,856,983	11,245,101
Plan fiduciary net position - ending (b)	<u>\$ 11,658,891</u>	<u>\$ 11,693,699</u>	<u>\$ 11,545,616</u>	<u>\$ 11,084,818</u>	<u>\$ 11,133,316</u>	<u>\$ 11,856,983</u>
Net pension liability - ending (a) - (b)	<u>\$ 6,893,877</u>	<u>\$ 6,621,819</u>	<u>\$ 6,140,496</u>	<u>\$ 6,376,539</u>	<u>\$ 5,411,372</u>	<u>\$ 4,413,349</u>
Plan fiduciary net position as a percentage of the total pension liability	62.84%	63.85%	65.28%	63.48%	67.29%	72.87%
Covered payroll*	N/A	N/A	N/A	N/A	\$ 9,453	\$ 124,414
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	57,245.02%	3,547.31%

**NOTES:**

\* The plan was closed during 2015; therefore, there is no covered payroll in subsequent years.

\*\* 10 years of data will be presented as it becomes available

**CITY OF ST. PETE BEACH, FLORIDA  
FIREFIGHTERS' RETIREMENT SYSTEM  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
SEPTEMBER 30, 2019  
(UNAUDITED)**

Fiscal Year Ending September 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 481,584	\$ 463,655	\$ 421,007	\$ 245,298	\$ 230,254	\$ 238,163
Interest	1,659,502	1,576,276	1,516,026	1,245,496	1,212,870	1,189,290
Change in excess State money	-	-	(251,482)	-	-	-
Changes of benefit terms	(1,397)	-	2,483,070	-	-	-
Difference between actual and expected experience	(226,945)	19,624	(251,797)	(786,356)	103,860	-
Assumption changes	135,391	129,145	167,748	1,212,697	-	-
Contributions - buy back	63,761	43,564	-	-	-	-
Benefit payments including refunds of contributions	(1,060,255)	(976,061)	(982,669)	(933,688)	(1,348,403)	(882,183)
Net change in total pension liability	1,051,641	1,256,203	3,101,903	983,447	198,581	545,270
Total pension liability - beginning	21,885,496	20,629,293	17,527,390	16,543,943	16,345,362	15,800,092
Total pension liability - ending (a)	<u>\$ 22,937,137</u>	<u>\$ 21,885,496</u>	<u>\$ 20,629,293</u>	<u>\$ 17,527,390</u>	<u>\$ 16,543,943</u>	<u>\$ 16,345,362</u>
Total Fiduciary Net Position						
Contributions - employer	\$ 782,210	\$ 737,476	\$ 675,894	\$ 690,612	\$ 413,656	\$ 632,678
Contributions - state	183,517	186,995	176,996	178,044	392,128	39,565
Contributions - employee	266,161	252,277	61,764	59,223	50,369	45,249
Contributions - buy back	63,761	43,564	-	-	-	-
Net investment income	742,409	1,257,530	1,080,346	962,019	(72,360)	999,549
Benefit payments, including refunds of contributions	(1,060,255)	(976,061)	(982,669)	(933,688)	(1,348,403)	(882,183)
Administrative expense	(29,627)	(34,157)	(50,943)	(21,656)	(19,804)	(16,250)
Net change in plan fiduciary net position	948,176	1,467,624	961,388	934,554	(584,414)	818,608
Plan fiduciary net position - beginning	13,984,600	12,516,976	11,555,588	10,621,034	11,205,448	10,386,840
Plan fiduciary net position - ending (b)	<u>\$ 14,932,776</u>	<u>\$ 13,984,600</u>	<u>\$ 12,516,976</u>	<u>\$ 11,555,588</u>	<u>\$ 10,621,034</u>	<u>\$ 11,205,448</u>
Net pension liability - ending (a) - (b)	<u>\$ 8,004,361</u>	<u>\$ 7,900,896</u>	<u>\$ 8,112,317</u>	<u>\$ 5,971,802</u>	<u>\$ 5,922,909</u>	<u>\$ 5,139,914</u>
Plan fiduciary net position as a percentage of the total pension liability	65.10%	63.90%	60.68%	65.93%	64.20%	68.55%
Covered payroll	\$ 2,206,645	\$ 2,190,372	\$ 1,938,036	\$ 1,787,358	\$ 1,572,198	\$ 1,371,924
Net pension liability as a percentage of covered payroll	362.74%	360.71%	418.58%	334.11%	376.73%	374.65%

**NOTES:**

For measurement date 09/30/2017, the following changes were made based on the 2017-16 Ordinance:

- 1.) The Normal Retirement Date for Members not eligible for Normal Retirement and who had less than 10 years of Credited Service on December 31, 2012 is changed to the earliest of A) Age 55 with 10 years of Credited Service, B) Age 52 with 25 years of Credited Service, or C) 30 years of Credited Service regardless of age.
- 2.) The benefit multiplier is increased to 3.4% per year of Credited Service, retroactive to January 1, 2013.
- 3.) The definition of Compensation is changed for Salary earned after January 1, 2013 to include total W-2 earnings, including up to 300 hours of overtime, but not including any lump sum payments of accrued sick or annual leave.
- 4.) The maximum benefit is increased from 75% of Average Final Compensation to 100%.
- 5.) Early retirement provisions are established for service on and after January 1, 2013, with eligibility at age 50 with 10 years of Credited Service and with an early retirement reduction of 3% per year prior to age 55.
- 6.) A 3.0% annual cost-of-living adjustment is added for service on and after January 1, 2013. It is commencing on the first October 1st following 7 complete years of receiving
- 7.) The member contribution rate has been increased to help fund some of these benefit improvements listed.

\*\* 10 years of data will be presented as it becomes available.

**CITY OF ST. PETE BEACH, FLORIDA  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
SEPTEMBER 30, 2019  
(UNAUDITED)**

Fiscal Year Ending September 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability						
Service cost	\$ 60,393	\$ 48,627	\$ 55,922	\$ 63,167	\$ 67,894	\$ 79,454
Interest	1,259,117	1,252,251	1,274,501	1,248,359	1,244,204	1,235,212
Difference between actual and expected experience	(601,889)	46,018	(511,151)	(570,758)	(2,077)	-
Assumption changes	-	250,564	-	989,394	-	-
Benefit payments including refunds of contributions	(1,247,455)	(1,133,112)	(1,072,544)	(1,268,722)	(1,234,650)	(1,139,505)
Net change in total pension liability	(529,834)	464,348	(253,272)	461,440	75,371	175,161
Total pension liability - beginning	17,351,565	16,887,217	17,140,489	16,679,049	16,603,678	16,428,517
Total pension liability - ending (a)	<u>\$ 16,821,731</u>	<u>\$ 17,351,565</u>	<u>\$ 16,887,217</u>	<u>\$ 17,140,489</u>	<u>\$ 16,679,049</u>	<u>\$ 16,603,678</u>
Total Fiduciary Net Position						
Contributions - employer	\$ 813,325	\$ 656,988	\$ 503,935	\$ 563,121	\$ 585,936	\$ 557,646
Contributions - employee	25,209	27,621	24,813	25,913	29,971	30,176
Net investment income	449,642	913,431	1,028,577	1,052,550	(6,633)	1,203,892
Benefit payments, including refunds of contributions	(1,247,455)	(1,133,112)	(1,072,544)	(1,268,722)	(1,234,650)	(1,139,505)
Administrative expense	(53,600)	(34,262)	(42,257)	(36,156)	(30,510)	(25,430)
Net change in plan fiduciary net position	(12,879)	430,666	442,524	336,706	(655,886)	626,779
Plan fiduciary net position - beginning	12,498,775	12,068,109	11,625,585	11,288,879	11,944,765	11,317,986
Plan fiduciary net position - ending (b)	<u>\$ 12,485,896</u>	<u>\$ 12,498,775</u>	<u>\$ 12,068,109</u>	<u>\$ 11,625,585</u>	<u>\$ 11,288,879</u>	<u>\$ 11,944,765</u>
Net pension liability - ending (a) - (b)	<u>\$ 4,335,835</u>	<u>\$ 4,852,790</u>	<u>\$ 4,819,108</u>	<u>\$ 5,514,904</u>	<u>\$ 5,390,170</u>	<u>\$ 4,658,913</u>
Plan fiduciary net position as a percentage of the total pension liability	74.22%	72.03%	71.46%	67.83%	67.68%	71.94%
Covered payroll	\$ 817,412	\$ 799,160	\$ 700,400	\$ 738,138	\$ 1,017,523	\$ 761,318
Net pension liability as a percentage of covered payroll	530.43%	607.24%	688.05%	747.14%	529.73%	611.95%

**NOTES:**

*Changes of assumptions:*

For measurement date 9/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate return from 7.65% to 7.50%.

For measurement date 9/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

The investment rate return was lowered from 7.75% to 7.65% per year compounded annually, net of investment related expenses.

\*\* 10 years of data will be presented as it becomes available

**CITY OF ST. PETE BEACH, FLORIDA  
POLICE OFFICERS' RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
SEPTEMBER 30, 2019  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution (ADC)</b>	<b>Contributions in Relation to ADC</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll*</b>	<b>Contributions as Percentage of Employee Payroll</b>
2019	\$ 722,346	\$ 722,346	\$ -	N/A	N/A
2018	651,733	651,733	-	N/A	N/A
2017	564,940	565,895	(955)	N/A	N/A
2016	581,797	581,797	-	N/A	N/A
2015	530,921	532,425	(1,504)	9,453	5632.34%
2014	666,007	666,007	-	124,414	535.32%

Notes to Schedule:

Valuation Date: 10/1/2017

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Pay, Closed.
Mortality:	<p><i>Healthy Lives:</i>            Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.            Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.</p> <p><i>Disabled Lives:</i>            Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.            Male: 60% RP2000 Disabled Male setback four years /40% Annuitant White Collar with no setback, no projection scale.</p>
Interest Rate	7.00% per year, compounded annually, net of investment-related expenses.
Retirement Age:	N/A
Salary Increases:	N/A
Payroll Growth:	None.
Cost-of-Living Adjustmetn:	3% per year following completion of 7 years of retirement on old benefit
Asset Valuation Method:	Each year, the Actuarial Value of Assets is brought forward using the historical 4-year geometric average market value return. Over time, this may produce an insignificant bias above or below Market Value of Assets.

\* The plan was closed during 2015; therefore, there is no covered payroll in subsequent years.

\*\* 10 years of data will be presented as it becomes available

**CITY OF ST. PETE BEACH, FLORIDA  
FIREFIGHTERS' RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
SEPTEMBER 30, 2019  
(UNAUDITED)**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2019	\$ 955,477	\$ 965,727	\$ (10,250)	\$ 2,206,645	43.76%
2018	922,147	924,471	(2,324)	2,190,372	42.21%
2017	769,400	852,890	(83,490)	1,938,036	44.01%
2016	868,656	868,656	-	1,787,358	48.60%
2015	740,688	804,784	(64,096)	1,572,198	51.19%
2014	672,243	672,243	-	1,371,924	49.00%

Notes to Schedule:

Valuation Date: 10/1/2017

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal  
Amortization Method: Level Percentage of Pay, Closed.  
Remaining Amortization Period: 30 Years (as of 10/01/2016).  
Mortality: RP-2000 Combined Healthy (sex distinct), based on study of over 650 public safety funds. Disability mortality is set forward five years.  
*Healthy Lives:*  
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.  
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB  
*Disabled Lives:*  
Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.  
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.  
Interest Rate: 7.65% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.  
Retirement Age: For members eligible for normal retirement on 1/1/2013 or hired before: Earlier of age 56 or 26 years of service.  
For all others: earlier of age 60 with 10 years of services or 30 years of service.  
Early Retirement: For members eligible for normal retirement on 1/1/2013, immediate subsidized benefit at rate of 5% per year.  
For all others: None.  
Salary Increases: 4.0% to 5.5% depending on years of service  
Payroll Growth: Up to 1.38% per year  
Cost-of-Living Adjustment: 3% per year following completion of 7 years of retirement on old benefit. None after January 1, 2013.  
Asset Valuation Method: Each year, the Actuarial Value of Assets is brought forward using the historical 4-year geometric average market value return. Over time, this may produce an insignificant bias above or below Market Value of Assets.  
Termination Rates: See table below. Based on actuarial experience study issued October 20, 2008.  
Disability Rates: See table below. Based on actuarial experience study issued October 20, 2008.  
Other Information: Termination and Disability Rate Table:

Age	% Terminating	% Becoming Disabled
	During the Year	During the Year
20	17.20%	0.03%
30	15.00%	0.04%
40	8.20%	0.07%
50	1.70%	0.18%

\*\* 10 years of data will be presented as it becomes available

**CITY OF ST. PETE BEACH, FLORIDA  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
SEPTEMBER 30, 2019  
(UNAUDITED)**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2019	\$ 813,325	\$ 813,325	\$ -	\$ 817,412	99.50%
2018	638,879	656,988	(18,109)	799,160	82.21%
2017	464,066	503,935	(39,869)	700,400	71.95%
2016	563,121	563,121	-	738,138	76.29%
2015	585,936	585,936	-	1,017,523	57.58%
2014	548,356	557,646	(9,290)	761,318	73.25%

Notes to Schedule:

Valuation Date: 10/1/2017

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal  
Amortization Method: Level Percentage of Pay, Closed.  
Remaining Amortization Period: 30 Years (as of 10/01/2017).  
Mortality: *Healthy Lives*  
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.  
Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.  
*Disabled Lives*  
Female: 100% RP2000 Disabled Female set forward two years.  
Male: 100% RP2000 Disabled Male set back four years.  
Interest Rate: 7.65% per year, compounded annually, net of investment-related expenses.  
Retirement Age: Earlier of 1) age 60 with 10 years of service or 2) 30 years of service (earlier of 55 or 25 years if hired before 10/1/2012). No early retirement.  
Early Retirement: None.  
Salary Increases: 5.0% per year until assumed retirement  
Payroll Growth: None.  
Cost-of-Living Adjustment: 3% per year following completion of 10 years of retirement on old benefit  
Asset Valuation Method: Each year, the Actuarial Value of Assets is brought forward using the historical 4-year geometric average market value return. Over time, this may produce an insignificant bias above or below Market Value of Assets.  
Termination Rates: See table below.  
Disability Rates: See table below.  
Other Information: Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	28.4%	0.051%
30	24.8%	0.058%
40	13.5%	0.121%
50	2.8%	0.429%

\*\* 10 years of data will be presented as it becomes available

**CITY OF ST. PETE BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN  
 SEPTEMBER 30, 2019  
 (UNAUDITED)**

<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>			
<b>Fiscal Year</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>General Pension</b>
2019	4.76%	5.31%	3.65%
2018	7.24%	10.06%	7.70%
2017	10.75%	9.48%	9.05%
2016	9.22%	9.25%	9.72%
2015	-1.17%	-0.66%	-0.06%
2014	9.67%	9.74%	10.84%

\*\* 10 years of data will be presented as it becomes available

## **SUPPORTING SCHEDULES**

Financial schedules are presented to provide greater detailed information than reported in the preceding financial statements. This information, in many cases, has been spread throughout the report and is brought together here for greater clarity. Financial schedules are not necessary for fair presentation in conformity with generally accepted accounting principles.

**CITY OF ST. PETE BEACH, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	<u>Special Revenue Funds</u>			<b>Total Nonmajor Governmental Funds</b>
	<u>Transportation Impact Fee</u>	<u>Building</u>	<u>Police Confiscation</u>	
<b>ASSETS</b>				
Equity in pooled cash	\$ 219,657	\$ 656,165	\$ 5,365	\$ 881,187
<b>Total assets</b>	<u>\$ 219,657</u>	<u>\$ 656,165</u>	<u>\$ 5,365</u>	<u>\$ 881,187</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 3,672	\$ 16,314	\$ -	\$ 19,986
Customer deposits	-	12,365	-	12,365
<b>Total liabilities</b>	<u>3,672</u>	<u>28,679</u>	<u>-</u>	<u>32,351</u>
<b>FUND BALANCES</b>				
Restricted for:				
Building department	-	627,486	-	627,486
Law enforcement	-	-	5,365	5,365
Transportation improvements	215,985	-	-	215,985
<b>Total fund balances</b>	<u>215,985</u>	<u>627,486</u>	<u>5,365</u>	<u>848,836</u>
<b>Total liabilities and fund balances</b>	<u>\$ 219,657</u>	<u>\$ 656,165</u>	<u>\$ 5,365</u>	<u>\$ 881,187</u>

See accompanying notes to financial statements.

**CITY OF ST. PETE BEACH, FLORIDA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Special Revenue Funds</u>			<b>Total Nonmajor Governmental Funds</b>
	<u>Transportation Impact Fee</u>	<u>Building</u>	<u>Police Confiscation</u>	
<b>REVENUES</b>				
Permits and fees	\$ 1,324	\$ 881,987	\$ -	\$ 883,311
Investment income	1,725	4,502	42	6,269
Total revenues	<u>3,049</u>	<u>886,489</u>	<u>42</u>	<u>889,580</u>
<b>EXPENDITURES</b>				
Current:				
Community development	-	589,244	-	589,244
<b>Net change in fund balances</b>	<u>3,049</u>	<u>297,245</u>	<u>42</u>	<u>300,336</u>
<b>Fund balances, beginning of year</b>	212,936	330,241	5,323	548,500
<b>Fund balances, end of year</b>	<u><u>\$ 215,985</u></u>	<u><u>\$ 627,486</u></u>	<u><u>\$ 5,365</u></u>	<u><u>\$ 848,836</u></u>

See accompanying notes to financial statements.

**CITY OF ST. PETE BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUILDING**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
<b>REVENUES</b>				
Permits and fees	\$ 715,000	\$ 715,000	\$ 881,987	\$ 166,987
Investment income	-	-	4,502	4,502
Total revenues	<u>715,000</u>	<u>715,000</u>	<u>886,489</u>	<u>171,489</u>
<b>EXPENDITURES</b>				
Current:				
Community development:				
Building	714,612	714,612	589,244	125,368
Capital outlay	19,200	19,200	-	19,200
Total expenditures	<u>733,812</u>	<u>733,812</u>	<u>589,244</u>	<u>144,568</u>
Net change in fund balances	<u>(18,812)</u>	<u>(18,812)</u>	<u>297,245</u>	<u>316,057</u>
Fund balances, beginning of year	330,241	330,241	330,241	-
Fund balances, end of year	<u>\$ 311,429</u>	<u>\$ 311,429</u>	<u>\$ 627,486</u>	<u>\$ 316,057</u>

See accompanying notes to financial statements.

**CITY OF ST. PETE BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CAPITAL IMPROVEMENT PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Taxes	\$ 995,000	\$ 995,000	\$ 1,111,847	\$ 116,847
Intergovernmental	100,000	10,593,499	3,376,168	(7,217,331)
Investment income	20,000	20,000	107,582	87,582
Total revenues	<u>1,115,000</u>	<u>11,608,499</u>	<u>4,595,597</u>	<u>(7,012,902)</u>
<b>EXPENDITURES</b>				
Current:				
Public works:				
Administration	-	-	46,718	(46,718)
Capital outlay	4,391,500	25,711,686	14,200,059	11,511,627
Debt service:				
Principal retirement	260,000	260,000	260,000	-
Interest and fiscal charges	489,369	489,369	491,869	(2,500)
Total expenditures	<u>5,140,869</u>	<u>26,461,055</u>	<u>14,998,646</u>	<u>11,462,409</u>
Excess (deficiency) of revenues over expenditures	<u>(4,025,869)</u>	<u>(14,852,556)</u>	<u>(10,403,049)</u>	<u>4,449,507</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,758,057	4,758,057	4,758,057	-
Net change in fund balances	<u>732,188</u>	<u>(10,094,499)</u>	<u>(5,644,992)</u>	<u>4,449,507</u>
Fund balances, beginning of year	11,116,916	11,116,916	11,116,916	-
Fund balances, end of year	<u><u>\$ 11,849,104</u></u>	<u><u>\$ 1,022,417</u></u>	<u><u>\$ 5,471,924</u></u>	<u><u>\$ 4,449,507</u></u>

See accompanying notes to financial statements.

**CITY OF ST. PETE BEACH, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
EMERGENCY MEDICAL SERVICES (EMS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>REVENUES</b>	
EMS operating reimbursement	\$ 1,797,929
EMS capital reimbursement	-
Total revenues	<u>1,797,929</u>
<b>EXPENDITURES</b>	
Current:	
Salaries, wages, and employees benefits	1,813,791
Contract services	9,004
Insurance	12,434
Repairs and maintenance	35,080
Uniforms	6,595
Fuel	4,614
Other	1,611
Capital outlay	12,500
Total expenditures	<u>1,895,629</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u><u>\$ (97,700)</u></u>

See accompanying notes to financial statements.

## Statistical Section

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

### Contents

#### **Financial Trends (Schedules 1-5)**

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

#### **Revenue Capacity (Schedules 6-9)**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

#### **Debt Capacity (Schedules 10-12)**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information (Schedules 13-14)**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and help make comparisons over time and with other governments.

#### **Operating Information (Schedules 15-17)**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 1 - Net Position by Component**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 23,703,266	\$ 24,778,730	\$ 25,813,130	\$ 25,885,225	\$ 26,275,283	\$ 26,222,880	\$ 26,880,493	\$ 32,831,443	\$ 38,579,444	\$ 50,265,720
Restricted	382,107	369,866	387,549	388,582	414,080	683,376	3,005,075	2,819,838	8,474,445	1,395,435
Unrestricted	<u>3,764,169</u>	<u>3,601,370</u>	<u>4,158,240</u>	<u>6,818,460</u>	<u>7,900,552</u>	<u>(5,189,099)</u>	<u>(6,921,248)</u>	<u>(4,064,101)</u>	<u>(9,936,009)</u>	<u>(6,854,028)</u>
Total governmental activities net position	<u>27,849,542</u>	<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>	<u>22,964,320</u>	<u>31,587,180</u>	<u>37,117,880</u>	<u>44,807,127</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 7,966,862	\$ 8,584,028	\$ 9,504,196	\$ 10,617,326	\$ 13,045,091	\$ 14,956,744	\$ 17,279,462	\$ 17,577,589	\$ 18,051,782	\$ 19,259,026
Restricted	2,761,992	2,360,200	1,869,900	1,373,720	875,172	260,195	172,025	219,928	2,191,481	2,195,150
Unrestricted	<u>(263,623)</u>	<u>1,090,718</u>	<u>1,936,117</u>	<u>2,866,840</u>	<u>2,589,632</u>	<u>2,105,940</u>	<u>2,110,454</u>	<u>(43,879)</u>	<u>95,743</u>	<u>3,464,160</u>
Total business-type activities net position	<u>10,465,231</u>	<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>	<u>19,561,941</u>	<u>17,753,638</u>	<u>20,339,006</u>	<u>24,918,336</u>
<b>Total primary government</b>										
Net investment in capital assets	\$ 31,670,128	\$ 33,362,758	\$ 35,317,326	\$ 36,502,551	\$ 39,320,374	\$ 41,179,624	\$ 44,159,955	\$ 50,409,032	\$ 56,631,226	\$ 69,524,746
Restricted	3,144,099	2,730,066	2,257,449	1,762,302	1,289,252	943,571	3,177,100	3,039,766	10,665,926	3,590,585
Unrestricted	<u>3,500,546</u>	<u>4,692,088</u>	<u>6,094,357</u>	<u>9,685,300</u>	<u>10,490,184</u>	<u>(3,083,159)</u>	<u>(4,810,794)</u>	<u>(4,107,980)</u>	<u>(9,840,266)</u>	<u>(3,389,868)</u>
Total primary government net position	<u>38,314,773</u>	<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>	<u>42,526,261</u>	<u>49,340,818</u>	<u>57,456,886</u>	<u>69,725,463</u>

Note:

The City converted the wastewater and reclaimed water funds from special revenue funds to enterprise funds in FY 2010. Fiscal year 2009 data reflects this change.

The City implemented GASB 68 in FY 2015, resulting in the City's net pension liability being recorded in the financial statements.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 2 - Changes in Net Position**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,306,345	\$ 1,975,312	\$ 2,238,921	\$ 1,772,659	\$ 1,653,433	\$ 1,818,174	\$ 1,871,615	\$ 3,699,537	\$ 1,916,784	\$ 2,470,991
Community development	593,337	581,888	576,218	607,796	664,648	839,776	914,014	847,318	918,591	1,010,956
Public safety	7,149,824	6,932,045	7,167,047	6,241,767	6,468,442	7,053,404	10,956,336	7,133,967	7,493,658	7,829,874
Parking enforcement	-	267,877	318,855	359,881	337,912	383,112	535,970	502,539	521,270	550,237
Public works	3,872,799	3,962,149	2,761,043	3,091,481	3,713,816	3,641,112	3,161,814	3,609,883	4,138,155	4,515,104
Culture and recreation	552,497	571,243	1,930,246	1,941,723	2,008,092	2,254,188	2,339,008	2,089,068	2,213,821	2,281,504
Interest and fees on long term-debt	255,846	203,379	147,049	123,922	109,061	227,514	471,029	507,083	508,910	490,244
Total governmental activities expenses	<u>14,730,648</u>	<u>14,493,893</u>	<u>15,139,379</u>	<u>14,139,229</u>	<u>14,955,404</u>	<u>16,217,280</u>	<u>20,249,786</u>	<u>18,389,395</u>	<u>17,711,189</u>	<u>19,148,910</u>
Business-type activities:										
Wastewater	\$ 3,467,822	\$ 3,052,904	\$ 3,756,305	\$ 3,691,949	\$ 3,893,752	\$ 4,222,963	\$ 5,000,215	\$ 3,913,435	\$ 5,430,492	\$ 5,005,765
Reclaimed water	778,626	819,844	884,287	772,697	709,244	761,196	831,244	841,137	755,705	764,551
Stormwater	110,227	152,728	259,057	332,920	243,292	320,452	391,015	451,741	519,746	634,679
Total business-type activities expenses	<u>4,356,675</u>	<u>4,025,476</u>	<u>4,899,649</u>	<u>4,797,566</u>	<u>4,846,288</u>	<u>5,304,611</u>	<u>6,222,474</u>	<u>5,206,313</u>	<u>6,705,943</u>	<u>6,404,995</u>
Total primary government expenses	<u>19,087,323</u>	<u>18,519,369</u>	<u>20,039,028</u>	<u>18,936,795</u>	<u>19,801,692</u>	<u>21,521,891</u>	<u>26,472,260</u>	<u>23,595,708</u>	<u>24,417,132</u>	<u>25,553,905</u>
<b>Program revenues</b>										
Governmental activities:										
Charges for service										
General government	\$ 439,404	\$ 450,656	\$ 473,458	\$ 469,324	\$ 482,675	\$ 503,155	\$ 79,421	\$ 115,188	\$ 80,184	\$ 66,803
Community development	399,355	363,853	450,065	470,650	587,335	643,007	802,469	1,087,019	1,304,247	1,295,588
Public safety	141,741	169,361	143,527	41,819	147,864	24,649	53,518	75,117	84,186	69,337
Parking enforcement	928,834	1,143,883	1,404,482	1,444,844	1,555,258	1,744,353	2,164,405	2,642,486	2,735,087	3,044,331
Public works	431,290	536,404	-	-	-	-	-	-	-	-
Culture and recreation	27,427	25,048	599,680	765,787	751,239	856,764	1,055,449	1,045,575	1,097,056	1,192,666
Operating grants and contributions	1,414,213	1,411,742	1,541,530	1,800,650	1,544,867	1,650,010	3,369,796	1,777,535	2,296,165	1,850,411
Capital grants and contributions	371,068	316,946	1,143,600	353,008	6,309	2,810	919,891	87,714	640,389	3,279,516
Total governmental activities program revenues	<u>4,153,332</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>	<u>8,444,949</u>	<u>6,830,634</u>	<u>8,237,314</u>	<u>10,798,652</u>
Business-type activities:										
Charges for service										
Wastewater	\$ 4,556,755	\$ 4,605,011	\$ 4,741,773	\$ 4,680,651	\$ 5,051,892	\$ 5,219,730	\$ 5,806,838	\$ 6,047,688	\$ 6,733,254	\$ 6,554,556
Reclaimed water	603,741	699,152	797,045	800,471	864,886	869,447	866,099	849,628	863,271	853,663
Stormwater	-	264,594	610,966	637,350	636,163	644,968	862,478	1,005,387	1,099,125	1,190,234
Operating grants and contributions	-	-	3,176	118,280	-	-	-	199,838	217,746	-
Capital grants and contributions	-	-	-	-	24,450	-	1,043,852	668,599	2,050,091	2,248,115
Total business-type activities program revenues	<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>8,579,267</u>	<u>8,771,140</u>	<u>10,963,487</u>	<u>10,846,568</u>
Total primary government program revenues	<u>9,313,828</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>	<u>17,024,216</u>	<u>15,601,774</u>	<u>19,200,801</u>	<u>21,645,220</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (10,577,316)	\$ (10,076,000)	\$ (9,383,037)	\$ (8,793,147)	\$ (9,879,857)	\$ (10,792,532)	\$ (11,804,837)	\$ (11,558,761)	\$ (9,473,875)	\$ (8,350,258)
Business-type activities	803,821	1,543,281	1,253,311	1,439,186	1,731,103	1,429,534	2,356,793	3,564,827	4,257,544	4,441,573
Total primary government net expense	<u>(9,773,495)</u>	<u>(8,532,719)</u>	<u>(8,129,726)</u>	<u>(7,353,961)</u>	<u>(8,148,754)</u>	<u>(9,362,998)</u>	<u>(9,448,044)</u>	<u>(7,993,934)</u>	<u>(5,216,331)</u>	<u>(3,908,685)</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 2 - Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 5,655,614	\$ 5,659,947	\$ 5,641,473	\$ 6,474,606	\$ 5,694,314	\$ 6,783,032	\$ 7,235,035	\$ 7,768,938	\$ 8,368,981	\$ 9,325,425
Sales taxes	1,286,423	1,204,287	1,253,134	1,317,798	1,398,239	1,490,896	1,605,830	1,591,169	1,661,937	1,739,563
Utility taxes	3,529,910	3,323,335	3,209,993	3,187,616	3,386,877	3,373,281	3,312,619	3,269,998	3,301,671	2,251,007
Other taxes	436,731	416,127	461,571	456,578	470,427	456,808	362,120	411,279	419,938	421,126
Franchise fees	-	-	-	-	-	-	-	-	-	1,220,676
Intergovernmental revenue	263,617	264,996	265,814	267,052	269,354	272,972	273,574	1,467,061	1,471,523	465,776
Investment earnings	6,892	2,491	13,413	9,700	9,320	17,210	66,585	150,154	297,731	326,849
Miscellaneous	116,770	105,241	146,592	93,367	68,078	108,059	49,193	86,481	104,888	289,083
Transfers	-	-	-	(75,418)	80,896	57,909	147,044	5,436,541	1,710,479	-
Special items										
Change in assumptions - OPEB	-	-	-	556,716	-	-	-	-	-	-
Transfer of operations	-	-	-	(747,433)	-	-	-	-	-	-
Legal settlement	-	-	-	-	-	(652,137)	-	-	349,523	-
Legal judgment	-	-	-	-	-	-	-	-	(2,165,195)	-
Total governmental activities	<u>11,295,957</u>	<u>10,976,424</u>	<u>10,991,990</u>	<u>11,540,582</u>	<u>11,377,505</u>	<u>11,908,030</u>	<u>13,052,000</u>	<u>20,181,621</u>	<u>15,521,476</u>	<u>16,039,505</u>
Business-type activities:										
Investment income	100,152	26,434	9,616	4,584	2,132	1,827	29,313	63,411	104,084	137,757
Miscellaneous	-	-	12,340	(7,866)	(330)	-	-	-	-	-
Transfers	-	-	-	75,418	(80,896)	(57,909)	(147,044)	(5,436,541)	(1,710,479)	-
Special item - change in assumptions - OPEB	-	-	-	36,351	-	-	-	-	-	-
Total business-type activities	<u>100,152</u>	<u>26,434</u>	<u>21,956</u>	<u>108,487</u>	<u>(79,094)</u>	<u>(56,082)</u>	<u>(117,731)</u>	<u>(5,373,130)</u>	<u>(1,606,395)</u>	<u>137,757</u>
Total primary government	<u>\$ 11,396,109</u>	<u>\$ 11,002,858</u>	<u>\$ 11,013,946</u>	<u>\$ 11,649,069</u>	<u>\$ 11,298,411</u>	<u>\$ 11,851,948</u>	<u>\$ 12,934,269</u>	<u>\$ 14,808,491</u>	<u>\$ 13,915,081</u>	<u>\$ 16,177,262</u>
<b>Total change in net position</b>										
Governmental activities	\$ 718,641	\$ 900,424	\$ 1,608,953	\$ 2,747,435	\$ 1,497,648	\$ 1,115,498	\$ 1,247,163	\$ 8,622,860	\$ 6,047,601	\$ 7,689,247
Business-type activities	903,973	1,569,715	1,275,267	1,547,673	1,652,009	1,373,452	2,239,062	(1,808,303)	2,651,149	4,579,330
Total primary government	<u>\$ 1,622,614</u>	<u>\$ 2,470,139</u>	<u>\$ 2,884,220</u>	<u>\$ 4,295,108</u>	<u>\$ 3,149,657</u>	<u>\$ 2,488,950</u>	<u>\$ 3,486,225</u>	<u>\$ 6,814,557</u>	<u>\$ 8,698,750</u>	<u>\$ 12,268,577</u>

Note: Beginning in 2019, franchise fees and utility taxes are reported separately. Previously, franchise fees were reported together with utility taxes.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 3 - Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:										
Nonspendable	\$ 1,134,260	\$ 920,961	\$ 352,325	\$ 284,467	\$ 211,956	\$ 211,818	\$ 208,978	\$ 142,170	\$ 77,211	\$ 200,709
Restricted	198,063	198,063	198,063	198,063	198,063	198,063	2,477,505	2,497,700	151,518	150,000
Committed	-	-	-	-	-	431,487	-	-	-	-
Assigned	668,445	565,656	543,695	412,809	483,073	611,860	1,041,737	863,452	2,198,154	1,363,300
Unassigned	2,337,289	3,229,855	3,617,274	4,124,482	4,800,833	5,348,413	6,052,922	6,512,890	7,765,768	7,617,320
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total General Fund	<u>4,338,057</u>	<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>	<u>9,781,142</u>	<u>10,016,212</u>	<u>10,192,651</u>	<u>9,331,329</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343	\$ -
Restricted	184,044	171,803	189,484	190,519	216,017	12,885,834	12,193,093	16,850,788	11,665,073	2,685,001
Committed	-	-	-	-	-	494,378	-	-	-	-
Assigned	475,479	-	561,608	1,372,620	2,093,244	2,448,141	-	-	-	3,635,759
Unassigned	-	(198,166)	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>659,523</u>	<u>(26,363)</u>	<u>751,092</u>	<u>1,563,139</u>	<u>2,309,261</u>	<u>15,828,353</u>	<u>12,193,093</u>	<u>16,850,788</u>	<u>11,665,416</u>	<u>6,320,760</u>

Notes:

The City implemented GASB Statement 54 in 2011; fiscal year 2010 data reflects this change.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 4 - Change in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues by source:</b>										
Taxes	\$ 10,863,617	\$ 10,557,994	\$ 10,523,622	\$ 11,388,888	\$ 10,908,517	\$ 12,052,487	\$ 12,557,697	\$ 13,041,384	\$ 13,752,527	\$ 14,957,797
Permits and fees	494,634	459,849	516,512	540,699	640,300	713,346	804,309	1,040,026	1,193,069	1,202,203
Intergovernmental revenue	2,000,002	2,004,938	2,979,397	2,468,421	1,857,820	1,977,321	2,905,990	3,238,459	3,684,796	5,482,989
Charges for services	730,248	802,527	904,449	946,713	920,826	1,040,881	1,049,013	1,094,108	1,495,134	1,317,554
Charges for services - parking enforcement	782,221	966,229	1,231,065	1,265,834	1,372,165	1,551,733	1,911,633	2,642,486	2,735,087	3,044,331
Investment income	6,892	2,491	13,413	9,700	9,320	17,210	31,396	150,154	297,731	326,849
Miscellaneous	532,309	570,104	544,739	506,876	694,489	561,817	2,476,911	820,324	1,114,725	1,160,584
Total revenues	<u>15,409,923</u>	<u>15,364,132</u>	<u>16,713,197</u>	<u>17,127,131</u>	<u>16,403,437</u>	<u>17,914,795</u>	<u>21,736,949</u>	<u>22,026,941</u>	<u>24,273,069</u>	<u>27,492,307</u>
<b>Expenditures by function:</b>										
General government	\$ 2,630,088	\$ 1,786,770	\$ 2,918,242	\$ 2,613,118	\$ 2,538,424	\$ 2,622,127	\$ 3,302,664	\$ 2,773,376	\$ 2,795,483	\$ 4,249,734
Community development	581,496	1,364,844	565,632	595,161	664,048	792,883	913,254	832,421	990,584	1,074,069
Public safety	6,738,104	6,628,405	6,884,686	6,985,526	6,154,403	6,272,784	6,680,246	7,491,435	7,634,470	7,581,988
Public works	3,026,346	3,064,189	2,324,891	2,408,160	2,798,998	2,790,557	2,739,822	2,840,780	3,333,091	3,472,251
Culture and recreation	-	-	903,841	1,045,861	1,074,734	1,139,551	1,122,687	1,221,966	1,281,613	1,392,726
Capital outlay	1,492,704	1,281,739	1,671,800	1,478,124	1,688,167	1,691,375	6,645,674	6,649,357	11,870,901	15,175,648
Debt service:										
Principal	1,340,375	1,169,185	760,000	495,000	422,010	437,930	774,637	721,383	748,171	260,000
Interest and fiscal charges	245,623	194,704	144,126	121,397	106,855	241,985	360,768	548,338	522,496	491,869
Total expenditures	<u>16,054,736</u>	<u>15,489,836</u>	<u>16,173,218</u>	<u>15,742,347</u>	<u>15,447,639</u>	<u>15,989,192</u>	<u>22,539,752</u>	<u>23,079,056</u>	<u>29,176,809</u>	<u>33,698,285</u>
Excess (deficit) revenue over expenditures	(644,813)	(125,704)	539,979	1,384,784	955,798	1,925,603	(802,803)	(1,052,115)	(4,903,740)	(6,205,978)
<b>Other financing sources (uses)</b>										
Capital lease obligation incurred	\$ -	\$ -	\$ -	\$ -	\$ 379,132	\$ -	\$ -	\$ -	\$ -	\$ -
Bond proceeds	-	-	-	-	-	13,048,318	-	-	-	-
Loan proceeds	875,000	-	-	-	-	-	-	-	-	-
Sale of surplus capital assets	52,231	16,296	34,298	19,056	4,400	23,615	-	-	-	-
Transfers in	475,000	492,000	925,000	1,384,400	1,905,896	1,961,909	2,122,044	11,946,377	4,519,554	4,758,057
Transfers out	(475,000)	(492,000)	(925,000)	(1,325,000)	(1,825,000)	(1,904,000)	(1,975,000)	(6,509,836)	(2,809,075)	(4,758,057)
Special item - transfer of operations	-	-	-	(342,729)	-	(428,637)	-	-	-	-
Special item - legal settlement	-	-	-	-	-	-	-	-	349,523	-
Special item - legal judgment	-	-	-	-	-	-	-	-	(2,165,195)	-
Total other financing sources (uses)	<u>927,231</u>	<u>16,296</u>	<u>34,298</u>	<u>(264,273)</u>	<u>464,428</u>	<u>12,701,205</u>	<u>147,044</u>	<u>5,436,541</u>	<u>(105,193)</u>	<u>-</u>
Total net change in fund balances	<u>282,418</u>	<u>(109,408)</u>	<u>574,277</u>	<u>1,120,511</u>	<u>1,420,226</u>	<u>14,626,808</u>	<u>(655,759)</u>	<u>4,384,426</u>	<u>(5,008,933)</u>	<u>(6,205,978)</u>
Debt service as a percentage of non-capital expenditures	10.9%	9.6%	6.2%	4.3%	3.8%	4.8%	7.1%	7.7%	7.3%	4.1%

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 5 - Tax Revenues of Governmental Activities by Source**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Property Tax	\$ 5,655,614	\$ 5,659,946	\$ 5,641,473	\$ 6,474,606	\$ 5,694,314	\$ 6,783,032	\$ 7,235,035	\$ 7,768,938	\$ 8,368,981	\$ 9,325,425
Utility Service Tax	2,238,042	2,124,927	2,052,136	2,082,201	2,211,732	2,167,637	2,181,759	2,161,813	2,148,226	2,251,007
Franchise Fees	1,291,867	1,198,408	1,157,857	1,105,415	1,175,145	1,205,644	1,130,860	1,108,185	1,153,445	1,220,676
Local Option Sales Tax	805,652	719,060	761,136	804,221	858,293	923,839	971,639	997,929	1,045,701	1,111,847
Half Cent Sales Tax	480,771	485,227	491,998	513,577	539,946	567,057	634,191	593,240	616,236	627,716
Casualty & Fire Insurance Premium Tax	252,317	244,087	292,403	277,654	297,977	269,876	264,986	270,811	284,985	290,938
County Gas Tax	<u>139,354</u>	<u>126,339</u>	<u>126,619</u>	<u>131,214</u>	<u>131,110</u>	<u>135,402</u>	<u>139,227</u>	<u>140,468</u>	<u>134,953</u>	<u>130,188</u>
Total	<u>\$ 10,863,617</u>	<u>\$ 10,557,994</u>	<u>\$ 10,523,622</u>	<u>\$ 11,388,888</u>	<u>\$ 10,908,517</u>	<u>\$ 12,052,487</u>	<u>\$ 12,557,697</u>	<u>\$ 13,041,384</u>	<u>\$ 13,752,527</u>	<u>\$ 14,957,797</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 6 - Estimated Actual Value, Assessed Value, and Taxable Value of Property**  
**Last Ten Fiscal Years**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Tax roll	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Estimated actual value <sup>1</sup>	\$ 2,906,636,285	\$ 2,635,664,540	\$ 2,407,528,267	\$ 2,387,324,798	\$ 2,521,062,913	\$ 2,793,552,852	\$ 3,055,048,740	\$ 3,293,642,819	\$ 3,628,185,639	\$ 3,928,113,413
Assessed values:										
Residential property	1,974,627,856	1,866,594,851	1,745,788,800	1,785,350,119	1,793,883,055	1,920,699,855	2,050,677,526	2,193,984,291	2,336,668,474	2,492,563,814
Commercial property	445,160,499	400,024,065	365,880,150	383,501,063	393,536,407	397,961,637	432,117,910	471,088,007	513,243,211	676,175,722
Government property	31,375,098	26,970,547	24,841,805	25,393,771	25,463,444	29,848,399	31,260,231	35,932,573	36,792,796	39,965,145
Institutional property	20,933,239	18,534,123	17,039,690	19,389,257	19,456,265	20,159,599	21,380,662	22,784,996	23,233,393	24,428,720
Other real property	9,952,577	8,148,597	7,252,963	7,773,482	7,713,624	7,857,808	8,121,842	8,395,964	8,954,513	9,636,620
Personal property	55,337,521	53,226,254	57,842,179	57,629,771	61,230,630	63,539,771	70,313,910	70,207,385	69,072,139	72,915,002
Total assessed value	<u>2,537,386,790</u>	<u>2,373,498,437</u>	<u>2,218,645,587</u>	<u>2,279,037,463</u>	<u>2,301,283,425</u>	<u>2,440,067,069</u>	<u>2,613,872,081</u>	<u>2,802,393,216</u>	<u>2,987,964,526</u>	<u>3,315,685,023</u>
Less: property tax exemptions	(261,028,318)	(252,537,396)	(237,892,158)	(294,774,137)	(237,841,071)	(240,837,037)	(242,859,589)	(250,217,383)	(252,405,116)	(257,932,737)
Total taxable value	<u>2,276,358,472</u>	<u>2,120,961,041</u>	<u>1,980,753,429</u>	<u>1,984,263,326</u>	<u>2,063,442,354</u>	<u>2,199,230,032</u>	<u>2,371,012,492</u>	<u>2,552,175,833</u>	<u>2,735,559,410</u>	<u>3,057,752,286</u>
Total direct tax rate <sup>2</sup>	2.5588	2.7514	2.9464	3.3697	2.8569	3.1500	3.1500	3.1500	3.1500	3.1500
Assessed value as a percentage of actual value	87.3%	90.1%	92.2%	95.5%	91.3%	87.3%	85.6%	85.1%	82.4%	84.4%
Taxable value as a percentage of actual value	78.3%	80.5%	82.3%	83.1%	81.8%	78.7%	77.6%	77.5%	75.4%	77.8%

**Note:**  
(1) Estimated actual value is the "just value" of properties per Chapter 193.011, Florida Statutes, without exemptions.  
(2) Total direct tax rate is the millage rate per \$1,000 of taxable value.

**Source:**  
Pinellas County Property Appraiser

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 7 - Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year	City of St. Pete Beach			Pinellas County			Pinellas County School Board			Emerg. Medical Services	Pinellas Planning Council	Juvenile Welfare Board	Southwest Florida	Pinellas	Total
	Operating Millage	Debt Millage	Total City	Operating Millage	Health Department	Total County	State Operating	Local Operating	Total School				Water Management District	Anclote River Basin	
2010	2.4834	0.0754	2.5588	4.8108	0.0622	4.8730	5.3480	2.9980	8.3460	0.5832	0.0125	0.7915	0.3866	0.3200	17.8716
2011	2.6718	0.0796	2.7514	4.8108	0.0622	4.8730	5.3420	2.9980	8.3400	0.5832	0.0125	0.7915	0.3770	0.2600	17.9886
2012	2.8569	0.0895	2.9464	4.8108	0.0622	4.8730	5.6370	2.7480	8.3850	0.8506	0.0125	0.8337	0.3928	0.0000	18.2940
2013	3.2819	0.0878	3.3697	5.0105	0.0622	5.0727	5.5540	2.7480	8.3020	0.9158	0.0125	0.8981	0.3928	0.0000	18.9636
2014	2.8569	0.0000	2.8569	5.2755	0.0622	5.3377	5.3120	2.7480	8.0600	0.9158	0.0160	0.8981	0.3818	0.0000	18.4663
2015	3.1500	0.0000	3.1500	5.2755	0.0622	5.3377	5.0930	2.7480	7.8410	0.9158	0.0160	0.8981	0.3658	0.0000	18.5244
2016	3.1500	0.0000	3.1500	5.2755	0.0622	5.3377	5.0930	2.7480	7.8410	0.9158	0.0160	0.8981	0.3488	0.0000	18.5074
2017	3.1500	0.0000	3.1500	5.2755	0.0622	5.3377	4.5700	2.7480	7.3180	0.9158	0.0150	0.8981	0.3317	0.0000	17.9663
2018	3.1500	0.0000	3.1500	5.2755	0.0835	5.3590	4.2610	2.7480	7.0090	0.9158	0.0150	0.8981	0.3131	0.0000	17.6600
2019	3.1500	0.0000	3.1500	5.2755	0.0835	5.3590	3.8360	2.7480	6.5840	0.9158	0.0150	0.8981	0.2955	0.0000	17.2174

Note:

All millage rates are applicable per \$1,000 of assessed property value.

Source:

Pinellas County Tax Collector

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 8 - Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	2019			2010		
	Taxable Value	Rank	Percentage of Total Assessed Property Value	Taxable Value	Rank	Percentage of Total Assessed Property Value
HHR St. Pete Beach, LLC	\$ 99,532,071	1	3.26%			
GPIF Sirata, LLC	90,000,000	2	2.94%			
TPG St. Pete Beach LLC	39,245,401	3	1.28%			
Vacation Trust Inc.	30,916,640	4	1.01%			
RIA - Sandpiper Inc.	25,250,000	5	0.83%	15,600,000	5	
HHR Beach House, LLC	22,400,000	6	0.73%			
Grand Plaza Resorts Inc.	17,589,487	7	0.58%	11,100,000	6	
RIA - Tradewinds, Inc.	17,569,385	8	0.57%	9,760,000	8	
BRE Mariner Dolphin Village, LLC	17,242,550	9	0.56%			
Dolphin Holdings LTD	14,278,000	10	0.47%	9,700,000	9	
Don CeSar Resort Hotel				49,188,002	1	
Nicklaus, H Gregg				26,800,000	2	
Dolphin Village Partners, LLC				17,035,438	3	
RIA - Breckenridge, Inc.				16,600,000	4	
St. Pete Partners, LLC				11,019,599	7	
Alden Enterprises, Inc.				9,100,000	10	
Total taxable value of ten largest taxpayers	<u>374,023,534</u>		12.23%	<u>175,903,039</u>		7.73%
Total taxable value of other taxpayers	<u>2,683,728,752</u>		87.77%	<u>2,100,455,433</u>		92.27%
Total taxable value of all taxpayers	<u>3,057,752,286</u>		100%	<u>2,276,358,472</u>		100%

Source:

Pinellas County Property Appraiser's Office

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 9 - Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Tax Roll</b>	<b>Taxable Value</b>	<b>Tax Rate in Mills</b>	<b>Tax Levy</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>
					<b>Amount</b>	<b>Percentage of Levy</b>	
2010	2009	2,276,358,472	2.5588	5,824,746	5,655,614	97.1%	188,396
2011	2010	2,120,961,041	2.7514	5,835,612	5,659,946	97.0%	140,809
2012	2011	1,980,753,429	2.9464	5,836,092	5,641,473	96.7%	149,008
2013	2012	1,984,263,326	3.3697	6,686,372	6,474,606	96.8%	133,935
2014	2013	2,063,442,354	2.8569	5,895,048	5,694,314	96.6%	143,385
2015	2014	2,199,230,032	3.1500	6,927,575	6,783,032	97.9%	188,569
2016	2015	2,371,012,492	3.1500	7,468,689	7,235,035	96.9%	148,544
2017	2016	2,552,175,833	3.1500	8,039,354	7,768,938	96.6%	179,641
2018	2017	2,735,559,410	3.1500	8,617,012	8,368,981	97.1%	174,520
2019	2018	3,057,752,286	3.1500	9,631,920	9,325,425	96.8%	3,792

Note:

Fiscal year 2019 collections in subsequent years are reported through March 2020.

Source:

Pinellas County Property Appraiser

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 10 - Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental activities:</b>										
General Obligation (G.O.) Bonds, 1993	460,000	315,000	160,000	-	-	-	-	-	-	-
Revenue Bond, Series 2001 & 2006	3,435,000	2,855,000	2,250,000	1,915,000	1,570,000	1,205,000	820,000	420,000	-	-
Capital Improvement Revenue Bonds, Series 2015	-	-	-	-	-	13,000,000	12,685,000	12,440,000	12,190,000	11,930,000
Capital leases payable	444,186	-	-	-	302,121	229,191	154,554	78,171	-	-
<b>Total governmental activities</b>	<b>\$ 4,339,186</b>	<b>\$ 3,170,000</b>	<b>\$ 2,410,000</b>	<b>\$ 1,915,000</b>	<b>\$ 1,872,121</b>	<b>\$ 14,434,191</b>	<b>\$ 13,659,554</b>	<b>\$ 12,938,171</b>	<b>\$ 12,190,000</b>	<b>\$ 11,930,000</b>
<b>Business-type activities:</b>										
State Revolving Loan, 1992	2,691,948	2,190,474	1,671,186	1,133,436	576,600	-	-	-	-	-
Wastewater Revenue Bonds, Series 2003 & 2005	3,127,315	2,946,587	2,771,313	2,601,769	2,427,708	2,249,010	2,065,552	1,875,315	1,681,824	1,483,306
Wastewater Revenue Bond, Series 2015	-	-	-	-	-	5,000,000	4,838,000	4,664,000	4,482,000	4,293,000
Stormwater Revenue Bond, Series 2015	-	-	-	-	-	3,000,000	2,916,000	2,745,000	2,569,000	2,388,000
Capital leases payable	64,128	32,837	-	-	-	-	356,843	289,173	219,702	148,383
<b>Total business-type activities</b>	<b>\$ 5,883,391</b>	<b>\$ 5,169,898</b>	<b>\$ 4,442,499</b>	<b>\$ 3,735,205</b>	<b>\$ 3,004,308</b>	<b>\$ 10,249,010</b>	<b>\$ 10,176,395</b>	<b>\$ 9,573,488</b>	<b>\$ 8,952,526</b>	<b>\$ 8,312,689</b>
<b>Total primary government outstanding debt</b>	<b>\$ 10,222,577</b>	<b>\$ 8,339,898</b>	<b>\$ 6,852,499</b>	<b>\$ 5,650,205</b>	<b>\$ 4,876,429</b>	<b>\$ 24,683,201</b>	<b>\$ 23,835,949</b>	<b>\$ 22,511,659</b>	<b>\$ 21,142,526</b>	<b>\$ 20,242,689</b>
Total outstanding debt as percent of personal income	2.1%	1.9%	1.7%	1.3%	1.1%	5.4%	4.8%	4.2%	3.9%	3.6%
Total outstanding debt per capita	\$ 1,020	\$ 829	\$ 736	\$ 604	\$ 515	\$ 2,633	\$ 2,522	\$ 2,311	\$ 2,172	\$ 2,070
General bonded debt as percent of property tax value	0.02%	0.01%	0.01%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General bonded debt per capita	\$ 46	\$ 31	\$ 17	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Note:**

The City of St. Pete Beach is not subject to any legal limitations on the issuance of debt.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 11 - Direct and Overlapping Governmental Activities Debt**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of St. Pete Beach</u>	<u>Amount Applicable to City of St. Pete Beach</u>
<b>City of St. Pete Beach</b>			
Total direct debt	\$ 11,930,000	100%	\$ 11,930,000
<b>Pinellas County Government:</b>			
Governmental Activities Notes	18,634,328	3.9%	717,837
Capital Leases	298,264	3.9%	11,490
<b>Pinellas County School Board:</b>			
Certificates of Participation	65,241,168	3.5%	2,302,953
Bonds	852,480	3.5%	30,092
Capital Leases	4,752,393	3.5%	167,755
Total overlapping debt	<u>89,778,633</u>		<u>3,230,126</u>
Total direct and overlapping debt			<u>\$ 15,160,126</u>
Total direct and overlapping debt as a percentage of personal income			2.8%
Total direct and overlapping debt per capita			\$ 1,557

Note:

The applicable share of overlapping debt is calculated based on the ratio of the City of St. Pete Beach property tax value (\$3,057,752,286) to Pinellas County (\$79,376,212,411) and Pinellas County School Board (\$86,624,154,891) respective property tax values.

Sources:

Pinellas County Property Appraiser  
Pinellas County Finance Department  
Pinellas County School Board

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 12 - Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Obligation (G.O.) Bonds, 1993</b>											
Pledged revenue - property taxes	\$ 6,057,622	\$ 5,655,614	\$ 5,659,947	\$ 5,641,473	\$ 6,474,606	-	-	-	-	-	-
Total debt service requirement	168,325	171,500	169,150	171,357	168,400	-	-	-	-	-	-
Coverage ratio	35.99	32.98	33.46	32.92	38.45	-	-	-	-	-	-
<b>State Revolving Loan, 1992</b>											
Gross pledged revenue - reclaimed water fees	\$ 525,084	\$ 591,590	\$ 683,605	\$ 781,555	\$ 775,886	\$ 842,702	\$ 846,638	-	-	-	-
Net available revenue (gross revenue less operating expenses; plus sale of other assets)	500,385	659,379	681,910	698,798	787,196	897,992	829,543	-	-	-	-
Total debt service requirement	597,101	597,101	597,101	597,101	597,101	597,101	581,763	-	-	-	-
Coverage ratio	0.84	1.10	1.14	1.17	1.32	1.50	1.43	-	-	-	-
<b>Revenue Bonds, Series 2001 &amp; 2006</b>											
Pledged revenue - Infrastructure Sales Tax (1)	\$ 808,949	\$ 805,652	\$ 719,060	\$ 761,136	\$ 804,221	\$ 858,293	\$ 923,839	\$ 971,639	\$ 997,929	-	-
Total debt service requirement	734,475	735,450	729,980	727,729	444,150	440,750	443,500	445,250	441,000	-	-
Coverage ratio	1.10	1.10	0.99	1.05	1.81	1.95	2.08	2.18	2.26	-	-
<b>Capital Improvement Revenue Bonds, Series 2015</b>											
Pledged revenue (2)	-	-	-	-	-	-	-	\$ 4,146,045	\$ 4,001,311	\$ 4,117,142	\$ 4,298,634
Total debt service requirement	-	-	-	-	-	-	-	749,681	746,769	746,869	749,369
Coverage ratio	-	-	-	-	-	-	-	5.53	5.36	5.51	5.74
<b>Wastewater Revenue Bonds, Series 2003 &amp; 2005</b>											
Gross pledged revenue - sewer service fees	\$ 3,719,270	\$ 4,541,287	\$ 4,596,119	\$ 4,737,866	\$ 4,679,616	\$ 5,048,037	\$ 5,218,696	\$ 5,806,807	\$ 6,047,553	\$ 6,677,519	\$ 6,554,431
Net available revenue (gross revenue less operating expenses and parity debt service requirements)	488,660	1,354,039	1,820,463	1,270,655	1,309,323	1,524,879	1,573,624	669,411	1,976,733	1,116,852	1,405,961
Total debt service requirement	262,078	262,077	261,898	251,627	241,555	241,283	241,555	241,356	241,555	241,556	223,724
Coverage ratio	1.86	5.17	6.95	5.05	5.42	6.32	6.51	2.77	8.18	4.62	6.28
<b>Wastewater Revenue Bonds, Series 2015</b>											
Gross pledged revenue - sewer service fees	-	-	-	-	-	-	-	\$ 5,806,807	\$ 6,047,553	\$ 6,677,519	\$ 6,554,431
Net available revenue (gross revenue less operating expenses)	-	-	-	-	-	-	-	1,037,899	2,289,065	1,486,028	1,774,540
Total debt service requirement	-	-	-	-	-	-	-	368,488	369,493	369,176	368,579
Coverage ratio	-	-	-	-	-	-	-	2.82	6.20	4.03	4.81
<b>Stormwater Revenue Bonds, Series 2015</b>											
Gross pledged revenue - Stormwater assessment	-	-	-	-	-	-	-	\$ 862,478	\$ 1,005,287	\$ 1,099,125	\$ 1,190,234
Net available revenue (gross revenue less operating expenses)	-	-	-	-	-	-	-	525,021	575,164	656,910	627,789
Total debt service requirement	-	-	-	-	-	-	-	167,338	255,768	255,694	256,074
Coverage ratio	-	-	-	-	-	-	-	3.14	2.25	2.57	2.45

Notes:

- (1) Revenue bonds are supported by non-ad valorem revenue, but the Series 2001 & 2006 debt covenants did not specify a required funding source. The City chose to utilize Infrastructure Sales Tax ("Penny for Pinellas") proceeds.
- (2) Pledged revenue includes: Half Cent Sales Tax, utility service franchise fees, utility service taxes, and the guaranteed entitlement portion of the Florida Municipal Revenue Sharing Program.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 13 - Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment (1)</b>	<b>Unemployment Rate (2)</b>
2010	10,026	\$ 493,880,760	\$ 49,260	56.8	102,672	12.1%
2011	10,063	449,393,454	44,658	56.8	104,001	10.8%
2012	9,307	397,883,557	42,751	56.8	101,818	7.2%
2013	9,357	435,587,064	46,552	57.5	101,337	5.7%
2014	9,471	451,037,433	47,623	55.9	104,104	5.6%
2015	9,373	460,036,213	49,081	56.1	103,779	4.0%
2016	9,452	493,073,032	52,166	58.6	103,779	4.1%
2017	9,739	539,238,691	55,369	59.4	102,181	3.2%
2018	9,735	548,294,670	56,322	59.7	102,181	2.9%
2019	9,779	565,245,758	57,802	60.3	101,427	3.0%

Sources:

Pinellas County Economic Development

Pinellas County Schools

U.S. Department of Labor, Bureau of Labor Statistics

Notes:

(1) School enrollment is reported for the total Pinellas County School District rather than St. Pete Beach.

(2) Unemployment rate is reported for Pinellas County rather than St. Pete Beach.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 14 - Principal Employers**  
**Current Year and Nine Years Ago**

<b>Employer</b>	<b>2019</b>			<b>2010</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Tradewinds Island Resorts	900	1	8.6%	650	1	
The Don Cesar Beach Resort	450	2	4.3%	550	2	
Grand Plaza Hotel & Resort	250	3	2.4%	100	5	
Sirata Beach Resort	200	4	1.9%	300	3	
City of St. Pete Beach	150	5	1.4%	119	4	
Publix Supermarket	125	6	1.2%			
Beachcomber Beach Resort	100	7	1.0%	85	9	
Dolphin Beach Resort	80	8	0.8%	83	10	
Postcard Inn	80	8	0.8%			
Hotel Zamora	70	10	0.7%			
Fortune Hotels Inc.				100	5	
Hurricane Lounge, Inc.				100	5	
Sandpiper Hotel & Suites				99	8	
Total employment of ten largest employers	<u>2,405</u>		23.1%	<u>2,186</u>		
Total employment of other employers	<u>8,027</u>		76.9%			
Total employment of all employers (1)	<u><u>10,432</u></u>		100.0%			

Source:

Pinellas County Economic Development

Note:

2010 total employment data unavailable.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 15 - Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General government										
City Manager	3.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	2.00
City Clerk	3.63	3.13	3.13	3.13	2.88	2.88	2.63	2.75	2.75	3.00
Community Development	6.00	6.00	6.00	6.00	7.00	7.00	7.00	11.00	12.40	13.03
Finance	3.00	4.00	4.00	4.00	4.00	4.00	3.20	3.00	3.63	4.63
Library	6.00	6.50	6.50	6.50	7.43	7.15	7.15	7.15	7.15	7.40
Parking Enforcement	0.00	2.00	2.00	2.00	2.00	2.20	3.00	3.35	3.35	3.35
Information Technology	2.80	1.80	1.80	1.80	1.00	1.00	2.00	2.00	2.00	2.00
Public Safety										
Law Enforcement (1)	36.00	33.00	33.00	33.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire/EMS	29.75	29.75	29.75	29.75	29.75	32.00	32.00	35.00	35.00	35.00
Public Works	31.94	30.14	28.94	18.33	17.00	18.00	19.00	22.19	25.80	29.00
Recreation (2)	0.00	0.00	0.00	11.36	13.83	13.83	15.14	15.34	15.59	16.54
<b>Total (3)</b>	<u>122.11</u>	<u>118.81</u>	<u>117.61</u>	<u>118.86</u>	<u>87.88</u>	<u>91.05</u>	<u>94.12</u>	<u>104.78</u>	<u>110.67</u>	<u>115.95</u>

Source:

City of St. Pete Beach Adopted Budget

Notes:

(1) Law enforcement services were outsourced to the Pinellas County Sheriff's Office effective FY 2014.

(2) Recreation was reported under Public Works prior to FY 2013.

(3) Full-time equivalent totals will not agree to City employment reported on Schedule 15 due to vacancies and variances associated with elected officials, part-time, and seasonal employees.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 16 - Operating Indicators by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Public Safety</b>										
Law enforcement calls for service	16,038	11,790	12,891	23,469	7,023	6,324	6,962	6,218	5,816	5,655
Felony arrests	145	102	103	141	147	159	206	219	116	150
Traffic citations	2,118	2,081	1,085	3,235	1,629	2,986	2,799	3,903	2,769	3,071
Parking violations	3,778	3,314	2,520	3,190	2,612	2,904	5,039	4,093	4,293	4,133
Fire structure responses	97	93	116	41	59	288	386	455	645	736
EMS medical calls	1,946	1,844	1,793	1,910	1,880	1,831	2,267	2,707	2,380	2,279
EMS auto crash responses	118	128	120	41	120	114	182	89	137	139
EMS water rescues	38	35	36	18	30	15	65	81	52	53
<b>Public Works</b>										
Street resurfacing (miles)	-	0.30	1.18	-	0.95	1.20	-	4.23	2.42	5.64
<b>Culture and Recreation</b>										
Summer camp participation	166	143	191	138	328	398	216	156	142	699
Recreation classes offered	65	28	37	49	53	59	39	42	45	37
Recreation program participation	3,009	4,202	38,217	46,890	58,390	62,000	68,778	89,551	112,655	115,302
Facility rentals booked (1)	283	226	361	318	250	321	290	212	205	61
Library materials borrowed	138,946	173,937	172,082	153,213	154,360	165,548	157,044	147,211	149,988	133,597
Library reference questions	6,539	9,276	14,745	15,706	15,685	17,620	22,414	27,724	20,623	17,842
<b>Wastewater</b>										
Average daily sewer flow (mgd)	2.59	2.49	3.00	2.63	2.95	2.78	2.99	2.87	2.61	2.61
Miles of sewer lines	42	42	42	42	42	42	42	42	42	42
<b>Reclaimed Water</b>										
New connections	13	12	17	17	19	22	17	51	18	36
Average daily consumption (mgd)	2.80	2.60	2.40	2.10	1.60	1.90	2.20	3.02	2.89	2.92

Source:

Internal City departments

Note:

(1) Warren Webster and Hurley Park facilities under construction in FY 2018.

**CITY OF ST. PETE BEACH, FLORIDA**  
**Schedule 17 - Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Function</b>										
Public Safety										
Police Stations	1	1	1	1	1	0	0	0	0	0
Fire Stations	2	2	2	2	2	2	2	2	2	2
Libraries										
Main	1	1	1	1	1	1	1	1	1	1
Transportation										
Streets (miles)	45.73	45.73	45.73	45.73	45.73	45.73	45.73	45.73	45.73	45.73
Recreation										
Parks (acres)	35.45	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5
Beaches (acres)	39.8	39.8	39.8	39.8	39.8	40	40	40	40	40
Playgrounds	7	7	5	5	5	5	5	5	5	5
Picnic areas	6	6	6	6	6	6	6	6	6	6
Fishing piers	2	2	2	2	2	2	2	2	2	2
Fishing areas	5	5	5	5	5	5	5	5	5	5
Boat ramps	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	9	9	9	9	9	9	9	9
Baseball fields	3	3	3	3	3	3	3	3	3	3
Basketball courts	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewers (miles)	37	37	37	37	37	37	37	37	37	37
Pump stations	17	17	17	17	17	17	17	17	17	17
Average daily flow (mgd)	2.6	2.49	3	2.63	2.95	2.78	2.99	2.87	2.61	2.61
Reclaimed water										
Reclaimed lines (miles)	40	40	40	40	40	40	40	40	40	40
Number of new connections	13	12	17	17	19	22	17	51	18	36

Source:

Various City Departments

**CITY OF ST. PETE BEACH, FLORIDA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>State Agency / Pass-Through Entity / State Project</u>	<u>CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
<b>STATE FINANCIAL ASSISTANCE</b>			
<u>State of Florida Department of Environmental Protection</u>			
Direct Programs:			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP52030	\$ 880,781
<u>State of Florida Department of Transportation</u>			
Direct Programs:			
Economic Development Transportation Projects	55.032	G0172	1,000,000
<b>Total State Financial Assistance</b>			<u><u>\$ 1,880,781</u></u>

**Notes:**

**1) Basis of Presentation:**

The accompanying Schedule of State Financial Assistance includes state financial assistance activity of the City of St. Pete Beach, Florida, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Florida Auditor General.

**2) Subrecipients:**

The City provided no state awards to subrecipients during the year ended September 30, 2019.

**CITY OF ST. PETE BEACH, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**I. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

***State Financial Assistance:***

Internal control over major State projects:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Type of auditor's report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported for state financial assistance projects in accordance with Chapter 10.550?  yes  none reported

Dollar threshold used to distinguish between type A and type B programs: \$564,234

Identification of major State programs:

<u>CSFA Number</u>	<u>Program Name</u>
37.039	Statewide Surface Water Restoration and Wastewater Projects
55.032	Economic Development Transportation Fund

**II. Financial Statement Findings:** None.

**III. State Project Findings and Questioned Costs:** None.

**IV. Summary Schedule of Prior Audit Findings:** Not applicable as there were no prior year findings.

**V. Corrective Action Plan:** Not applicable as there are no current year findings

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE  
PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

**Report on Compliance for Each Major State Project**

We have audited the City of St. Pete Beach, Florida's (the City) compliance with the types of compliance requirements described in the *Florida Department of Financial Services State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2019. The City's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes 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 audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major State Project***

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2019.

- 111 -

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

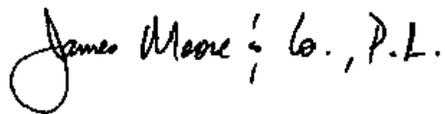
## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Section 215.97, Florida Statutes, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
April 30, 2020

**INDEPENDENT AUDITORS' 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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Pete Beach, Florida as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 30, 2020.

***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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

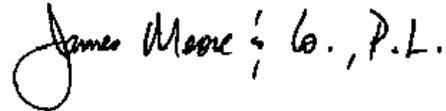
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
April 30, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY OFFICE OF THE AUDITOR GENERAL**

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

**Report on the Financial Statements**

We have audited the basic financial statements of the City of St. Pete Beach, Florida, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated April 30, 2020.

**Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Chapter 10.550, Rules of the Auditor General

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 30, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The following is a summary of prior year recommendations:

**2019-001 Pension Administration and Documentation**—Corrective action taken.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the

primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

### **Financial Condition and Management**

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the following recommendations:

**2019-001 Budgetary Compliance**—During our testing of budget versus actual expenditures, we noted the City was out of budgetary compliance in the charter officers department of the general fund, as actual expenditures in the exceeded the department's budget by approximately \$105,000. This occurred primarily as a result of legal expenditures in excess of expected amounts. While the general fund expenditures as a whole were under budget, the City's budget ordinance, Section 2-218(d) sets the legal level of budgetary control at the department level. To ensure budgetary compliance, we recommend the City review the budget versus actual amounts for all funds and departments therein on an ongoing basis and amend the budget for any funds with activity in excess of budgeted amounts.

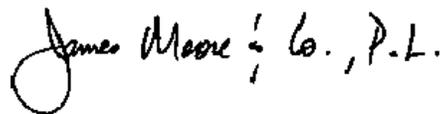
### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. 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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida  
April 30, 2020

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

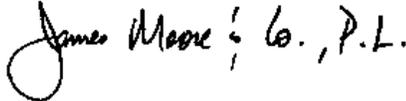
**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

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

We have examined the City of St. Pete Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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, 2019.



Daytona Beach, Florida  
April 30, 2020

**AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Vincent Tenaglia, who being duly sworn, deposes and says on oath that:

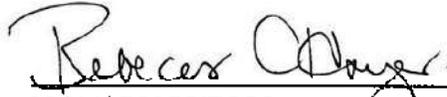
- 1. I am the Chief Financial Officer of the City of St. Pete Beach which is a local governmental entity of the State of Florida;
- 2. The City of St. Pete Beach assesses a transportation impact fee in accordance with Pinellas County Ordinance 85-43 and its subsequent amendments; and
- 3. The City of St. Pete Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

  
 \_\_\_\_\_  
 Vincent M. Tenaglia  
 Chief Financial Officer  
 City of St. Pete Beach

STATE OF FLORIDA  
COUNTY OF PINELLAS

SWORN TO AND SUBSCRIBED before me this 30th day of April, 2020.

  
 \_\_\_\_\_  
 NOTARY PUBLIC  
 Print Name Rebecca C. Haynes

Personally known X or produced identification \_\_\_\_\_

Type of identification produced: NA

My Commission Expires:

11/22/2023



**REBECCA CHAYNES**  
 Commission # GG 010139  
 Expires November 22, 2023  
 Bonded thru Budget Notary Services

AUDITEE'S RESPONSE TO:  
Independent Auditors' Management Letter  
April 30, 2020

---

The Independent Auditors' Management Letter of the Comprehensive Annual Financial Report provides comments and recommendations for improved financial management accounting procedures. The following is Management's response. The Auditors' comment numbers and descriptions are included as reference.

**2019-001 Budgetary Compliance**

Legal costs were trending in line with budgetary estimates through the second quarter before increasing substantially in the second half of the fiscal year, after the mid-year budget amendment had been adopted. Moving forward, management will incorporate a subsequent budget amendment to account for late-year adjustments.