

# **City of St. Pete Beach, Florida**

## **Comprehensive Annual Financial Report**

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**For the Fiscal Year Ended  
September 30, 2020**

Prepared by:  
City of St. Pete Beach Finance Department

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

**Mayor:**

Alan Johnson

**City Commission:**

District 1 – Christopher Graus

District 2 – Mark Grill

District 3 – Ward Friszolowski

District 4 – Melinda Pletcher

**City Officials:**

City Manager – Alex Rey

City Clerk – Amber LaRowe

City Attorney – Andrew Dickman

Assistant City Manager/Finance Director – Vincent Tenaglia

Parks and Recreation Director – Jennifer McMahon

Transportation and Parking Director – Michelle Gonzalez

Community Development Director – Wesley Wright

Fire Chief – Jim Kilpatrick

Public Works Director – Michael Clarke

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

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March 29, 2021

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, 2020 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, 2020, 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 | ▪ Finance and Budget Review Committee |
| ▪ Firefighters' Pension Board      | ▪ Historic Preservation Board         |
| ▪ Police Pension Board             | ▪ Library Advisory Committee          |
| ▪ Board of Adjustment              | ▪ Planning Board                      |
| ▪ Beach Stewardship Committee      | ▪ 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, Building, and Fleet 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 9,775. St. Pete Beach is frequently recognized as a top beach destination and received a Travelers' Choice award in 2021 from TripAdvisor as the top-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.



Like all communities, the City of St. Pete Beach was confronted with unprecedented financial uncertainty in fiscal year (FY) 2020 related to the Covid-19 pandemic. At the outset of the public health response, amid facility closures and unknowable revenue effects, management responded by temporarily pausing unencumbered capital expenditures. However, by the summer season, the City's famous beaches had become an outlet and a destination for visitors and tourists without access to many other social or recreational opportunities. The City responded by raising parking rates and by year end, General Fund revenue had surpassed adopted budget estimates.

## 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 2021 - FY 2025 with projects totaling approximately \$49.5 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.

### **MAJOR INITIATIVES**

Despite the challenges associated with the Covid-19 pandemic, City staff has worked diligently to complete an ambitious plan of improvements – both tangible and intangible – including the following accomplishments over the past year:

- ✚ Implemented a strategic plan, adopted by the City Commission on November 10, 2020
- ✚ Launched a new City website, including a new citizen-reporting software application
- ✚ Refinanced wastewater debt in October 2020, achieving approximately \$700,000 in savings
- ✚ Adopted new procurement ordinance and personnel regulations
- ✚ Implemented and expanded new City sponsored ride-sharing transportation service
- ✚ Reached three-year agreement with IAFF fire union
- ✚ Activated new water rescue unit (Marine 23)
- ✚ Continued the City's capital improvement plan:
  - Completed library renovation and improvement project
  - Completed Hurley Park improvements
  - Court resurfacing completed on the City's basketball, tennis and pickleball courts
  - Repaved 2.96 miles of roadway
  - Rehabilitated lift stations 7, 11, and 15
  - Replaced fire apparatus Rescue 23 and Engine 22
  - Egan Park boat ramp installed
  - Completed beautification improvements on Corey Avenue and at City entrances
  - Replaced playground equipment at McKenney Park
  - Completed first phase of Upham Beach parking lot improvements
  - Completed restroom renovations at Pass-a-Grille Beach, Hurley Park, and Upham Beach

### **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, 2019. This was the 24th 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**

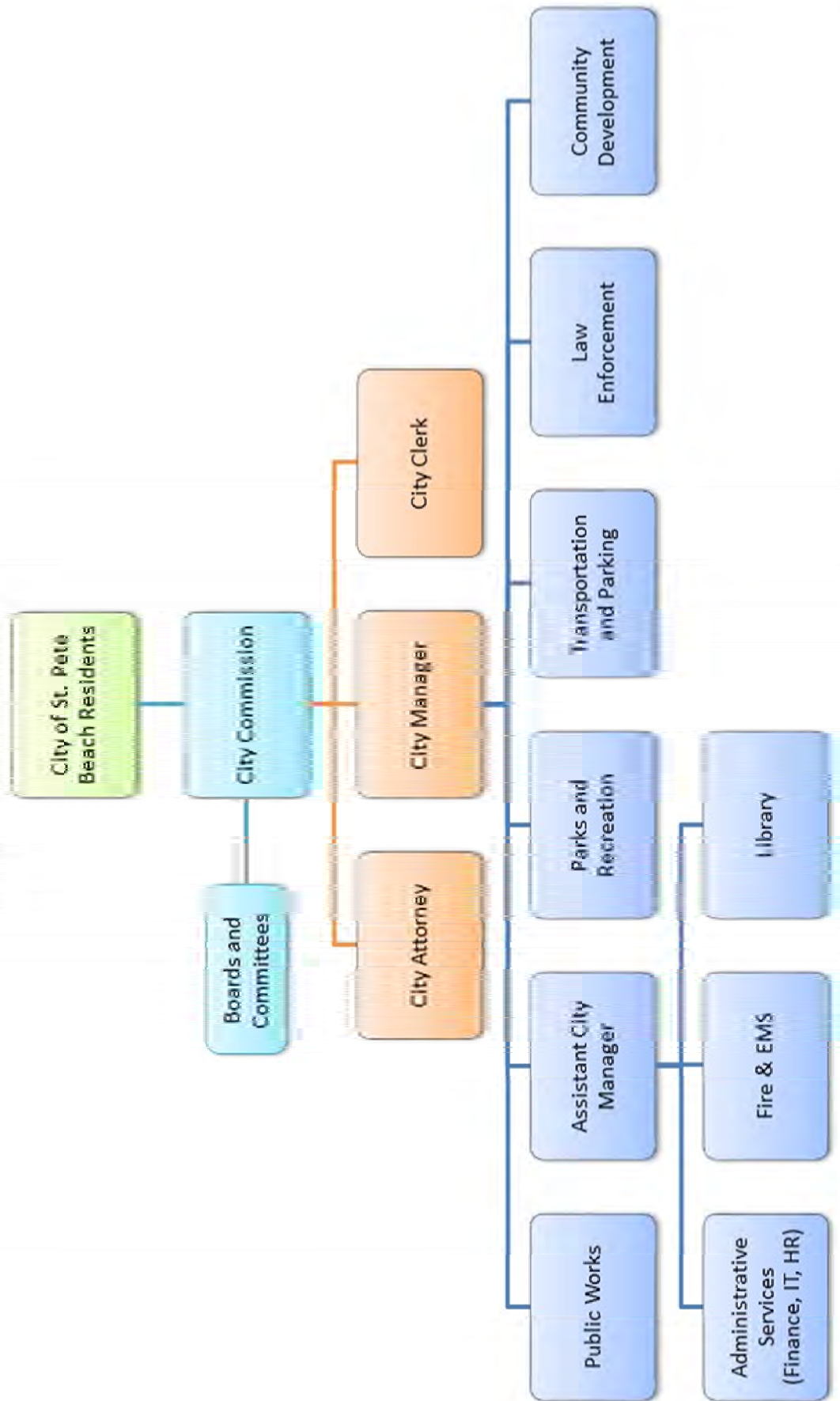
Preparation of the CAFR relies on the diligent and professional efforts of everyone in the Finance Division. The year-end closing process is demanding and time intensive, particularly for the Accounting Manager, Sheila Dalton. Ms. Dalton deserves special recognition for her outstanding contributions 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, stylized "V" at the beginning and a long, sweeping underline.

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, 2019

*Christopher P. Morrell*

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, 2020, 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, 2020, 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.

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121 Executive Circle  
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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***

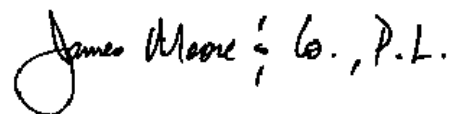
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 March 29, 2021 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 solely 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 effectiveness of 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  
March 29, 2021

**CITY OF ST. PETE BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020 (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, 2020. 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 39).

**FINANCIAL HIGHLIGHTS**

The City of St. Pete Beach has pursued an ambitious capital improvement program since issuing revenue bonds totaling \$21,000,000 in FY 2015, primarily focused on four key projects: Pass-a-Grille Way reconstruction Phase I and Phase II, Blind Pass Road reconstruction, and sanitary sewer capacity improvements. Blind Pass Road was completed in FY 2020, including improvements to all underground utilities (e.g., stormwater, potable water, reclaimed water, electric), roadway restoration, improved pedestrian and bicycling mobility, and landscaping beautification. 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, and conclude a local development moratorium that has been in place since 2016. Construction will be financed by a State Revolving Fund loan, but as of September 30, 2020, management had not utilized any of the State funding and therefore no assets or liabilities associated with the loan agreement are reflected in the financial statements. The agreement is unique in that the City has no obligation for the loan until the first reimbursement is processed.

Pass-a-Grille Way, Blind Pass Road, and the initial planning and design for the sanitary sewer capacity improvement project have all been funded by complex arrangements involving debt proceeds, grant agreements, and reimbursement contributions from Pinellas County. FY 2019 activity represented peak activity, with Pass-a-Grille Way Phase II reaching completion and Blind Pass Road reconstruction still underway. With the projects completed in FY 2020 and reimbursement funding exhausted, capital grants and contributions declined 92.3%, which resulted in a lower change in net position than the prior year (\$10,196,120 versus \$12,268,577). But based on several favorable financial conditions discussed throughout this report, when controlling for the non-recurring nature of external funding arrangements by excluding capital grants and contributions, the City's underlying financial operations improved significantly:

<b>Government-wide</b>	<b>9/30/2020</b>	<b>9/30/2019</b>
Charges for service	\$ 15,329,513	\$ 14,267,178
General revenues	\$ 17,457,909	\$ 16,177,262
Operating grants and contributions	\$ 2,156,338	\$ 1,850,411
Total revenues excluding capital grants and contributions	\$ 34,943,760	\$ 32,294,851
Less - total expenses	\$ (25,173,386)	\$ (25,553,905)
Net	<u>\$ 9,770,374</u>	<u>\$ 6,740,946</u>

**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.

**CITY OF ST. PETE BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020 (UNAUDITED)**

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 27-28 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, 2020. 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. 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).

**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, Building, and Fleet funds. Governmental fund financial statements begin on page 29.

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-

**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020 (UNAUDITED)**

type activities presented in the government-wide financial statements. Proprietary fund statements are located on page 34.

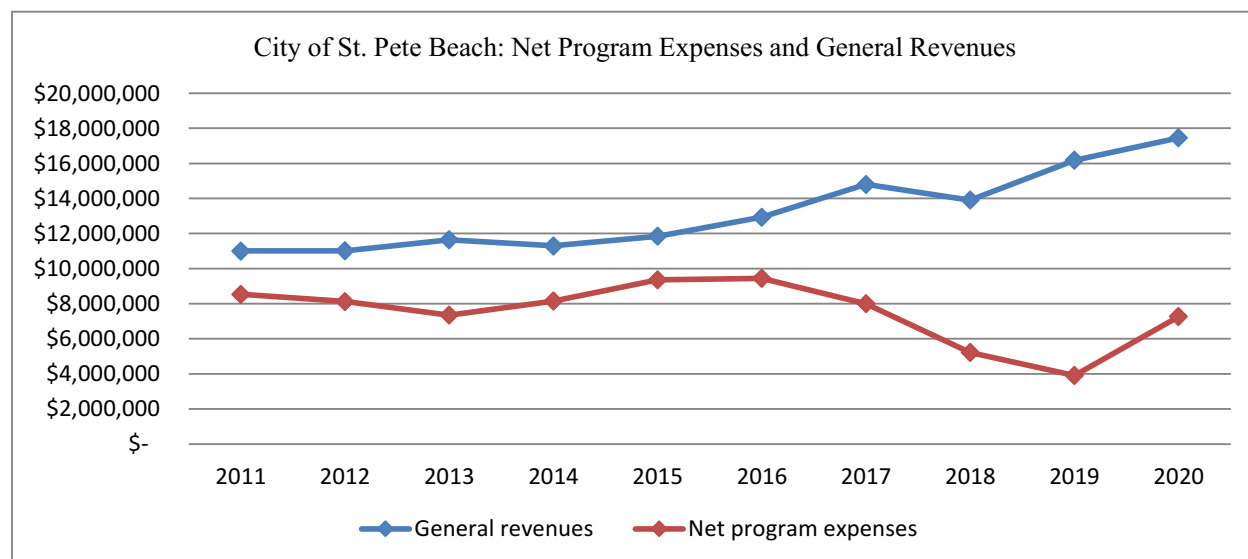
**Fiduciary Funds** are those which are unavailable to support the City's operations and are held in a trustee or agency capacity. The City's fiduciary funds include three pension trusts, beginning on page 37: Police, Firefighters, and General Employees.

**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 39 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Total assets and deferred outflows exceeded total liabilities and deferred inflows by \$79,921,583, as net position increased by \$10,196,120 (14.6%). The City continued to report favorable net program expenses (e.g., general government, community development, public safety, and public works functions) while maintaining robust general revenues (e.g., taxes), as illustrated in the chart below. The difference between the two lines represents *change in net position*. Although the margin declined in FY 2020, as indicated on page 13, the decline was associated with the unusual degree of external, non-recurring funding the City has received over the last several years.






General revenues were bolstered by the City's sixth consecutive property value increase above six percent. The 6.57% increase, coupled with an unchanged millage rate of 3.1500, generated approximately \$636,000 in new revenue. The 3.1500 millage rate has been in place since FY 2015.

In addition to the breadth of the City's general revenue base, the following items contributed favorably to the change in net position:

- **Utility operations.** The City's utility operations (Wastewater, Reclaimed Water and Stormwater) reported net revenue of \$2.8 million following a series of rate increases as well as lower expenses.

**CITY OF ST. PETE BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020 (UNAUDITED)**

The City's long-term capital improvement program will ramp back up significantly beginning in FY 2021 and the net revenue will be needed to fund upcoming debt service obligations and anticipated cost increases.

-  **Pension related activity.** The City issued a pension obligation loan in FY 2020 to fund the Police pension system. The Police system is closed and therefore not subject to any additional negotiable benefits. Due to strong investment returns in the police plan, the pension liability was nearly eliminated without having to contribute all the borrowed cash to the pension fund. The remaining balance of \$598,292 represents a favorable contribution net position, but the cash is restricted for future use. As a result of this activity, the City's total net pension liability decreased 41.3% while bonds and notes payable increased 29.1%. The Police pension system's net position as a percentage of total pension liability increased from 62.84% to 99.2%.
-  **Parking revenue.** Parking related revenue exceeded \$3.5 million following an hourly rate increase from \$2.75 to \$3.25 per hour, providing \$450,000 in new revenue.
-  **Building-related activity.** The sanitary sewer capacity improvement project will lift the City's development moratorium and allow new construction and redevelopment to proceed. Plan review revenue increased \$220,000 year-over-year while building permits increased by \$240,000.

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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 21,060,686	\$ 18,199,418	\$ 10,004,874	\$ 9,308,197	\$ 31,065,560	\$ 27,507,615
Capital assets, net	64,228,612	60,756,154	26,818,061	25,506,430	91,046,673	86,262,584
Total assets	<u>85,289,298</u>	<u>78,955,572</u>	<u>36,822,935</u>	<u>34,814,627</u>	<u>122,112,233</u>	<u>113,770,199</u>
Deferred outflows related to pensions	903,085	935,841	47,273	37,961	950,358	973,802
Deferred outflows related to OPEB	143,486	124,459	18,582	14,938	162,068	139,397
Total deferred outflows	<u>1,046,571</u>	<u>1,060,300</u>	<u>65,855</u>	<u>52,899</u>	<u>1,112,426</u>	<u>1,113,199</u>
Total assets and deferred outflows	<u>86,335,869</u>	<u>80,015,872</u>	<u>36,888,790</u>	<u>34,867,526</u>	<u>123,224,659</u>	<u>114,883,398</u>
Current and other liabilities	2,550,254	2,647,656	858,033	878,504	3,408,287	3,526,160
Long-term liabilities outstanding	30,122,476	31,623,276	8,183,048	9,016,634	38,305,524	40,639,910
Total liabilities	<u>32,672,730</u>	<u>34,270,932</u>	<u>9,041,081</u>	<u>9,895,138</u>	<u>41,713,811</u>	<u>44,166,070</u>
Deferred inflows related to pensions	1,330,767	846,096	-	43,045	1,330,767	889,141
Deferred inflows related to OPEB	228,856	91,717	29,642	11,007	258,498	102,724
Total deferred inflows	<u>1,559,623</u>	<u>937,813</u>	<u>29,642</u>	<u>54,052</u>	<u>1,589,265</u>	<u>991,865</u>
Total liabilities and deferred inflows	<u>34,232,353</u>	<u>35,208,745</u>	<u>9,070,723</u>	<u>9,949,190</u>	<u>43,303,076</u>	<u>45,157,935</u>
Net position:						
Invested in capital assets	52,565,902	50,265,720	20,617,331	19,259,026	73,183,233	69,524,746
Restricted	1,907,602	1,395,435	2,315,174	2,195,150	4,222,776	3,590,585
Unrestricted	(2,369,988)	(6,854,028)	4,885,562	3,464,160	2,515,574	(3,389,868)
Total net position	<u>\$ 52,103,516</u>	<u>\$ 44,807,127</u>	<u>\$ 27,818,067</u>	<u>\$ 24,918,336</u>	<u>\$ 79,921,583</u>	<u>\$ 69,725,463</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020 (UNAUDITED)**

STATEMENT OF ACTIVITIES	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 6,380,999	\$ 5,668,725	\$ 8,948,514	\$ 8,598,453	\$ 15,329,513	\$ 14,267,178
Operating grants & contributions	2,156,338	1,850,411	-	-	2,156,338	1,850,411
Capital grants & contributions	180,827	3,279,516	244,919	2,248,115	425,746	5,527,631
General revenues:					-	-
Property taxes	9,961,492	9,325,425	-	-	9,961,492	9,325,425
Sales taxes	1,647,760	1,739,563	-	-	1,647,760	1,739,563
Franchise and utility taxes	3,476,989	3,471,683	-	-	3,476,989	3,471,683
Other taxes	395,487	421,126	-	-	395,487	421,126
Intergovernmental revenues	1,646,001	465,776	-	-	1,646,001	465,776
Interest earnings	210,394	326,849	75,666	137,757	286,060	464,606
Miscellaneous	44,120	289,083	-	-	44,120	289,083
Total revenues	<u>26,100,407</u>	<u>26,838,157</u>	<u>9,269,099</u>	<u>10,984,325</u>	<u>35,369,506</u>	<u>37,822,482</u>
Expenses:						
General government	\$ 4,345,118	\$ 4,032,184	\$ -	-	\$ 4,345,118	\$ 4,032,184
Public safety	5,924,365	7,829,874	-	-	5,924,365	7,829,874
Public works	4,173,006	4,515,104	-	-	4,173,006	4,515,104
Culture and recreation	3,689,187	2,281,504	-	-	3,689,187	2,281,504
Wastewater	-	-	4,803,321	5,005,765	4,803,321	5,005,765
Reclaimed water	-	-	786,299	764,551	786,299	764,551
Stormwater	-	-	779,748	634,679	779,748	634,679
Interest and other fees on long-term del	672,342	490,244	-	-	672,342	490,244
Total expenses	<u>18,804,018</u>	<u>19,148,910</u>	<u>6,369,368</u>	<u>6,404,995</u>	<u>25,173,386</u>	<u>25,553,905</u>
Increase (decrease) in net position before transfers and special items:	<u>7,296,389</u>	<u>7,689,247</u>	<u>2,899,731</u>	<u>4,579,330</u>	<u>10,196,120</u>	<u>12,268,577</u>
Increase (decrease) in net position:	<u>7,296,389</u>	<u>7,689,247</u>	<u>2,899,731</u>	<u>4,579,330</u>	<u>10,196,120</u>	<u>12,268,577</u>
Net position: October 1	44,807,127	37,117,880	24,918,336	20,339,006	69,725,463	57,456,886
Net position: September 30	<u>\$ 52,103,516</u>	<u>\$ 44,807,127</u>	<u>\$ 27,818,067</u>	<u>\$ 24,918,336</u>	<u>\$ 79,921,583</u>	<u>\$ 69,725,463</u>

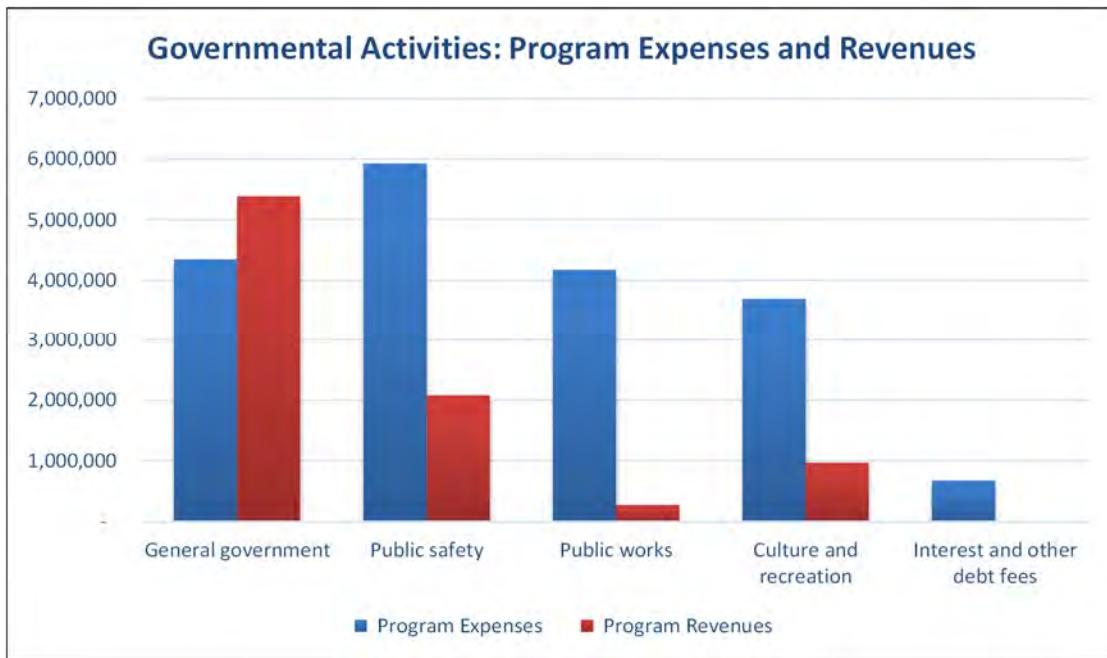
**Governmental Activities:**

Governmental activities increased the City's net position by \$7,296,389, off just 5.1% versus the prior year despite the \$3.1 million decline in non-recurring capital grants and contributions associated with the Pass-a-Grille Way Phase I, Pass-a-Grille Way Phase II, and Blind Pass Road improvement projects. The relatively stable performance was attributed to many of the factors described on pages 15 and 16, including a strong portfolio of general revenues, FY 2020 pension related activity, new parking revenue, and building-related revenue growth.

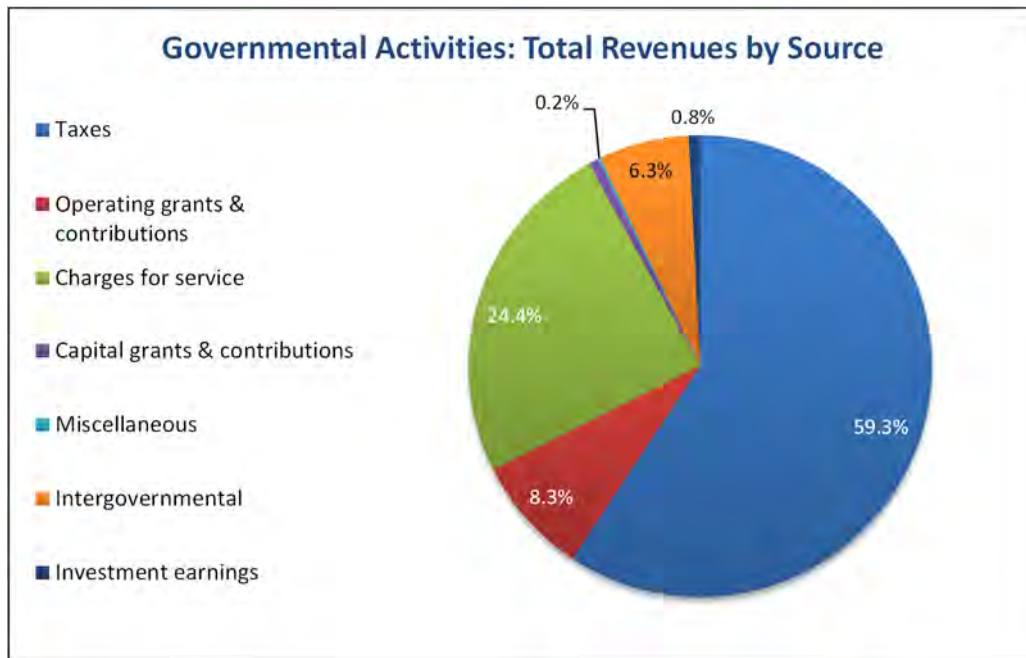
Unlike the City's business-type activities, governmental activities are not necessarily expected to cover their cost of operations. While general government services reported net revenue just over \$1 million, all other governmental activities reported net expenses. General revenues (e.g., taxes) are intended to fund the remaining balance. To the extent net revenue grows or net expenses decline, City operations are less reliant on taxes to make up the difference. When controlling for non-recurring capital grants and contributions, governmental activities' underlying financial operations improved significantly:

**CITY OF ST. PETE BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020 (UNAUDITED)**

<b>Governmental activities</b>	<b>9/30/2020</b>	<b>9/30/2019</b>
Charges for service	\$ 6,380,999	\$ 5,668,725
General revenues	\$ 17,382,243	\$ 16,039,505
Operating grants and contributions	\$ 2,156,338	\$ 1,850,411
Total revenues excluding capital grants and contributions	\$ 25,919,580	\$ 23,558,641
Less - total expenses	\$ (18,804,018)	\$ (19,148,910)
Net	<u>\$ 7,115,562</u>	<u>\$ 4,409,731</u>



**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Business-type Activities:**

Due to lower wastewater operating costs and a series of rate increases for each of the City's utility operations, business-type activities' net position increased by \$2,899,731 – despite an 89.1% reduction in capital grants and contributions.

Wastewater charges for service included a 7% fee increase intended to fund debt service obligations scheduled to begin in FY 2022. The effects of the wastewater increase were not fully realized due to the impacts of Covid-19, particularly on commercial properties. Vacant hotel rooms consumed less water and sanitary sewer flows declined. Part of the City's wastewater fee is volumetric in nature and revenue therefore suffered, growing only 1.4% despite the 7% rate increase. Meanwhile, the reduced flows contributed favorably to sewage treatment expenses and the City received a \$575,000 true-up from the City of St. Petersburg for FY 2019 allocated costs, consistent with the annual recalculations required by interlocal agreement. Total wastewater expenses declined 4% as a result.

A 20% reclaimed water rate increase was implemented to offset a 330% wholesale rate increase scheduled over four years from Pinellas County. Reclaimed water flows declined 4.2% in FY 2020, which had no bearing on revenue as the City's fees are assessed on an equivalent residential unit (ERU) rather than volumetric basis. Since the City pays for wholesale flows volumetrically, the net effect of the fixed revenue and lower consumption was a favorable change in net revenue of approximately \$150,000; net position increased 3.8%.

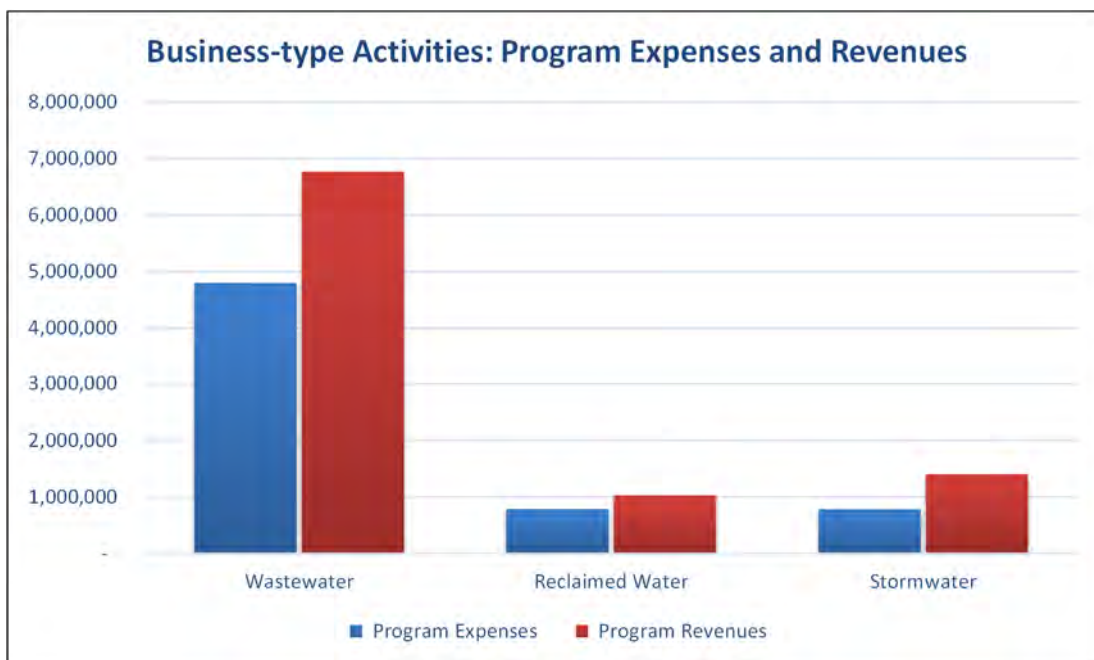
The City's stormwater assessment structure includes two billing tiers. Tier 1 is assessed on a per-parcel basis and is imposed to fund the program costs associated with the stormwater system (e.g., establishing funding sources and managing the Stormwater Fund). Tier 2 is assessed based upon impervious surface area, with higher costs imposed on properties with physical characteristics that place a greater burden on the stormwater drainage system. The FY 2020 assessment included a 3% increase on tier 1 and a 10.5% increase on tier 2, which completed a scheduled rate adjustment phased in over four years.

**CITY OF ST. PETE BEACH, FLORIDA**  
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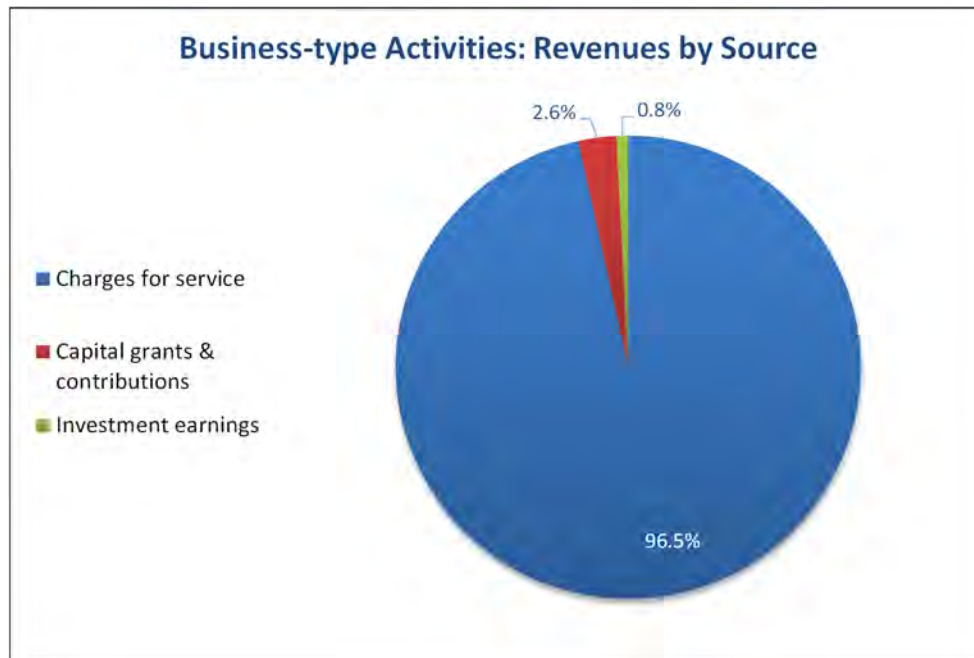
Each of the City's business-type activities reported positive net revenue. Like governmental activities, when controlling for the significant fluctuation in capital grants and contributions, underlying financial operations improved:

**Business-type activities**

	9/30/2020	9/30/2019
Charges for service	\$ 8,948,514	\$ 8,598,453
General revenues	\$ 75,666	\$ 137,757
Total revenues excluding capital grants and contributions	<u>\$ 9,024,180</u>	<u>\$ 8,736,210</u>
Less - total expenses	\$ (6,369,368)	\$ (6,404,995)
Net	<u>\$ 2,654,812</u>	<u>\$ 2,331,215</u>



**CITY OF ST. PETE BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020 (UNAUDITED)**



**FUND STATEMENT FINANCIAL ANALYSIS**

**Governmental Funds:**

With the roadway reconstruction projects concluding in FY 2020, capital expenditures declined 56.8%. Because governmental funds report capital outlay rather than depreciating assets over their useful life, expenditures declined by \$3,374,085 year-over-year. As major construction projects were completed, construction-related grant revenue and reimbursements declined 33.1%.

Despite the capital related activity, total revenues declined by only \$879,038, driven by many of the same factors described on pages 15 and 16 – strong tax revenues and property values, new parking revenue, and building-related revenue growth.

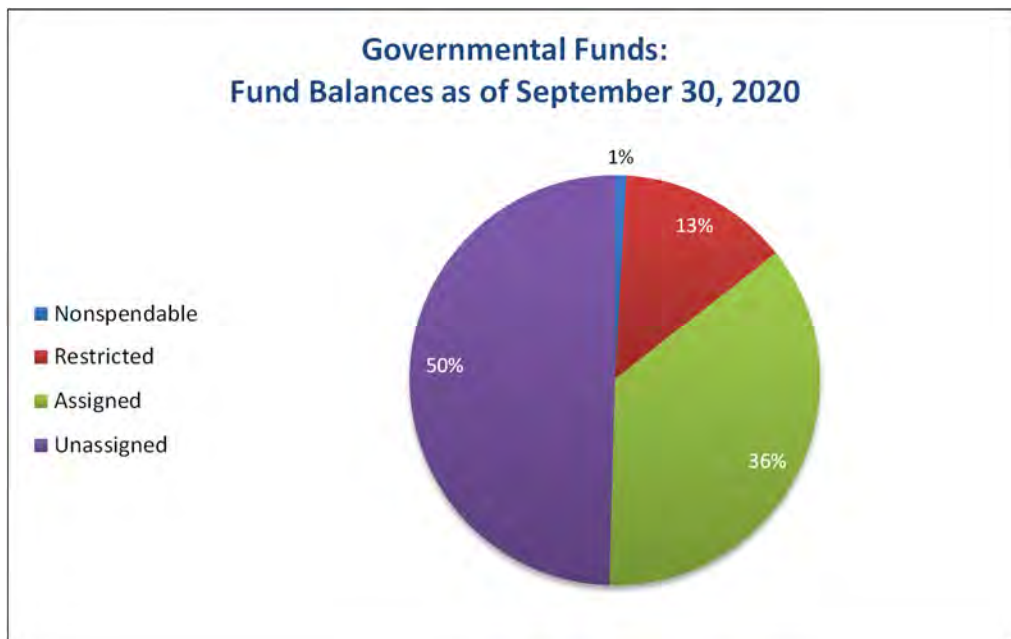
The \$6,700,000 pension loan proceeds were reported as an “other financing source” at the fund level. Due to the police plan’s strong investment performance in FY 2020, the initial contribution to the pension was less than the amount borrowed. The balance of \$598,292 increased fund balance but remains restricted for future use.

While transfer activity was rather significant in FY 2020, it had no impact on fund balance. All transfers were recorded between governmental funds, including the annual transfer from the General Fund to the Capital Improvement Projects Fund to support the CIP and a one-time transfer from the General Fund to the establish a new, nonmajor fund (Fleet).

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 reflected the limitations applicable to the City’s governmental fund resources as of September 30, 2020.

**CITY OF ST. PETE BEACH, FLORIDA  
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- **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 \$168,524.
- **Restricted** fund balance includes accounts and designations upon which restrictions have been externally imposed, totaling \$2,505,894 at September 30, 2020.
- **Assigned** fund balance represents management's intended use of specific resources. The City's assigned balance includes reserves for capital improvements, fire department capital outlay, vehicle replacement, compensated absences, future budget periods, and insurance stabilization. The total balance as of September 30, 2020 was \$6,724,586.
- **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. Unassigned balance increased 21.3%, totaling \$9,242,154.



**Proprietary Funds:**

The City's annual budget process includes an analysis of known and unknown future expenses and evaluates the proprietary funds' likelihood of managing adequate working capital balances to support projected expenses. The rate increases discussed on page 19 reflected the budget planning process, with several substantial cost increases scheduled to be passed on to the City from outside entities and needing to continually fund infrastructure rehabilitation and improvements. Because the planning process incorporates a five-year working schedule, it is possible and sometimes intentional that working capital will spike initially following a rate increase, only to gradually taper off as capital improvements are completed over time.

**CITY OF ST. PETE BEACH, FLORIDA**  
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Based on the factors described on page 19, each of the City's proprietary funds experienced a significant increase in working capital, which is consistent with the long-term projections specific to each fund:

	Wastewater		Reclaimed		Stormwater	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019
<b>Working capital balances</b>						
Current assets	3,171,483	2,936,245	1,333,292	982,175	3,453,753	3,251,482
Less: current liabilities	(1,110,247)	(1,539,277)	(116,586)	(33,585)	(1,361,732)	(1,438,632)
Working capital	<u>\$ 2,061,236</u>	<u>\$ 1,396,968</u>	<u>\$ 1,216,706</u>	<u>\$ 948,590</u>	<u>\$ 2,092,021</u>	<u>\$ 1,812,850</u>
Annual change	47.6%		28.3%		15.4%	

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's General Fund is structurally sound, routinely generating robust net revenue, which is then transferred out to fund capital improvements. Fund balance increased by \$1,488,538 despite the challenges associated with the Covid-19 pandemic, driven by many of the factors discussed earlier – property value growth, parking activity, and plan review revenue.

*Revisions from adopted to final budget:*

Final authorized expenditures included supplemental appropriations of \$6,521,302. The most significant changes included \$209,620 for encumbrances recognized from the prior year and \$6,074,276 related to the pension obligation debt transaction. The loan arrangement was not contemplated in the budget adoption process and was instead reconciled via budget amendment.

Staff continually updated revenue projections throughout the year, attempting to quantify the effects of the Covid-19 pandemic. The evolving estimates were not formally adopted or included in the final budget. Therefore, the only revenue revisions included \$6,700,000 for the police pension loan and the recognition of balance sheet funding in the amount of \$150,709, utilized for eligible purposes including the library renovation project and a fire department apparatus.

*Significant budgetary variances:*

Negative revenue variances (i.e., revenue reported less than budgeted estimates) included investment income and miscellaneous sources. Investment earnings were immediately affected by the March 2020 action by the Federal Reserve to cut interest rate targets as a Covid-10 pandemic relief measure. Interest rates are anticipated to remain near zero indefinitely, which will continue to weigh on investment-related revenue. The variance reported in miscellaneous revenue reflected the accounting for a Fire Engine lease-purchase agreement. Balance sheet funding was partially used to authorize expenditures for the apparatus, and a budget amendment was adopted to gross up revenue to keep the transaction budget neutral. The underlying accounting entry was not recorded; instead, fund balance was reclassified, with no net impact on unassigned balance.

Expenditures were less than budgeted amounts for all General Fund functions and departments. Within the departments, several divisions reported negative variances (i.e., expenditures exceeded budgeted estimates).

**CITY OF ST. PETE BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020 (UNAUDITED)**

Both the City Clerk and City Manager variances related to personnel costs. A long-tenured employee retired in the City Clerk's office, resulting in a large payout of accumulated benefits. The City Manager received a pay raise from the City Commission that was not assumed in the adopted budget process.

Credit card processing fees for parking pay stations are reflected in the Transportation division. As parking volume increased, so too did expenditures. Processing fees exceeded estimated costs by 29%.

The EMS division relied on overtime to maintain minimum staffing levels. EMS overtime expenses exceeded budgetary estimates by 67% but did decline 2.6% from the prior year. The budget was subsequently right sized, providing a 40.7% increase in EMS overtime funding for FY 2021.

The variances reported by Public Works Administration and Beach Maintenance were both due to the implementation of a new waste management contract, the pricing for which exceeded budgetary estimates.

The Facilities Maintenance variance reflected a workload that simply exceeded budgetary estimates, with a multitude of minor repairs driving the variance and no obvious discrete cause. Additional funding was requested and approved in the FY 2021 budget adoption process.

All negative expenditure variances other than Transportation were less than 5% versus budgeted estimates.

**CAPITAL ASSETS**

The completion of the Blind Pass Road reconstruction project represented 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 and Blind Pass Road.

Note C includes more information on the City's capital assets and activity for FY 2020.

CAPITAL ASSETS, NET	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land, land rights and improvements	\$ 4,505,449	\$ 4,505,449	\$ 310,117	\$ 310,117	\$ 4,815,566	\$ 4,815,566
Buildings and other improvements	9,981,783	10,590,952	93,528	97,912	10,075,311	10,688,864
Infrastructure	44,168,653	34,041,679	23,919,925	23,083,711	68,088,578	57,125,390
Furniture, machinery and equipment	2,021,585	1,898,040	585,961	434,835	2,607,546	2,332,875
Capital projects in process	3,551,142	9,720,034	1,908,530	1,579,855	5,459,672	11,299,889
Total	<u>\$ 64,228,612</u>	<u>\$ 60,756,154</u>	<u>\$ 26,818,061</u>	<u>\$ 25,506,430</u>	<u>\$ 91,046,673</u>	<u>\$ 86,262,584</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, 2020 compared to the prior year.

CITY OF ST. PETE BEACH'S OUTSTANDING DEBT	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ 18,365,000	\$ 11,930,000	\$ 6,298,000	\$ 6,681,000	\$ 24,663,000	\$ 18,611,000
State revolving loans	-	-	1,279,497	1,483,306	1,279,497	1,483,306
Capital leases	-	-	75,165	148,383	75,165	148,383
Total	<u>\$ 18,365,000</u>	<u>\$ 11,930,000</u>	<u>\$ 7,652,662</u>	<u>\$ 8,312,689</u>	<u>\$ 26,017,662</u>	<u>\$ 20,242,689</u>

**CITY OF ST. PETE BEACH, FLORIDA  
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Not reflected on the financial statements as of September 30, 2020 was the State Revolving Fund loan approved by the City Commission in October 2019. The City has no liability for the loan until requesting a reimbursement. The terms of the loan include \$12,950,047 borrowed over 20 years at a fixed interest rate of 0.22% for the sanitary sewer capacity improvement project.

**Next Year's Budget and Rates**

St. Pete Beach property values continued to grow, increasing 5.53% effective FY 2021. The City maintained its ad valorem tax rate of 3.1500 mills, which will generate approximately \$547,000 in new revenue. The City adopted its FY 2021 budget without appropriating General Fund balance. Wastewater fees increased 7% and are expected to do so again in FY 2022.

**Pending Economic Factors**

Property values remain a concern for the FY 2022 budget based on the impacts of the Covid-19 pandemic. Commercial property values – particularly the City's resorts and hotels – are expected to decline significantly based on curtailed travel and tourism. Approximately 22% of the City's taxable value is based on commercial property.

**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, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 17,227,912	\$ 5,192,715	\$ 22,420,627
Receivables, net	1,507,233	1,693,777	3,201,010
Internal balances	1,040,352	(1,040,352)	-
Due from other governments	518,372	263,227	781,599
Inventories	1,462	30,129	31,591
Prepays	167,062	825	167,887
Restricted assets:			
Cash and investments	598,293	3,864,553	4,462,846
Capital assets:			
Non-depreciable capital assets	8,056,591	2,218,647	10,275,238
Other capital assets, net of depreciation	56,172,021	24,599,414	80,771,435
Total assets	<u>\$ 85,289,298</u>	<u>\$ 36,822,935</u>	<u>\$ 122,112,233</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	\$ 903,085	\$ 47,273	\$ 950,358
Deferred outflows related to OPEB	143,486	18,582	162,068
Total deferred outflows	<u>\$ 1,046,571</u>	<u>\$ 65,855</u>	<u>\$ 1,112,426</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 2,227,160	\$ 760,586	\$ 2,987,746
Customer deposits	103,606	-	103,606
Unearned revenue	88,762	-	88,762
Accrued interest payable	130,726	97,447	228,173
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	637,354	605,243	1,242,597
Capital leases	-	75,165	75,165
Compensated absences	259,423	9,772	269,195
Due in more than one year:			
Bonds and notes payable	17,727,646	6,972,254	24,699,900
Compensated absences	202,902	3,524	206,426
Total OPEB liability	468,762	60,714	529,476
Net pension liability	10,826,389	456,376	11,282,765
Total liabilities	<u>\$ 32,672,730</u>	<u>\$ 9,041,081</u>	<u>\$ 41,713,811</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 1,330,767	\$ -	\$ 1,330,767
Deferred inflows related to OPEB	228,856	29,642	258,498
Total deferred inflows	<u>\$ 1,559,623</u>	<u>\$ 29,642</u>	<u>\$ 1,589,265</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 52,565,902	\$ 20,617,331	\$ 73,183,233
Restricted for:			
Library	150,000	-	150,000
Capital improvements	-	2,000,000	2,000,000
Debt service	396,349	315,174	711,523
Building department	1,134,191	-	1,134,191
Law enforcement	5,403	-	5,403
Transportation improvements	221,659	-	221,659
Unrestricted	(2,369,988)	4,885,562	2,515,574
Total net position	<u>\$ 52,103,516</u>	<u>\$ 27,818,067</u>	<u>\$ 79,921,583</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, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 4,345,118	\$ 5,336,652	\$ 57,561	\$ -	\$ 1,049,095	\$ -	\$ 1,049,095
Public safety	5,924,365	69,797	2,011,814	-	(3,842,754)	-	(3,842,754)
Public works	4,173,006	25,120	65,390	180,827	(3,901,669)	-	(3,901,669)
Culture and recreation	3,689,187	949,430	21,573	-	(2,718,184)	-	(2,718,184)
Interest on long-term debt	672,342	-	-	-	(672,342)	-	(672,342)
Total governmental activities	18,804,018	6,380,999	2,156,338	180,827	(10,085,854)	-	(10,085,854)
Business-type activities:							
Wastewater	4,803,321	6,647,101	-	119,219	-	1,962,999	1,962,999
Reclaimed water	786,299	1,025,050	-	-	-	238,751	238,751
Stormwater	779,748	1,276,363	-	125,700	-	622,315	622,315
Total business-type activities	6,369,368	8,948,514	-	244,919	-	2,824,065	2,824,065
Total primary government	<u>\$ 25,173,386</u>	<u>\$ 15,329,513</u>	<u>\$ 2,156,338</u>	<u>\$ 425,746</u>	<u>(10,085,854)</u>	<u>2,824,065</u>	<u>(7,261,789)</u>
General revenues:							
Property taxes					9,961,492	-	9,961,492
Sales taxes					1,647,760	-	1,647,760
Utility taxes					1,774,878	-	1,774,878
Other taxes					395,487	-	395,487
Franchise fees					1,702,111	-	1,702,111
Other intergovernmental revenues					1,646,001	-	1,646,001
Investment earnings					210,394	75,666	286,060
Miscellaneous revenues					44,120	-	44,120
Total general revenues					<u>17,382,243</u>	<u>75,666</u>	<u>17,457,909</u>
Change in net position					7,296,389	2,899,731	10,196,120
Net position - beginning of year					44,807,127	24,918,336	69,725,463
Net position - end of year					<u>\$ 52,103,516</u>	<u>\$ 27,818,067</u>	<u>\$ 79,921,583</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, 2020**

	<u>General</u>	<u>Capital Improvement Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 11,043,492	\$ 4,693,495	\$ 2,089,218	\$ 17,826,205
Receivables, net	495,381	1,011,752	100	1,507,233
Due from other governments	518,372	-	-	518,372
Advances to other funds	-	1,040,352	-	1,040,352
Inventories	1,462	-	-	1,462
Prepaid items	57,045	108,963	1,054	167,062
<b>Total assets</b>	<u><u>\$ 12,115,752</u></u>	<u><u>\$ 6,854,562</u></u>	<u><u>\$ 2,090,372</u></u>	<u><u>\$ 21,060,686</u></u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,144,775	\$ 1,054,544	\$ 27,841	\$ 2,227,160
Customer deposits	62,348	-	41,258	103,606
Unearned revenue	88,762	-	-	88,762
<b>Total liabilities</b>	<u><u>1,295,885</u></u>	<u><u>1,054,544</u></u>	<u><u>69,099</u></u>	<u><u>2,419,528</u></u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	1,462	-	-	1,462
Prepaid items	57,045	108,963	1,054	167,062
Restricted for:				
Pension obligation	598,292	-	-	598,292
Library	150,000	-	-	150,000
Debt service	-	396,349	-	396,349
Building department	-	-	1,134,191	1,134,191
Law enforcement	-	-	5,403	5,403
Transportation improvements	-	-	221,659	221,659
Assigned to:				
Capital improvement projects	-	5,294,706	-	5,294,706
Fire capital	24,594	-	-	24,594
Fleet	-	-	637,866	637,866
Compensated absences	441,225	-	21,100	462,325
Subsequent year's budget	253,641	-	-	253,641
Insurance stabilization	51,454	-	-	51,454
Unassigned	9,242,154	-	-	9,242,154
<b>Total fund balances</b>	<u><u>10,819,867</u></u>	<u><u>5,800,018</u></u>	<u><u>2,021,273</u></u>	<u><u>18,641,158</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 12,115,752</u></u>	<u><u>\$ 6,854,562</u></u>	<u><u>\$ 2,090,372</u></u>	<u><u>\$ 21,060,686</u></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, 2020**

**Fund balances - total governmental funds** \$ 18,641,158

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

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

Total governmental capital assets	90,272,355	
Less: accumulated depreciation	<u>(26,043,743)</u>	64,228,612

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.

Net pension liability	(10,826,389)	
Deferred outflows related to pensions	903,085	
Deferred inflows related to pensions	<u>(1,330,767)</u>	(11,254,071)

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.

Total OPEB liability	(468,762)	
Deferred outflows related to OPEB	143,486	
Deferred inflows related to OPEB	<u>(228,856)</u>	(554,132)

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:

Bonds and notes payable	(18,365,000)	
Accrued interest payable	(130,726)	
Compensated absences	<u>(462,325)</u>	(18,958,051)

<b>Net position of governmental activities</b>		<u><u>\$ 52,103,516</u></u>
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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, 2020**

	<b>General</b>	<b>Capital Improvement Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ 14,428,000	\$ 1,053,728	\$ -	\$ 15,481,728
Permits and fees	1,291,090	-	1,110,722	2,401,812
Intergovernmental	2,568,781	1,550,715	-	4,119,496
Charges for services	4,285,759	-	-	4,285,759
Investment income	149,879	51,524	8,991	210,394
Miscellaneous	114,080	-	-	114,080
Total revenues	<u>22,837,589</u>	<u>2,655,967</u>	<u>1,119,713</u>	<u>26,613,269</u>
<b>Expenditures</b>				
Current:				
General government:	4,211,350	-	580,520	4,791,870
Public safety	12,942,901	-	-	12,942,901
Public works	1,985,168	235,598	-	2,220,766
Culture and recreation	2,910,629	-	-	2,910,629
Capital outlay	181,865	6,208,915	160,311	6,551,091
Debt service:				
Principal retirement	-	265,000	-	265,000
Interest and fiscal charges	157,874	484,069	-	641,943
Total expenditures	<u>22,389,787</u>	<u>7,193,582</u>	<u>740,831</u>	<u>30,324,200</u>
<b>Excess (deficiency) of revenues over     (under) expenditures</b>	<u>447,802</u>	<u>(4,537,615)</u>	<u>378,882</u>	<u>(3,710,931)</u>
<b>Other financing sources (uses)</b>				
Debt proceeds	6,700,000	-	-	6,700,000
Transfers in	-	4,865,709	797,055	5,662,764
Transfers out	(5,659,264)	-	(3,500)	(5,662,764)
Total other financing sources (uses)	<u>1,040,736</u>	<u>4,865,709</u>	<u>793,555</u>	<u>6,700,000</u>
<b>Net change in fund balances</b>	<u>1,488,538</u>	<u>328,094</u>	<u>1,172,437</u>	<u>2,989,069</u>
<b>Fund balances, beginning of year</b>	9,331,329	5,471,924	848,836	15,652,089
<b>Fund balances, end of year</b>	<u><u>\$ 10,819,867</u></u>	<u><u>\$ 5,800,018</u></u>	<u><u>\$ 2,021,273</u></u>	<u><u>\$ 18,641,158</u></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, 2020**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 2,989,069</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	6,551,091
Depreciation expense	(2,967,774)
Contributed capital assets and adjustments	2,422
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to decrease net position.	(113,281)
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	265,000
Issuance of governmental long-term debt	(6,700,000)
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	7,270,076
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	(30,399)
Change in compensated absences liability	14,675
Change in total OPEB liability	15,510
<b>Change in net position of governmental activities</b>	<b>\$ 7,296,389</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, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 14,420,955	\$ 14,420,955	\$ 14,428,000	\$ 7,045
Permits and fees	1,273,380	1,273,380	1,291,090	17,710
Intergovernmental	2,405,822	2,405,822	2,568,781	162,959
Charges for services	3,957,849	3,957,849	4,285,759	327,910
Investment income	180,000	180,000	149,879	(30,121)
Miscellaneous	25,200	175,909	114,080	(61,829)
Total revenues	22,263,206	22,413,915	22,837,589	423,674
<b>EXPENDITURES</b>				
Current:				
General Government				
Charter Officers Department				
Elected Officials Division	106,174	106,174	91,798	14,376
City Clerk Division	285,493	298,493	303,640	(5,147)
City Manager Division	439,408	461,388	463,649	(2,261)
Legal Division	452,000	452,000	449,468	2,532
Total Charter Officers Department	1,283,075	1,318,055	1,308,555	9,500
Administrative Services Department				
Finance Division	735,313	760,519	657,952	102,567
Information Technology Division	343,316	362,550	346,893	15,657
Transportation Division	1,122,122	1,132,556	1,246,461	(113,905)
Total Administrative Services Department	2,200,751	2,255,625	2,251,306	4,319
Community Development Department				
Planning Division	482,256	503,433	445,348	58,085
Code Enforcement Division	226,076	226,203	206,141	20,062
Total Community Development Department	708,332	729,636	651,489	78,147
Non-departmental	-	157,874	157,874	-
Total General Government	4,192,158	4,461,190	4,369,224	91,966
Public Safety				
Law Enforcement Department	3,308,965	9,225,367	8,615,071	610,296
Fire Department				
Fire Suppression Division	2,485,676	2,497,927	2,261,621	236,306
EMS Division	1,990,069	1,990,069	2,066,209	(76,140)
Total Fire Department	4,475,745	4,487,996	4,327,830	160,166
Total Public Safety	7,784,710	13,713,363	12,942,901	770,462
Public Works				
Public Works Department				
Administration Division	481,367	520,706	523,528	(2,822)
Facilities Division	404,874	406,674	417,736	(11,062)
Streets Division	706,427	801,919	755,696	46,223
Beaches Division	280,162	276,746	288,208	(11,462)
Total Public Works	1,872,830	2,006,045	1,985,168	20,877
Culture and Recreation				
Library Department	585,820	596,476	541,664	54,812
Parks and Recreation Department				
Parks Division	1,122,773	1,176,595	1,049,898	126,697
Recreation Division	1,398,669	1,470,708	1,319,067	151,641
Total Parks and Recreation Department	2,521,442	2,647,303	2,368,965	278,338
Total Culture and Recreation	3,107,262	3,243,779	2,910,629	333,150
Capital outlay	222,700	276,585	181,865	94,720
Total expenditures	17,179,660	23,700,962	22,389,787	1,311,175
Excess of revenues over expenditures	5,083,546	(1,287,047)	447,802	1,734,849
<b>Other financing sources (uses)</b>				
Pension obligation revenue note proceeds	-	6,700,000	6,700,000	-
Transfers out	(4,793,555)	(5,659,264)	(5,659,264)	-
Total other financing sources (uses)	(4,793,555)	1,040,736	1,040,736	-
<b>Net change in fund balances</b>	289,991	(246,311)	1,488,538	1,734,849
<b>Fund balances, beginning of year</b>	9,331,329	9,331,329	9,331,329	-
<b>Fund balances, end of year</b>	\$ 9,621,320	\$ 9,085,018	\$ 10,819,867	\$ 1,734,849

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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Wastewater</b>	<b>Reclaimed Water</b>	<b>Stormwater</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,064,511	\$ 1,175,349	\$ 2,952,855	\$ 5,192,715
Accounts receivable, net	1,517,653	146,869	29,255	1,693,777
Due from other governments	-	11,059	252,168	263,227
Inventories	30,129	-	-	30,129
Prepaid items	389	15	421	825
Restricted current assets				
Cash and investments	558,801	-	219,054	777,855
Total current assets	3,171,483	1,333,292	3,453,753	7,958,528
Noncurrent assets:				
Restricted cash and investments	3,086,698	-	-	3,086,698
Capital assets:				
Land	310,117	-	-	310,117
Building and improvements	129,409	-	-	129,409
Infrastructure	21,895,136	11,630,899	3,604,228	37,130,263
Machinery and equipment	1,054,253	92,678	67,646	1,214,577
Intangibles	26,969	-	56,180	83,149
Construction in progress	1,514,329	144,537	249,664	1,908,530
Accumulated depreciation	(7,310,287)	(6,332,827)	(314,870)	(13,957,984)
Total capital assets, net	17,619,926	5,535,287	3,662,848	26,818,061
Total noncurrent assets	20,706,624	5,535,287	3,662,848	29,904,759
Total assets	<u>\$ 23,878,107</u>	<u>\$ 6,868,579</u>	<u>\$ 7,116,601</u>	<u>\$ 37,863,287</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	\$ 24,104	\$ 4,884	\$ 18,285	\$ 47,273
Deferred outflows related to OPEB	10,704	1,714	6,164	18,582
Total deferred outflows	<u>\$ 34,808</u>	<u>\$ 6,598</u>	<u>\$ 24,449</u>	<u>\$ 65,855</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 544,944	\$ 115,380	\$ 100,262	\$ 760,586
Advances from other funds	-	-	1,040,352	1,040,352
Compensated absences	6,502	1,206	2,064	9,772
Payable from restricted assets:				
Current maturities on long-term debt	413,243	-	192,000	605,243
Current maturities on capital leases	75,165	-	-	75,165
Accrued interest payable	70,393	-	27,054	97,447
Total current liabilities	1,110,247	116,586	1,361,732	2,588,565
Noncurrent liabilities:				
Bonds and notes payable, net	4,963,254	-	2,009,000	6,972,254
Compensated absences	1,274	-	2,250	3,524
Total OPEB liability	34,971	5,601	20,142	60,714
Net pension liability	232,707	47,147	176,522	456,376
Total noncurrent liabilities	5,232,206	52,748	2,207,914	7,492,868
Total liabilities	<u>\$ 6,342,453</u>	<u>\$ 169,334</u>	<u>\$ 3,569,646</u>	<u>\$ 10,081,433</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to OPEB	\$ 17,074	\$ 2,734	\$ 9,834	\$ 29,642
Total deferred inflows	<u>\$ 17,074</u>	<u>\$ 2,734</u>	<u>\$ 9,834</u>	<u>\$ 29,642</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 13,620,190	\$ 5,535,287	\$ 1,461,854	\$ 20,617,331
Restricted for capital improvements	2,000,000	-	-	2,000,000
Restricted for debt service	123,180	-	191,994	315,174
Unrestricted	1,810,018	1,167,822	1,907,722	4,885,562
Total net position	<u>\$ 17,553,388</u>	<u>\$ 6,703,109</u>	<u>\$ 3,561,570</u>	<u>\$ 27,818,067</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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Wastewater</b>	<b>Reclaimed Water</b>	<b>Stormwater</b>	<b>Total</b>
<b>Operating revenues</b>				
Charges for services	\$ 6,644,358	\$ 1,025,050	\$ 1,276,363	\$ 8,945,771
Other revenues	2,743	-	-	2,743
Total operating revenues	6,647,101	1,025,050	1,276,363	8,948,514
<b>Operating expenses</b>				
Personnel services	175,678	13,488	389,295	578,461
Contractual and other services	3,712,453	534,221	222,249	4,468,923
Depreciation	705,920	238,590	101,429	1,045,939
Total operating expenses	4,594,051	786,299	712,973	6,093,323
<b>Operating income</b>	2,053,050	238,751	563,390	2,855,191
<b>Nonoperating revenues (expenses)</b>				
Interest earnings	37,085	8,403	30,178	75,666
Interest and amortization expense	(209,270)	-	(66,775)	(276,045)
Total nonoperating revenues (expenses)	(172,185)	8,403	(36,597)	(200,379)
<b>Income (loss) before contributions and transfers</b>	1,880,865	247,154	526,793	2,654,812
Capital grants	119,219	-	125,700	244,919
<b>Change in net position</b>	2,000,084	247,154	652,493	2,899,731
<b>Net position, beginning of year</b>	15,553,304	6,455,955	2,909,077	24,918,336
<b>Net position, end of year</b>	<u>\$ 17,553,388</u>	<u>\$ 6,703,109</u>	<u>\$ 3,561,570</u>	<u>\$ 27,818,067</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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Wastewater</b>	<b>Reclaimed Water</b>	<b>Stormwater</b>	<b>Total</b>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 7,447,741	\$ 1,001,023	\$ 1,277,072	\$ 9,725,836
Cash paid to employees	(389,796)	(86,648)	(312,942)	(789,386)
Cash paid to suppliers	(3,858,486)	(451,166)	(148,543)	(4,458,195)
Net cash provided by operating activities	<u>3,199,459</u>	<u>463,209</u>	<u>815,587</u>	<u>4,478,255</u>
<b>Cash flows from noncapital financing activities</b>				
Interfund loans	(270,283)	-	(151,481)	(421,764)
Net cash provided by (used in) noncapital financing activities	<u>(270,283)</u>	<u>-</u>	<u>(151,481)</u>	<u>(421,764)</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition and construction of capital assets	(1,619,019)	(144,537)	(594,014)	(2,357,570)
Capital grants	119,219	-	280,561	399,780
Principal payments of long-term debt	(473,027)	-	(187,000)	(660,027)
Interest paid	(214,275)	-	(69,074)	(283,349)
Net cash provided by (used in) capital and related financing activities	<u>(2,187,102)</u>	<u>(144,537)</u>	<u>(569,527)</u>	<u>(2,901,166)</u>
<b>Cash flows from investing activities</b>				
Interest received	37,085	8,403	30,178	75,666
Net cash provided by (used in) investing activities	<u>37,085</u>	<u>8,403</u>	<u>30,178</u>	<u>75,666</u>
<b>Net change in cash and cash equivalents</b>	<u>779,159</u>	<u>327,075</u>	<u>124,757</u>	<u>1,230,991</u>
<b>Cash and cash equivalents, beginning 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, end of year</b>	<u><u>\$ 4,710,010</u></u>	<u><u>\$ 1,175,349</u></u>	<u><u>\$ 3,171,909</u></u>	<u><u>\$ 9,057,268</u></u>
<b>Cash and cash equivalents classified as:</b>				
Unrestricted	\$ 1,064,511	\$ 1,175,349	\$ 2,952,855	\$ 5,192,715
Restricted	3,645,499	-	219,054	3,864,553
Total cash and cash equivalents	<u><u>\$ 4,710,010</u></u>	<u><u>\$ 1,175,349</u></u>	<u><u>\$ 3,171,909</u></u>	<u><u>\$ 9,057,268</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 2,053,050	\$ 238,751	\$ 563,390	\$ 2,855,191
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation	705,920	238,590	101,429	1,045,939
Changes in assets and liabilities:				
Accounts receivable	800,640	(22,178)	709	779,171
Due from other governments	-	(1,849)	-	(1,849)
Inventories	24,720	-	-	24,720
Prepaid items	(389)	(15)	(421)	(825)
Accounts payable and accrued liabilities	(170,364)	83,070	74,127	(13,167)
Compensated absences	2,512	(69)	(619)	1,824
Net pension liability	(215,911)	(72,476)	72,225	(216,162)
Total OPEB liability	(719)	(615)	4,747	3,413
Net cash provided by operating activities	<u><u>\$ 3,199,459</u></u>	<u><u>\$ 463,209</u></u>	<u><u>\$ 815,587</u></u>	<u><u>\$ 4,478,255</u></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, 2020**

	<b>Pension Trust Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents with trustee	\$ 1,134,184
Equity in pooled cash	-
Total cash and cash equivalents	<hr/> 1,134,184 <hr/>
Receivables	
Interest and dividends receivable	15,053
Total receivables	<hr/> 15,053 <hr/>
Investments, at fair value	
Government agency obligations	559,839
Asset-backed securities and collateralized obligations	561,098
Corporate bonds	828,405
Municipal Obligations	15,337
Fixed-income mutual funds	14,051,016
Equities - common stock	3,651,780
Equities - mutual funds	25,079,956
Real estate funds	1,290,182
Total investments	<hr/> 46,037,613 <hr/>
Total assets	<hr/> <hr/> \$47,186,850 <hr/>
<b>LIABILITIES</b>	
Accounts payable	\$ 49,712
Total liabilities	<hr/> <hr/> \$ 49,712 <hr/>
<b>NET POSITION</b>	
Restricted for pensions	<hr/> <hr/> \$47,137,138 <hr/>

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, 2020**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 7,453,330
Plan members	302,750
State - insurance premium taxes	<u>277,211</u>
Total contributions	<u>8,033,291</u>
Investment earnings	
Net appreciation (depreciation) in fair value of investments	3,006,199
Interest and dividends	<u>1,035,187</u>
Total investment earnings	4,041,386
Less: investment expense	<u>(125,196)</u>
Net investment income (loss)	3,916,190
Total additions	<u>11,949,481</u>
<b>Deductions</b>	
Benefit payments and refunds	3,681,138
Administrative expenses	<u>208,768</u>
Total deductions	3,889,906
<b>Change in net position</b>	<u>8,059,575</u>
<b>Net position restricted for pensions, beginning of year</b>	39,077,563
<b>Net position restricted for pensions, end of year</b>	<u><u>\$47,137,138</u></u>

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, 2020**

**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, 2020**

**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, 2020**

**NOTE A – CONTINUED**

**Governmental Funds**

The City reports two major governmental funds:

- General Fund – The General Fund is the primary operating fund of the City, accounting for all financial resources of the City except those that are required legally or by generally accepted accounting principles to be accounted for in other funds.
- 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 Transportation Impact Fee Fund, Building Fund, Fleet 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 City ordinance, 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. 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, 2020**

**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, Fleet, 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 and Fleet Funds are 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 supplementary information for the Capital Improvement Projects, Building and Fleet 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, "cash and investments" include bank deposits, balances in local government investment pools and certificates of deposit. 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:

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE A – CONTINUED**

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets.
- 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, 2020, the City's cash and investments included money market instruments, balances in intergovernmental investment pools and certificates of deposit. Money market instruments are reported at cost, while the intergovernmental investment pools are considered "2a7-like" and therefore reported at NAV. Certificates of deposit are reported at fair value based on level 1 inputs.

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. The City recorded a \$100,000 down payment on a Fire Engine 22 replacement as a prepaid item since the Fire Engine will not be received and the corresponding lease-purchase will not occur until fiscal year 2021.

**Capital asset accounting policies**

Capital assets, which include land and land rights, buildings and other land improvements, furniture, machinery and equipment, infrastructure and intangible 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, 2020**

**NOTE A – CONTINUED**

As used in this section, the term depreciation includes amortization of intangible assets, which is computed on a straight-line basis. Depreciation 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.
- 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, 2020**

**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, 2020 was \$2,505,894.

*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, 2020**

**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. Compensated absences liabilities related to governmental funds are liquidated through the governmental fund in which the liability is incurred. Accumulated PTO is accrued when incurred in the government-wide financial statements, 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.

**NOTE B. DETAILED NOTE DISCLOSURES**

**Assets:**

**Cash and Investments**

*City of St. Pete Beach:*

As of September 30, 2020, the City of St. Pete Beach held the following cash and investment balances:

	<u>Balance</u>	<u>Percentage</u>
Cash equivalents:		
Cash on hand	\$ 2,850	0.0%
Cash deposits	5,504,131	20.5%
Local government investment pools:		
FL PRIME	3,635,546	13.5%
FL SAFE	3,454,223	12.8%
FL CLASS	3,635,239	13.5%
FL PALM	3,618,738	13.5%
Investments:		
Certificates of deposit	7,032,746	26.2%
Total	<u>\$ 26,883,473</u>	100.0%

Cash equivalents:

Fair value reporting was not applicable to the City's cash equivalent accounts due to the balances being held in money market instruments and "2a7-like" investment pools. The carrying amount of the City's cash deposits with financial institutions (excluding Pension Trust Funds) was \$5,504,131 and the total bank balances were \$5,539,241. Cash deposits were covered by Federal Depository Insurance and held at Florida Qualified Public Depository ("QPD") financial institutions for collateralization. As of September 30, 2020, the City held cash equivalent assets in four local government investment pools. Credit ratings and weighted average maturities for each are listed below:

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE B – CONTINUED**

Institution:	Credit Rating	Agency	Weighted Average Maturity September 30, 2020
FL PRIME	AAAm	Standard and Poor's	48 days
FL SAFE	AAAm	Standard and Poor's	54 days
FL CLASS	AAAm	Standard and Poor's	51 days
FL PALM	AAAm	Standard and Poor's	46 days

Investments:

Certificates of deposit (“CDs”) were held with QPD financial institutions for collateralization. The weighted average maturity was 261 days. CD balances were valued using prices quoted in active markets for identical assets (level 1).

Reconciliation to Statement of Net Position:

Assets:

Cash and investments \$ 22,420,627

Restricted assets:

Cash and investments 4,462,846

Total \$ 26,883,473

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.

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE B – CONTINUED**

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 requiring diversification and limiting investments in securities that have higher credit risks, investing in securities with varying maturities, and continuously investing a portion of the portfolio in readily available funds such as intergovernmental pools, demand and savings accounts, money market funds, and overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

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 maintains balances only in local government investment pools with the highest credit quality ratings.

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

As of September 30, 2020, the Police Pension held the following cash and investment balances:

	Fair Value	Percentage	Fair Value Level
Cash and cash equivalents	\$ 358,601	2.0%	N/A
Equity mutual funds	10,053,086	55.9%	1
Fixed income mutual funds	7,562,969	42.1%	2
Total	<u>\$ 17,974,656</u>	100.0%	

The fair value of the Police Pension's deposits and investments as of September 30, 2020 was \$17,974,656.

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.

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**NOTE B – CONTINUED**

- 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.

*Firefighters' Retirement System (Fire Pension):*

As of September 30, 2020, 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	\$ 496,897	3.1%	N/A
Equity mutual funds	7,545,010	45.7%	1
Common stock	2,482,400	15.1%	1
Fixed income mutual funds	4,679,131	28.4%	2
Real estate investment fund	<u>1,290,182</u>	7.8%	1
Total	<u>\$ 16,493,620</u>	100.0%	

The fair value of the Firefighters' Pension's deposits and investments as of September 30, 2020 was \$16,493,620.

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 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**  
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**NOTE B – CONTINUED**

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

As of September 30, 2020, 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	\$ 278,686	2.2%	N/A
Fixed Income mutual funds	\$ 1,808,916		
Equity mutual funds	7,481,860	58.9%	1
Common stock	1,169,380	9.2%	1
Fixed income securities:			
U.S. government obligations	559,839	4.4%	1
Asset backed securities	561,098	4.4%	2
Corporate bonds	828,405	6.5%	2
Municipal Obligations	<u>15,337</u>	0.1%	2
Fixed income subtotal	<u>1,964,679</u>		
Total	<u><u>\$ 12,703,521</u></u>	100.0%	

The fair value of the General Pension's deposits and investments as of September 30, 2020 was \$12,703,521. Maturity schedules for the General Pension's fixed income securities are summarized below:

	<u>Maturities by Year</u>
2021	\$ 420,431
2022	163,470
2023	569,049
2024	267,817
2025	78,421
2026	70,771
Remaining - combined	<u>394,720</u>
Total	<u><u>\$ 1,964,679</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**  
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**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**

*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 the following significant items:

- General Fund water utility service tax, included in "Receivables, net" on page 29: \$42,122
- Wastewater Fund service charges, included in "Accounts receivable, net" on page 34: \$1,026,532
- Reclaimed Water service charges, included in "Accounts receivable, net" on page 34: \$159,834

**Allowance for doubtful accounts**

Utility billing accruals include an allowance for doubtful accounts past 180 days (increased from 60 days due to COVID-19) delinquent. Allowances included the following significant items:

- General Fund water utility service tax: \$3,397
- Wastewater Fund charges for service: \$80,428
- Reclaimed Water Fund charges for service: \$12,965

**Liabilities:**

**Payable balances**

Significant payables included the following items included in the "Accounts payable and accrued liabilities" total for the Wastewater Fund on page 34:

- City of St. Petersburg wastewater treatment billing: \$344,888

Significant payables included the following items included in the "Accounts payable and accrued liabilities" total for the Capital Improvement Projects Fund on page 29:

- 75<sup>th</sup> Ave and Blind Pass capital improvement project: \$443,367

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE B – CONTINUED**

**Construction commitments**

Governmental funds included encumbrances of \$1,199,438 for the library renovation project, to be paid from assigned balance in the Capital Improvement Projects Fund.

**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, 2020 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, 2020**

**NOTE C. CAPITAL ASSETS**

	Balance 10/1/2019	Additions / Transfers in	Deletions / Transfers out	Balance 9/30/2020
<b>Governmental activities</b>				
Non-depreciable assets:				
Capital projects in process	\$ 9,720,034	\$ 3,183,785	\$ 9,352,677	\$ 3,551,142
Land, land rights and improvements	4,505,449	-	-	4,505,449
Depreciable assets:				
Buildings and other improvements	19,218,673	50,322	279,453	18,989,542
Furniture, machinery and equipment	5,753,840	635,515	94,523	6,294,832
Infrastructure	44,894,823	12,104,568	68,000	56,931,391
Total at historical cost	<u>\$ 84,092,819</u>	<u>\$ 15,974,190</u>	<u>\$ 9,794,653</u>	<u>\$ 90,272,356</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	\$ 8,627,721	\$ 546,210	\$ 166,172	\$ 9,007,759
Furniture, machinery and equipment	3,855,800	511,970	94,523	4,273,247
Infrastructure	10,853,144	1,909,594	-	12,762,738
Total accumulated depreciation	<u>\$ 23,336,665</u>	<u>\$ 2,967,774</u>	<u>\$ 260,695</u>	<u>\$ 26,043,744</u>
 Total governmental capital assets, net	 <u>\$ 60,756,154</u>	 <u>\$ 13,006,416</u>	 <u>\$ 9,533,958</u>	 <u>\$ 64,228,612</u>
 <b>Business-type activities</b>				
Non-depreciable assets:				
Capital projects in process	\$ 1,579,855	\$ 664,006	\$ 335,331	\$ 1,908,530
Land, land rights and improvements	310,117	-	-	310,117
Depreciable assets:				
Buildings and other improvements	129,409	-	-	129,409
Furniture, machinery and equipment	1,061,781	243,206	7,261	1,297,726
Infrastructure	35,337,313	1,792,950	-	37,130,263
Total at historical cost	<u>\$ 38,418,475</u>	<u>\$ 2,700,162</u>	<u>\$ 342,592</u>	<u>\$ 40,776,045</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	\$ 31,497	\$ 4,384	\$ -	\$ 35,881
Furniture, machinery and equipment	626,946	84,819	-	711,765
Infrastructure	12,253,602	956,736	-	13,210,338
Total accumulated depreciation	<u>\$ 12,912,045</u>	<u>\$ 1,045,939</u>	<u>\$ -</u>	<u>\$ 13,957,984</u>
 Total business-type capital assets, net	 <u>\$ 25,506,430</u>	 <u>\$ 1,654,223</u>	 <u>\$ 342,592</u>	 <u>\$ 26,818,061</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE C – CONTINUED**

Depreciation expense was charged as follows:

**Governmental activities:**

General government	\$ 98,709
Public safety	251,551
Public works	1,952,236
Culture and recreation	<u>665,278</u>
	<u><u>\$ 2,967,774</u></u>

**Business-type activities:**

Wastewater	705,920
Reclaimed Water	238,590
Stormwater	<u>101,429</u>
	<u><u>\$ 1,045,939</u></u>

Total depreciation expense	<u><u>\$ 4,013,713</u></u>
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In accordance with GASB Statement #51 – “Accounting and Financial Reporting for Intangible Assets”, the City includes intangible 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 \$2,422 in contributed capital assets and adjustments for the fiscal year ended September 30, 2020. 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**  
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**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**  
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**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, 2020:

	Police Pension	Firefighters' Pension	General Pension
Inactive plan members or beneficiaries currently receiving benefits	27	29	75
Inactive plan members entitled to but not yet receiving benefits	5	5	47
Active plan members	0	31	27
Total	32	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**  
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**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, 2020 was \$43,474.
- 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, 2020**

**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%.
- Member contribution rates were increased from 13.0% to 13.5% effective September 30, 2020, 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, 2020 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, 2020**

**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, 2020 financial statements was measured as of September 30, 2020.

*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%	7.50%	7.50%
Investment rate of return	7%	7.50%	7.50%
Mortality rate	PubS.H-2010 Combined Healthy Mortality Table, set forward one year  Disabled Lives 80% PubG.H- 2010,  20% PubS.H- 2010	PubS.H-2010 (below median) Combined Healthy Mortality Table, set forward one year  Disabled Lives 80% PubG.H-2010, 20% PubS.H-2010	Pub G.H-2010 (Below Median) (males-set back one year)  Disabled Lives  PubG.H-2010, set forward three years

*Actuarial changes from the prior year:*

*Police Pension:* The mortality assumption was updated to match a recent change to the Florida Retirement System (FRS) mortality tables. The 2018 FRS mortality tables were based on the RP-2000 mortality tables. The 2019 FRS mortality tables were based on those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE D – CONTINUED**

*Firefighters' Pension:* The interest rate assumption has decreased from 7.55% to 7.50% to better reflect future expectations of market returns and long-term inflation. The mortality assumption was updated to match a recent change to the Florida Retirement System (FRS) mortality tables. The 2018 FRS mortality tables were based on the RP-2000 mortality tables. The 2019 FRS mortality tables were based on those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics

*General Pension:* The mortality assumption was updated to match a recent change to the Florida Retirement System (FRS) mortality tables. The 2018 FRS mortality tables were based on the RP-2000 mortality tables. The 2019 FRS mortality tables were based on those outlined in Milliman's July 1, 2019 FRS valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics

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, 2020 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%	5.64%
International Equity	10%	8.5%	10%	8.5%	6%	4.44%
Global Fixed Income	5%	3.5%	5%	3.5%	-	-
Broad Market Fixed Income	40%	2.5%	25%	2.5%	-	-
Fixed Income	-	-	-	-	40%	1.35%
Real Estate Funds	-	-	10%	4.5%	6%	4.78%

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, 2020 was:

- Police Pension: 9.94%
- Firefighters' Pension: 11.13%
- General Pension: 5.98%

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE D – CONTINUED**

The discount rate used to measure the total pension liability was 7% for the Police Pension, 7.50% 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.

*Net Pension Liability:*

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>General Pension</u>
Total pension liability	\$ 18,121,813	\$ 23,766,198	\$ 16,531,892
Plan fiduciary net position	<u>(17,969,938)</u>	<u>(16,457,439)</u>	<u>(12,709,761)</u>
Net pension liability	<u><u>151,875</u></u>	<u><u>7,308,759</u></u>	<u><u>3,822,131</u></u>
 Net position as a percentage of total pension liability	 99.16%	 69.25%	 76.88%

*Change in Net Pension Liability:* The change in the net pension liability for each pension plan for the year ended September 30, 2020 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, 2020**

**NOTE D – CONTINUED**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a-b)
<b><u>Police Pension</u></b>			
Beginning balance	\$ 18,552,768	\$ 11,658,891	\$ 6,893,877
Changes for the year:			
Interest	1,254,096	-	1,254,096
Difference between expected & actual experience	49,514	-	49,514
Changes of assumptions	(460,355)	-	(460,355)
Contributions - employer	-	6,000,000	(6,000,000)
Contributions - state	-	99,319	(99,319)
Net investment income	-	1,539,733	(1,539,733)
Benefit payments	(1,274,210)	(1,274,210)	-
Administrative expense	-	(53,795)	53,795
Net changes	(430,955)	6,311,047	(6,742,002)
Ending balance	<u>\$ 18,121,813</u>	<u>\$ 17,969,938</u>	<u>\$ 151,875</u>
<b><u>Firefighters' Pension</u></b>			
Beginning balance	\$ 22,937,137	\$ 14,932,776	\$ 8,004,361
Changes for the year:			
Service cost	458,273	-	458,273
Interest	1,720,116	-	1,720,116
Difference between expected & actual experience	175,998	-	175,998
Changes of assumptions	(300,528)	-	(300,528)
Changes of benefit terms	-	-	-
Contributions - state	-	177,893	(177,893)
Contributions - employer	-	719,591	(719,591)
Contributions - employees	-	270,299	(270,299)
Net investment income (loss)	-	1,645,839	(1,645,839)
Benefit payments	(1,224,798)	(1,224,798)	-
Administrative expense	-	(64,161)	64,161
Net changes	829,061	1,524,663	(695,602)
Ending balance	<u>\$ 23,766,198</u>	<u>\$ 16,457,439</u>	<u>\$ 7,308,759</u>
<b><u>General Pension</u></b>			
Beginning balance	\$ 16,821,731	\$ 12,485,896	\$ 4,335,835
Changes for the year:			
Service cost	53,202	-	53,202
Interest	1,221,290	-	1,221,290
Difference between expected & actual experience	(133,700)	-	(133,700)
Changes of assumptions	(248,501)	-	(248,501)
Contributions - employer	-	733,738	(733,738)
Contributions - employees	-	32,451	(32,451)
Net investment income	-	730,618	(730,618)
Benefit payments	(1,182,130)	(1,182,130)	-
Administrative expense	-	(90,812)	90,812
Net changes	(289,839)	223,865	(513,704)
Ending balance	<u>\$ 16,531,892</u>	<u>\$ 12,709,761</u>	<u>\$ 3,822,131</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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	\$2,145,107	\$151,875	\$(1,521,294)
<b>Firefighters' Pension</b>	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$10,374,341	\$7,308,759	\$4,784,444
<b>General Pension</b>	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$5,517,626	\$3,822,131	\$2,392,085

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

For the year ended September 30, 2020 the City recognized pension expense in the following amounts:

Police Pension	\$	(267,938)
Firefighters' Pension		723,671
General Pension		(211,427)
Total Pension expense	\$	244,306

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, 2020 from the following sources:

	Deferred Outflows of Resources			
	Police Pension	Firefighters' Pension	General Pension	Total
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ -	\$ 395,907	\$ 395,907
Differences between expected and actual experience	-	150,613	-	\$ 150,613
Change of assumptions	-	403,838	-	\$ 403,838
	<u>\$ -</u>	<u>\$ 554,451</u>	<u>\$ 395,907</u>	<u>\$ 950,358</u>

	Deferred Inflows of Resources			
	Police Pension	Firefighters' Pension	General Pension	Total
Net difference between projected and actual earnings on pension plan investments	\$ 361,931	\$ 377,254	\$ -	\$ 739,185
Differences between expected and actual experience	-	351,158	-	\$ 351,158
Change of assumptions	-	240,424	-	\$ 240,424
	<u>\$ 361,931</u>	<u>\$ 968,836</u>	<u>\$ -</u>	<u>\$ 1,330,767</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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>
2021	\$ (136,040)	\$ (97,741)	\$ 97,384
2022	(57,776)	(129,769)	129,711
2023	(56,792)	(57,372)	131,448
2024	(111,323)	(129,504)	37,364
2025	-	-	-

*Financial Statements:* The financial statements for each of the pension funds as of and for the year ended September 30, 2020 are as follows:

**Statement of Fiduciary Net Position**  
**September 30, 2020**

	<u>Police</u>	<u>Fire</u>	<u>General</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents with trustee	<u>\$ 358,601</u>	<u>\$ 496,897</u>	<u>\$ 278,686</u>	<u>\$ 1,134,184</u>
Receivables				
Interest and dividends receivable	<u>-</u>	<u>2,421</u>	<u>12,632</u>	<u>15,053</u>
Total receivables	<u>-</u>	<u>2,421</u>	<u>12,632</u>	<u>15,053</u>
Investments, at fair value:				
Government agency obligations	-	-	559,839	559,839
Asset-backed securities & collateralized obligations	-	-	561,098	561,098
Corporate bonds	-	-	828,405	828,405
Municipal Obligations	-	-	15,337	15,337
Fixed income mutual funds	7,562,969	4,679,131	1,808,916	14,051,016
Equities - common stock	-	2,482,400	1,169,380	3,651,780
Equities - mutual funds	10,053,086	7,545,010	7,481,860	25,079,956
Real estate funds	<u>-</u>	<u>1,290,182</u>	<u>-</u>	<u>1,290,182</u>
Total investments	<u>17,616,055</u>	<u>15,996,723</u>	<u>12,424,835</u>	<u>46,037,613</u>
Total assets	<u>17,974,656</u>	<u>16,496,041</u>	<u>12,716,153</u>	<u>47,186,850</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 4,718</u>	<u>\$ 38,602</u>	<u>\$ 6,392</u>	<u>\$ 49,712</u>
<b>NET POSITION</b>				
Restricted for pensions	<u>\$ 17,969,938</u>	<u>\$ 16,457,439</u>	<u>\$ 12,709,761</u>	<u>\$ 47,137,138</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE D – CONTINUED**

**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2020**

	<u>Police</u>	<u>Fire</u>	<u>General</u>	<u>Total</u>
<b>Additions</b>				
Contributions:				
Employer	\$ 6,000,000	\$ 719,591	\$ 733,738	\$ 7,453,329
Plan members	-	270,299	32,451	302,750
State-insurance premium taxes	99,319	177,893	-	277,212
Total contributions	<u>6,099,319</u>	<u>1,167,783</u>	<u>766,189</u>	<u>8,033,291</u>
Investment earnings				
Net appreciation (depreciation) - fair value of investments	1,181,609	1,305,117	519,473	3,006,199
Interest and dividends	384,824	385,659	264,704	1,035,187
Total investment earnings	<u>1,566,433</u>	<u>1,690,776</u>	<u>784,177</u>	<u>4,041,386</u>
Less: investment expense	(26,700)	(44,937)	(53,559)	(125,196)
Net investment income (loss)	<u>1,539,733</u>	<u>1,645,839</u>	<u>730,618</u>	<u>3,916,190</u>
Total additions	<u>7,639,052</u>	<u>2,813,622</u>	<u>1,496,807</u>	<u>11,949,481</u>
<b>Deductions</b>				
Benefit payments and refunds	1,274,210	1,224,798	1,182,130	3,681,138
Administrative expenses	53,795	64,161	90,812	208,768
Total deductions	<u>1,328,005</u>	<u>1,288,959</u>	<u>1,272,942</u>	<u>3,889,906</u>
<b>Change in net position</b>	6,311,047	1,524,663	223,865	8,059,575
<b>Net position restricted for pensions, beginning of year</b>	<u>11,658,891</u>	<u>14,932,776</u>	<u>12,485,896</u>	<u>39,077,563</u>
<b>Net position restricted for pensions, end of year</b>	<u>\$ 17,969,938</u>	<u>\$ 16,457,439</u>	<u>\$ 12,709,761</u>	<u>\$ 47,137,138</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. 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, 2020**

**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, 2020 was \$251,798.

**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, 2020 was \$14,525.

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, 2020**

**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, 2019, the date of the latest actuarial valuation, plan participation consisted of the following:

Active employees:	87
Inactive employees entitled to, but not yet receiving, benefits:	0
Inactive employees:	<u>8</u>
Total:	<u>95</u>

*Total OPEB Liability:* The City’s total OPEB liability of \$529,476 was measured as of September 30, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs:* The total OPEB liability in the September 30, 2020 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:	2.14%
Healthcare cost trend rate:	4.50%
Retirees' share of benefit-related costs:	100.00%

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE E – CONTINUED**

*Actuarial changes from the prior year:* The discount rate was decreased from 3.58% to 2.14% to comply with GASB 75. The discount rate was based the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2020. The mortality assumption was changed from the RP-2014 Combine Annuitant Mortality Table for males and females to the PubS.H-20102 Mortality Table – Safety for firefighters and PubG.H-2010 Mortality Table – General for all others.

Changes in the OPEB liability for the fiscal year ended September 30, 2020, were as follows:

	Total OPEB Liability
Balance at September 30, 2019	\$ 674,676
Changes for year:	
Service Cost	31,664
Interest	23,137
Differences between expected and actual experience	(185,814)
Changes of assumptions	46,649
Benefit payment - implicit rate subsidy	(56,785)
Other changes	(4,051)
Net changes	<u>(145,200)</u>
Balance at September 30, 2020	<u>\$ 529,476</u>

*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 2.14%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.14%) or 1% higher (3.14%) than the current rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	\$ 560,560	\$ 529,476	\$ 500,804

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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 (3.5%) or 1% higher (5.5%) than the current healthcare cost trend rates (4.5%):

	<u>1% Decrease (3.5%)</u>	<u>Current Discount Rate (4.5%)</u>	<u>1% Increase (5.5%)</u>
Total OPEB Liability	\$ 491,601	\$ 529,476	\$ 573,197

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$44,688. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB expense from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 84,218	\$ 166,207
Changes of assumptions	<u>77,850</u>	<u>92,291</u>
Total	<u>\$ 162,068</u>	<u>\$ 258,498</u>

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>
2021	\$ 23,978	\$ 34,091
2022	23,978	34,091
2023	23,978	34,091
2024	23,978	34,091
2025	23,978	34,091
2026	23,978	34,091
2027	10,927	24,359
2028	4,922	20,034
2029	2,348	9,556

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE F. LONG-TERM LIABILITIES**

Long-term debt activity for the fiscal year ended September 30, 2020 was as follows:

	Balance 9/30/2019	Increases	Decreases	Balance 9/30/2020	Due Within One year
<b>Governmental Activities</b>					
Capital Improvement Revenue Bonds, Series 2015	\$ 11,930,000	\$ -	\$ 265,000	\$ 11,665,000	\$ 275,000
Police Pension Obligation Revenue Bonds, Series 2019	-	6,700,000	-	6,700,000	362,354
Accumulated unused Compensated absences	477,000	234,692	249,367	462,325	259,423
	<u>\$ 12,407,000</u>	<u>\$ 6,934,692</u>	<u>\$ 514,367</u>	<u>\$ 18,827,325</u>	<u>\$ 896,777</u>
<b>Business-Type Activities</b>					
State Revolving Loan (2003)	\$ 72,410	\$ -	\$ 17,363	\$ 55,047	\$ 17,897
State Revolving Loan (2005)	1,410,896	-	186,446	1,224,450	191,346
Wastewater Revenue Bond, Series 2015	4,293,000	-	196,000	4,097,000	204,000
Stormwater Revenue Bond, Series 2015	2,388,000	-	187,000	2,201,000	192,000
Capital leases	148,383	-	73,218	75,165	75,165
Accumulated unused Compensated absences	11,472	12,674	10,850	13,296	9,772
	<u>\$ 8,324,161</u>	<u>\$ 12,674</u>	<u>\$ 670,877</u>	<u>\$ 7,665,958</u>	<u>\$ 690,180</u>
<b>Total</b>	<u><b>\$ 20,731,161</b></u>	<u><b>\$ 6,947,366</b></u>	<u><b>\$ 1,185,244</b></u>	<u><b>\$ 26,493,283</b></u>	<u><b>\$ 1,586,957</b></u>

Long-term debt for the governmental activities is comprised of the following as of September 30, 2020:

Taxable Pension Obligation Notes 2019: Revenue bonds in the amount of \$6,700,000 were issued for the principal purpose of eliminating the unfunded actuarial accrued liability of the St. Pete Beach Municipal Police Officers Pension. The outstanding notes mature in various amounts annually, ranging from \$362,354 to \$542,162 on November 30, 2034. Interest on the outstanding bonds accrues at a fixed rate of 2.92% and is payable semi-annually on May 30 and November 30. The bond principal and interest are secured by and payable from the non-ad valorem revenues.

\$6,700,000

Capital Improvement Revenue Bonds, Series 2015: 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.

11,665,000

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE F – CONTINUED**

Accumulated unused compensated absences: Represents the vested portion of accumulated vacation and sick pay benefits due to employees. These liabilities are liquidated by the General Fund.

462,325

Total Governmental Activities Long-Term Debt

\$18,827,325

Long-term debt for the business-type activities is comprised of the following as of September 30, 2020:

State Revolving Loan (2003): 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.

\$ 55,047

State Revolving Loan (2005): 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.

1,224,450

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

4,097,000

Stormwater Improvement Assessment Bond, Series 2015: An assessment bond in the amount of \$3,000,000 was issued for the principal purpose of financing costs of the acquisition, construction and equipping of various stormwater improvements. The bond matures semi-

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE F – CONTINUED**

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.

2,201,000

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, 2020, the present value of future minimum lease payments was:

75,165

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

13,296

Total Business-Type Activities Long Term Debt

\$7,665,958

The annual requirements to amortize the long-term debt for governmental activities bonds payables as of September 30, 2020, are as follows:

	Principal	Interest	Total
2021	637,354	661,319	1,298,673
2022	662,934	639,584	1,302,518
2023	688,824	614,035	1,302,859
2024	715,032	587,414	1,302,446
2025	741,567	559,711	1,301,278
2026-2030	4,087,995	2,411,049	6,499,044
2031-2035	4,801,294	1,696,417	6,497,711
2036-2040	2,715,000	1,021,775	3,736,775
2041-2045	3,315,000	421,576	3,736,576
	<u>\$ 18,365,000</u>	<u>\$ 8,612,880</u>	<u>\$ 26,977,880</u>

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE F – CONTINUED**

The annual requirements to amortize the notes and bonds payable for business-type activities as of September 30, 2020, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	605,240	245,164	850,404
2022	626,101	228,708	854,809
2023	645,260	211,680	856,940
2024	644,806	192,566	837,372
2025	667,257	174,364	841,621
2026-2030	2,746,833	596,835	3,343,668
2031-2035	<u>1,642,000</u>	<u>203,251</u>	<u>1,845,251</u>
	<u>\$ 7,577,497</u>	<u>\$ 1,852,568</u>	<u>\$ 9,430,065</u>

<u>Capital Leases</u>	<u>Total</u>
2021	<u>77,165</u>
	<u>\$ 77,165</u>
Less: interest	<u>(2,000)</u>
Present value of lease liability	<u>\$ 75,165</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:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Business-type activities:			
Sewer Vac Truck	\$356,843	\$ 163,553	\$ 193,290

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 5,659,264
Capital Improvement Projects Fund	4,865,709	-
Nonmajor Governmental Funds	<u>797,055</u>	<u>3,500</u>
	<u>\$ 5,662,764</u>	<u>\$ 5,662,764</u>

*Advances:*

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
Capital Improvement Projects Fund	1,040,352	-
Stormwater	<u>-</u>	<u>1,040,352</u>
	<u>\$ 1,040,352</u>	<u>\$ 1,040,352</u>

The \$1,040,352 Stormwater Fund liability refers to an advance arrangement with the Capital Improvement Projects Fund relating to the Pass-a-Grille Way and Blind Pass Road improvement projects for drainage-related aspects of the infrastructure improvements. Budgetary transfers were recorded from the Stormwater Fund, leaving an outstanding liability until balances are settled on a cash basis.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE H. RECENT ACCOUNTING PRONOUNCEMENTS**

During the fiscal year ended September 30, 2020, the City implemented the following GASB Pronouncements:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was issued in May 2020, to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City will postpone all applicable accounting statements implementation in fiscal year 2020.

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 City will implement this Statement for fiscal year ending September 30, 2021.
- (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 City will implement this Statement for fiscal year ending September 30, 2022.
- (c) 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 City will implement this Statement for fiscal year ending September 30, 2023.
- (d) GASB issued Statement No 92, *Omnibus 2020*, in January 2020. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics from recent statements. The City will implement this Statement for fiscal year ending September 30, 2022.
- (e) GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued in March 2020. This Statement is to address those and other accounting and financial reporting implications that result from the replacement of an investment book of records (IBOR). The City will implement this Statement for fiscal year ending September 30, 2022 and has no current impact on the City.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE H. RECENT ACCOUNTING PRONOUNCEMENTS**

- (f) GASB Statement No 94, *Public-Public and Public-Private partnerships and Availability Payment Arrangements*, issued in March 2020. This Statement's primary objective is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The city will implement this Statement for fiscal year ending September 30, 2022.
- (g) GASB Statement No 96, *Subscription Based Information Technology Arrangements*, issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) established that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No 87, Leases, as amended. The City will implement this Statement for fiscal year ending September 30, 2023.
- (h) GASB Statement No 97, *Certain Component Unit Criteria, and accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensations plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No 32*, issued in June 2020, this Statement's primary objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Sections 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The City will implement this Statement for fiscal year ending September 30, 2021.

**NOTE I. SUBSEQUENT EVENTS**

**Debt Issuance:**

- The City authorized a \$4.2 million bank loan in October 2020 to refund the Wastewater Utility System Revenue Bond, Series 2015, which was eligible to be retired without penalty. The loan agreement with Truist Bank includes a fixed interest rate of 1.89% over 15 years.

**CITY OF ST. PETE BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE J. RISKS AND UNCERTAINTIES**

**Economic Factors:**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in the financial markets. There have been mandates from federal, state, and local authorities requiring forced closures of non-essential retailers and certain public spaces, which could negatively impact the City's operations. It is not possible to reliably estimate the length or severity of this outbreak and hence its financial impact.

During FY20 the City experienced certain revenue declines in charges for services and additional expenses relating to the impact of the COVID-19 pandemic which did not have a material effect on the financial condition of the City. Further, additional federal grant revenues were awarded or in the process of award at the end of FY20, including a \$115,671 CARES Act reimbursement from Pinellas County for eligible COVID-10 related expenses.

**CITY OF ST. PETE BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**SEPTEMBER 30, 2020**  
**(UNAUDITED)**

Fiscal Year Ending September 30,	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 31,664	\$ 36,540	\$ 38,317
Interest	23,137	23,745	20,934
Difference between actual and expected experience	(185,814)	-	124,279
Assumption changes	46,649	2,149	16,812
Benefit payments - implicit rate subsidy	(56,785)	(79,832)	(72,733)
Other changes	(4,051)	(170)	(96,619)
Net change in total OPEB liability	(145,200)	(17,568)	30,990
Total OPEB liability - beginning	674,676	692,244	661,254
Total OPEB liability - ending (a)	<u>\$ 529,476</u>	<u>\$ 674,676</u>	<u>\$ 692,244</u>
Covered payroll	\$ 4,665,479	\$ 4,282,059	\$ 4,282,059
Total OPEB liability as a percentage of covered payroll	11.35%	15.76%	16.17%

Notes to Schedule:

Valuation Date	10/1/2019	10/1/2018	10/1/2018
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*Changes of assumptions.* The mortality assumption was changed from the RP-2014 Combined Annuitant Mortality Table for males and females to the PubS.H-20102 Mortality Table - Safety for firefighters and PubG.H-2010 Mortality Table - General for all others. 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	2.14%	3.58%	3.64%
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\*\* 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, 2020  
(UNAUDITED)**

<b>Fiscal Year Ending September 30,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total Pension Liability							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,380	\$ 45,240
Interest	1,254,096	1,238,416	1,194,357	1,179,519	1,102,568	1,101,556	1,099,695
Difference between actual and expected experience	49,514	246,567	682,795	267,414	239,884	255,813	-
Assumption changes	(460,355)	-	-	-	1,161,657	-	-
Benefit payments including refunds of contributions	(1,274,210)	(1,247,733)	(1,247,746)	(1,222,178)	(1,587,440)	(1,098,393)	(1,078,586)
Net change in total pension liability	(430,955)	237,250	629,406	224,755	916,669	274,356	66,349
Total pension liability - beginning	18,552,768	18,315,518	17,686,112	17,461,357	16,544,688	16,270,332	16,203,983
Total pension liability - ending (a)	<u>\$ 18,121,813</u>	<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 (1)	\$ 6,000,000	\$ 614,925	\$ 553,743	\$ 472,080	\$ 494,855	\$ 444,748	\$ 577,960
Contributions - state	99,319	107,421	97,990	93,815	86,942	87,677	88,047
Contributions - employee	-	-	-	-	-	274	3,857
Net investment income	1,539,733	526,266	790,622	1,143,369	972,743	(133,318)	1,052,775
Benefit payments, including refunds of contributions	(1,274,210)	(1,247,733)	(1,247,746)	(1,222,178)	(1,587,440)	(1,098,393)	(1,078,586)
Administrative expense	(53,795)	(35,687)	(46,526)	(26,288)	(15,598)	(24,655)	(32,171)
Net change in plan fiduciary net position	6,311,047	(34,808)	148,083	460,798	(48,498)	(723,667)	611,882
Plan fiduciary net position - beginning	11,658,891	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>\$ 17,969,938</u>	<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>\$ 151,875</u>	<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	99.16%	62.84%	63.85%	65.28%	63.48%	67.29%	72.87%
Covered payroll*	N/A	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	N/A	57,245.02%	3,547.31%

**NOTES:**

*Changes of assumptions:*

For measurement date 9/30/20, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics

(1) The plan was closed during 2015; therefore, there is no covered payroll in subsequent years

(2) In 2020 the City issued a Pension Obligation Bond

\*\* 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, 2020  
(UNAUDITED)**

<b>Fiscal Year Ending September 30,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>							
Service cost	\$ 458,273	\$ 481,584	\$ 463,655	\$ 421,007	\$ 245,298	\$ 230,254	\$ 238,163
Interest	1,720,116	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	175,998	(226,945)	19,624	(251,797)	(786,356)	103,860	-
Assumption changes	(300,528)	135,391	129,145	167,748	1,212,697	-	-
Contributions - buy back	-	63,761	43,564	-	-	-	-
Benefit payments including refunds of contributions	(1,224,798)	(1,060,255)	(976,061)	(982,669)	(933,688)	(1,348,403)	(882,183)
Net change in total pension liability	829,061	1,051,641	1,256,203	3,101,903	983,447	198,581	545,270
Total pension liability - beginning	22,937,137	21,885,496	20,629,293	17,527,390	16,543,943	16,345,362	15,800,092
Total pension liability - ending (a)	<u>\$ 23,766,198</u>	<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>
<b>Total Fiduciary Net Position</b>							
Contributions - employer	\$ 719,591	\$ 782,210	\$ 737,476	\$ 675,894	\$ 690,612	\$ 413,656	\$ 632,678
Contributions - state	177,893	183,517	186,995	176,996	178,044	392,128	39,565
Contributions - employee	270,299	266,161	252,277	61,764	59,223	50,369	45,249
Contributions - buy back	-	63,761	43,564	-	-	-	-
Net investment income	1,645,839	742,409	1,257,530	1,080,346	962,019	(72,360)	999,549
Benefit payments, including refunds of contributions	(1,224,798)	(1,060,255)	(976,061)	(982,669)	(933,688)	(1,348,403)	(882,183)
Administrative expense	(64,161)	(29,627)	(34,157)	(50,943)	(21,656)	(19,804)	(16,250)
Net change in plan fiduciary net position	1,524,663	948,176	1,467,624	961,388	934,554	(584,414)	818,608
Plan fiduciary net position - beginning	14,932,776	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>\$ 16,457,439</u>	<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>\$ 7,308,759</u>	<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	69.25%	65.10%	63.90%	60.68%	65.93%	64.20%	68.55%
Covered payroll	\$ 2,085,303	\$ 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	350.49%	362.74%	360.71%	418.58%	334.11%	376.73%	374.65%

**NOTES:**

*Changes in benefit terms:*

For measurement date 9/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

*Changes in assumptions:*

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 9/30/20, amounts reported as changes of assumptions resulted from lowering the investment return from 7.55% to 7.50%, net of investment related expenses. For measurement date 9/30/2019, amounts reported as changes of assumptions resulted from lowering the investment return from 7.6% to 7.55% per year, net of investment related expenses

\*\* 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, 2020  
(UNAUDITED)**

<b>Fiscal Year Ending September 30,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total Pension Liability							
Service cost	\$ 53,202	\$ 60,393	\$ 48,627	\$ 55,922	\$ 63,167	\$ 67,894	\$ 79,454
Interest	1,221,290	1,259,117	1,252,251	1,274,501	1,248,359	1,244,204	1,235,212
Difference between actual and expected experience	(133,700)	(601,889)	46,018	(511,151)	(570,758)	(2,077)	-
Assumption changes	(248,501)	-	250,564	-	989,394	-	-
Benefit payments including refunds of contributions	(1,182,130)	(1,247,455)	(1,133,112)	(1,072,544)	(1,268,722)	(1,234,650)	(1,139,505)
Net change in total pension liability	(289,839)	(529,834)	464,348	(253,272)	461,440	75,371	175,161
Total pension liability - beginning	16,821,731	17,351,565	16,887,217	17,140,489	16,679,049	16,603,678	16,428,517
Total pension liability - ending (a)	<u>\$ 16,531,892</u>	<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	\$ 733,738	\$ 813,325	\$ 656,988	\$ 503,935	\$ 563,121	\$ 585,936	\$ 557,646
Contributions - employee	32,451	25,209	27,621	24,813	25,913	29,971	30,176
Net investment income	730,618	449,642	913,431	1,028,577	1,052,550	(6,633)	1,203,892
Benefit payments, including refunds of contributions	(1,182,130)	(1,247,455)	(1,133,112)	(1,072,544)	(1,268,722)	(1,234,650)	(1,139,505)
Administrative expense	(90,812)	(53,600)	(34,262)	(42,257)	(36,156)	(30,510)	(25,430)
Net change in plan fiduciary net position	223,865	(12,879)	430,666	442,524	336,706	(655,886)	626,779
Plan fiduciary net position - beginning	12,485,896	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>\$ 12,709,761</u>	<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>\$ 3,822,131</u>	<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	76.88%	74.22%	72.03%	71.46%	67.83%	67.68%	71.94%
Covered payroll	\$ 1,081,710	\$ 817,412	\$ 799,160	\$ 700,400	\$ 738,138	\$ 1,017,523	\$ 761,318
Net pension liability as a percentage of covered payroll	353.34%	530.43%	607.24%	688.05%	747.14%	529.73%	611.95%

**NOTES:**

*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

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%

\*\* 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, 2020  
(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>
2020	\$ 772,890	\$ 6,099,319	\$ (5,326,429)	N/A	N/A
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: 10/1/2018

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, New UAAL amortization bases will be amortized over 17 years
Mortality:	<i>Healthy Lives:</i> Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% Pub S.H-2010 for Disabled Retirees
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:	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expect market value investment return) over a five-year period.

\* 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, 2020  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution (ADC)</u>	<u>Contributions in Relation to ADC</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as Percentage of Employee Payroll</u>
2020	\$ 898,766	\$ 897,484	\$ 1,282	\$ 2,085,303	43.04%
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: 10/1/2018 (AIS 01/31/2020)

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: *Healthy Lives:*  
Female: PubS.H-2010 for Employees, set forward one year.  
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.  
*Beneficiary Lives:*  
Female: PubG.H-2010 for Healthy Retirees  
Male: PubG.H-2010 for Healthy Retirees, set back one year.  
*Disabled Lives:*  
80% PubG.H-2010 for Disabled Retirees / 20% Pub S.H-2010 for Disabled Retirees

Interest Rate: 7.50% 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: 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 January 18,2017.

<u>Service</u>	<u>% Terminating During the Year</u>
<1	15.00%
1-4	9.00%
5-9	4.00%
10-14	3.00%
15+	2.00%

Disability Rates

Other Information:

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.03%
30	0.04%
40	0.07%
50	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, 2020  
(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>
2020	\$ 731,236	\$ 733,738	\$ (2,502)	\$ 1,081,710	67.83%
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: 10/1/2018

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: PubG.H-2010 (Below Median) for Employees. Prior (2019) year assumption: RP2000 Generational, , 100% Annuitant White Collar, Scale BB.  
Male: PubG.H-2010 (Below Median) for employees, set back one year. Prior (2019) year assumption: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB  
*Disabled Lives*  
PubG.H-2010 for Disabled Retirees, set forward three years. Prior (2019) year assumptions: Female: 100% RP2000 Disabled Female set forward two years.  
Male: 100% RP2000 Disabled Male set back four years.  
7.50% per year compounded annually, net of investment related expenses. Prior (2019) year: 7.65% per year, compounded annually, net of investment-related expenses.  
Interest Rate: 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.  
Retirement Age: None.  
Early Retirement: 5.0% per year until assumed retirement  
Salary Increases: None.  
Payroll Growth: 3% per year following completion of 10 years of retirement on old benefit  
Cost-of-Living Adjustment: All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses over a five-year period. Prior (2019) year 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.  
Asset Valuation Method: See table below.  
Termination Rates: See table below.  
Disability Rates: Termination and Disability Rate Table:  
Other Information:

<b>Age</b>	<b>% Terminating During the Year</b>	<b>% Becoming Disabled During the Year</b>
20	28.4%	0.050%
25	27.4%	0.050%
30	24.8%	0.060%
35	19.5%	0.070%
40	13.5%	0.120%
45	7.9%	0.220%
50	2.8%	0.430%
55	1.0%	0.890%
60	0.8%	1.610%
65+	0.0%	2.800%

\*\* 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, 2020**  
**(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>
2020	9.94%	11.13%	5.98%
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, 2020**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Transportation Impact Fee	Building	Fleet	Police Confiscation	
<b>ASSETS</b>					
Cash and investments	\$ 225,472	\$ 1,220,477	\$ 637,866	\$ 5,403	\$ 2,089,218
Receivables, net	-	100	-	-	100
Prepaid items	-	1,054	-	-	1,054
<b>Total assets</b>	<u>\$ 225,472</u>	<u>\$ 1,221,631</u>	<u>\$ 637,866</u>	<u>\$ 5,403</u>	<u>\$ 2,090,372</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 3,813	\$ 24,028	\$ -	\$ -	\$ 27,841
Customer deposits	-	41,258	-	-	41,258
<b>Total liabilities</b>	<u>3,813</u>	<u>65,286</u>	<u>-</u>	<u>-</u>	<u>69,099</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	-	1,054	-	-	1,054
Restricted for:					
Building department	-	1,134,191	-	-	1,134,191
Law enforcement	-	-	-	5,403	5,403
Transportation improvements	221,659	-	-	-	221,659
Assigned to:					
Fleet Fund	-	-	637,866	-	637,866
Compensated Absences	-	21,100	-	-	21,100
<b>Total fund balances</b>	<u>221,659</u>	<u>1,156,345</u>	<u>637,866</u>	<u>5,403</u>	<u>2,021,273</u>
<b>Total liabilities and fund balances</b>	<u>\$ 225,472</u>	<u>\$ 1,221,631</u>	<u>\$ 637,866</u>	<u>\$ 5,403</u>	<u>\$ 2,090,372</u>

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

**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, 2020**

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Transportation Impact Fee</b>	<b>Building</b>	<b>Fleet</b>	<b>Police Confiscation</b>	
<b>REVENUES</b>					
Permits and fees	\$ 4,120	\$ 1,106,602	\$ -	\$ -	\$ 1,110,722
Investment income	1,554	6,277	1,122	38	8,991
Total revenues	5,674	1,112,879	1,122	38	1,119,713
<b>EXPENDITURES</b>					
Current:					
General government	-	580,520	-	-	580,520
Capital outlay	-	-	160,311	-	160,311
Total expenditures	-	580,520	160,311	-	740,831
Excess (deficiency) of revenues over expenditures	5,674	532,359	(159,189)	38	378,882
<b>Other financing sources (uses)</b>					
Transfers in	-	-	797,055	-	797,055
Transfers out	-	(3,500)	-	-	(3,500)
Total other financing sources (uses)	-	(3,500)	797,055	-	793,555
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	5,674	528,859	637,866	38	1,172,437
<b>Fund balances, beginning of year</b>	215,985	627,486	-	5,365	848,836
<b>Fund balances, end of year</b>	<u>\$ 221,659</u>	<u>\$ 1,156,345</u>	<u>\$ 637,866</u>	<u>\$ 5,403</u>	<u>\$ 2,021,273</u>

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

**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, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Permits and fees	\$ 715,000	\$ 715,000	\$ 1,106,602	\$ 391,602
Investment income	5,000	5,000	6,277	1,277
Total revenues	<u>720,000</u>	<u>720,000</u>	<u>1,112,879</u>	<u>392,879</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Planning	<u>722,868</u>	<u>722,868</u>	<u>580,520</u>	<u>142,348</u>
Total expenditures	<u>722,868</u>	<u>722,868</u>	<u>580,520</u>	<u>142,348</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
Net change in fund balances	<u>(6,368)</u>	<u>(6,368)</u>	<u>528,859</u>	<u>535,227</u>
<b>Fund balances, beginning of year</b>	627,486	627,486	627,486	-
<b>Fund balances, end of year</b>	<u><u>\$ 621,118</u></u>	<u><u>\$ 621,118</u></u>	<u><u>\$ 1,156,345</u></u>	<u><u>\$ 535,227</u></u>

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FLEET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 1,122	\$ 1,122
Total revenues	-	-	1,122	1,122
<b>EXPENDITURES</b>				
Current:				
Capital outlay	217,000	217,000	160,311	56,689
Total expenditures	217,000	217,000	160,311	56,689
<b>Other financing sources (uses)</b>				
Transfers in	797,055	797,055	797,055	-
Transfers out	-	-	-	-
Total other financing sources (uses)	797,055	797,055	797,055	-
Net change in fund balances	580,055	580,055	637,866	57,811
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ 580,055</u>	<u>\$ 580,055</u>	<u>\$ 637,866</u>	<u>\$ 57,811</u>

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

**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, 2020**

	<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	\$ 1,024,900	\$ 1,024,900	\$ 1,053,728	\$ 28,828
Intergovernmental	612,500	7,472,588	1,550,715	(5,921,873)
Investment income	40,000	40,000	51,524	11,524
Total revenues	<u>1,677,400</u>	<u>8,537,488</u>	<u>2,655,967</u>	<u>(5,881,521)</u>
<b>EXPENDITURES</b>				
Current:				
Public works:				
Administration	-	-	235,598	(235,598)
Capital outlay	12,467,064	18,654,179	6,208,915	12,445,264
Debt service:				
Principal retirement	345,000	345,000	265,000	80,000
Interest and fiscal charges	<u>486,082</u>	<u>486,082</u>	<u>484,069</u>	<u>2,013</u>
Total expenditures	<u>13,298,146</u>	<u>19,485,261</u>	<u>7,193,582</u>	<u>12,291,679</u>
Excess (deficiency) of revenues over expenditures	<u>(11,620,746)</u>	<u>(10,947,773)</u>	<u>(4,537,615)</u>	<u>6,410,158</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,000,000	4,865,709	4,865,709	-
Net change in fund balances	<u>(7,620,746)</u>	<u>(6,082,064)</u>	<u>328,094</u>	<u>6,410,158</u>
<b>Fund balances, beginning of year</b>	5,471,924	5,471,924	5,471,924	-
<b>Fund balances, end of year</b>	<u>\$ (2,148,822)</u>	<u>\$ (610,140)</u>	<u>\$ 5,800,018</u>	<u>\$ 6,410,158</u>

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

**CITY OF ST. PETE BEACH, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**EMERGENCY MEDICAL SERVICES (EMS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**REVENUES**

EMS operating reimbursement	\$ 1,930,714
Total revenues	<u>1,930,714</u>

**EXPENDITURES**

Current:

Salaries, wages, and employees benefits	2,000,636
Contract services	9,305
Insurance	15,196
Repairs and maintenance	23,884
Uniforms	7,402
Fuel	4,761
Other	5,025
Capital outlay	<u>8,739</u>
Total expenditures	2,074,948

<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u><u>\$ (144,234)</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

## 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>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>	<u>2020</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 52,565,902
Restricted	369,866	387,549	388,582	414,080	683,376	3,005,075	2,819,838	8,474,445	1,395,435	1,907,602
Unrestricted	<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>	<u>(2,369,988)</u>
Total governmental activities net position	<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>	<u>52,103,516</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 20,617,331
Restricted	2,360,200	1,869,900	1,373,720	875,172	260,195	172,025	219,928	2,191,481	2,195,150	2,315,174
Unrestricted	<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>	<u>4,885,562</u>
Total business-type activities net position	<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>	<u>27,818,067</u>
<b>Total primary government</b>										
Net investment in capital assets	\$ 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	\$ 73,183,233
Restricted	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	4,222,776
Unrestricted	<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>	<u>2,515,574</u>
Total primary government net position	<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>	<u>79,921,583</u>

Note:

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>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>	<u>2020</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,825,077	\$ 3,133,994	\$ 2,740,336	\$ 2,655,993	\$ 3,041,062	\$ 3,321,599	\$ 5,049,394	\$ 3,356,645	\$ 4,032,184	\$ 4,345,118
Public safety	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	5,924,365
Public works	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	4,173,006
Culture and recreation	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	3,689,187
Interest and fees on long term-debt	203,379	147,049	123,922	109,061	227,514	471,029	507,083	508,910	490,244	672,342
Total governmental activities expenses	<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>	<u>18,804,018</u>
Business-type activities:										
Wastewater	\$ 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	\$ 4,803,321
Reclaimed water	819,844	884,287	772,697	709,244	761,196	831,244	841,137	755,705	764,551	786,299
Stormwater	152,728	259,057	332,920	243,292	320,452	391,015	451,741	519,746	634,679	779,748
Total business-type activities expenses	<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>	<u>6,369,368</u>
Total primary government expenses	<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>	<u>25,173,386</u>
<b>Program revenues</b>										
Governmental activities:										
Charges for service										
General government	\$ 1,958,392	\$ 2,328,005	\$ 2,384,818	\$ 2,625,268	\$ 2,890,515	\$ 3,046,295	\$ 3,844,693	\$ 4,119,518	\$ 4,406,722	\$ 5,336,652
Public safety	169,361	143,527	41,819	147,864	24,649	53,518	75,117	84,186	69,337	69,797
Public works	536,404	-	-	-	-	-	-	-	-	25,120
Culture and recreation	25,048	599,680	765,787	751,239	856,764	1,055,449	1,045,575	1,097,056	1,192,666	949,430
Operating grants and contributions	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	2,156,338
Capital grants and contributions	316,946	1,143,600	353,008	6,309	2,810	919,891	87,714	640,389	3,279,516	180,827
Total governmental activities program revenues	<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>	<u>8,718,164</u>
Business-type activities:										
Charges for service										
Wastewater	\$ 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	\$ 6,647,101
Reclaimed water	699,152	797,045	800,471	864,886	869,447	866,099	849,628	863,271	853,663	1,025,050
Stormwater	264,594	610,966	637,350	636,163	644,968	862,478	1,005,387	1,099,125	1,190,234	1,276,363
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	244,919
Total business-type activities program revenues	<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>	<u>9,193,433</u>
Total primary government program revenues	<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>	<u>17,911,597</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (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)	\$ (10,085,854)
Business-type activities	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	2,824,065
Total primary government net expense	<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>	<u>(7,261,789)</u>

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

	<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>	<u>2020</u>
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 9,961,492
Sales taxes	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	1,647,760
Franchise fees and utility taxes	3,323,335	3,209,993	3,187,616	3,386,877	3,373,281	3,312,619	3,269,998	3,301,671	3,471,683	3,476,989
Other taxes	416,127	461,571	456,578	470,427	456,808	362,120	411,279	419,938	421,126	395,487
Intergovernmental revenue	264,996	265,814	267,052	269,354	272,972	273,574	1,467,061	1,471,523	465,776	1,646,001
Investment earnings	2,491	13,413	9,700	9,320	17,210	66,585	150,154	297,731	326,849	210,394
Miscellaneous	105,241	146,592	93,367	68,078	108,059	49,193	86,481	104,888	289,083	44,120
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>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>	<u>17,382,243</u>
Business-type activities:										
Investment income	26,434	9,616	4,584	2,132	1,827	29,313	63,411	104,084	137,757	75,666
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>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>	<u>75,666</u>
Total primary government	<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>	<u>\$ 17,457,909</u>
<b>Total change in net position</b>										
Governmental activities	\$ 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	\$ 7,296,389
Business-type activities	<u>1,569,715</u>	<u>1,275,267</u>	<u>1,547,673</u>	<u>1,652,009</u>	<u>1,373,452</u>	<u>2,239,062</u>	<u>(1,808,303)</u>	<u>2,651,149</u>	<u>4,579,330</u>	<u>2,899,731</u>
Total primary government	<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>	<u>\$ 10,196,120</u>

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

	<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>	<u>2020</u>
General Fund:										
Nonspendable	\$ 920,961	\$ 352,325	\$ 284,467	\$ 211,956	\$ 211,818	\$ 208,978	\$ 142,170	\$ 77,211	\$ 200,709	\$ 58,507
Restricted	198,063	198,063	198,063	198,063	198,063	2,477,505	2,497,700	151,518	150,000	748,292
Committed	-	-	-	-	431,487	-	-	-	-	-
Assigned	565,656	543,695	412,809	483,073	611,860	1,041,737	863,452	2,198,154	1,363,300	770,914
Unassigned	<u>3,229,855</u>	<u>3,617,274</u>	<u>4,124,482</u>	<u>4,800,833</u>	<u>5,348,413</u>	<u>6,052,922</u>	<u>6,512,890</u>	<u>7,765,768</u>	<u>7,617,320</u>	<u>9,242,154</u>
Total General Fund	<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>	<u>10,819,867</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343	\$ -	\$ 110,017
Restricted	171,803	189,484	190,519	216,017	12,885,834	12,193,093	16,850,788	11,665,073	2,685,001	1,757,602
Committed	-	-	-	-	494,378	-	-	-	-	-
Assigned	-	561,608	1,372,620	2,093,244	2,448,141	-	-	-	3,635,759	5,953,672
Unassigned	<u>(198,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>7,821,291</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues by source:</b>										
Taxes	\$ 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	\$ 15,481,728
Permits and fees	459,849	516,512	540,699	640,300	713,346	804,309	1,040,026	1,193,069	1,202,203	2,401,812
Intergovernmental revenue	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	4,119,496
Charges for services	1,768,756	2,135,514	2,212,547	2,292,991	2,592,614	2,960,646	3,736,594	4,230,221	4,361,885	4,285,759
Investment income	2,491	13,413	9,700	9,320	17,210	31,396	150,154	297,731	326,849	210,394
Miscellaneous	570,104	544,739	506,876	694,489	561,817	2,476,911	820,324	1,114,725	1,160,584	114,080
Total revenues	15,364,132	16,713,197	17,127,131	16,403,437	17,914,795	21,736,949	22,026,941	24,273,069	27,492,307	26,613,269
<b>Expenditures by function:</b>										
General government	\$ 3,151,614	\$ 3,483,874	\$ 3,208,279	\$ 3,202,472	\$ 3,415,010	\$ 4,215,918	\$ 3,605,797	\$ 3,786,067	\$ 5,323,803	\$ 4,791,870
Public safety (1)	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	12,942,901
Public works	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	2,220,766
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	2,910,629
Capital outlay	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	6,551,091
Debt service:										
Principal	1,169,185	760,000	495,000	422,010	437,930	774,637	721,383	748,171	260,000	265,000
Interest and fiscal charges	194,704	144,126	121,397	106,855	241,985	360,768	548,338	522,496	491,869	641,943
Total expenditures	15,489,836	16,173,218	15,742,347	15,447,639	15,989,192	22,539,752	23,079,056	29,176,809	33,698,285	30,324,200
Excess (deficit) revenue over expenditures	(125,704)	539,979	1,384,784	955,798	1,925,603	(802,803)	(1,052,115)	(4,903,740)	(6,205,978)	(3,710,931)
<b>Other financing sources (uses)</b>										
Capital lease obligation incurred	\$ -	\$ -	\$ -	\$ 379,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt proceeds	-	-	-	-	13,048,318	-	-	-	-	6,700,000
Sale of surplus capital assets	16,296	34,298	19,056	4,400	23,615	-	-	-	-	-
Transfers in	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	5,662,764
Transfers out	(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)	(5,662,764)
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)	16,296	34,298	(264,273)	464,428	12,701,205	147,044	5,436,541	(105,193)	-	6,700,000
Total net change in fund balances	(109,408)	574,277	1,120,511	1,420,226	14,626,808	(655,759)	4,384,426	(5,008,933)	(6,205,978)	2,989,069
<b>Debt service as a percentage of non-capital expenditures</b>										
	9.6%	6.2%	4.3%	3.8%	4.8%	7.1%	7.7%	7.3%	4.1%	3.8%

Notes:

1) FY 2020 public safety expenditures included a \$6,000,000 pension contribution, utilizing borrowed pension obligation debt.

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

	<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>2020</b>
Property Tax	\$ 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	\$ 9,961,492
Utility Service Tax	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	1,774,878
Franchise Fees	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	1,702,111
Local Option Sales Tax	719,060	761,136	804,221	858,293	923,839	971,639	997,929	1,045,701	1,111,847	1,053,728
Half Cent Sales Tax	485,227	491,998	513,577	539,946	567,057	634,191	593,240	616,236	627,716	594,032
Casualty & Fire Insurance Premium Tax	244,087	292,403	277,654	297,977	269,876	264,986	270,811	284,985	290,938	277,211
County Gas Tax	<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>	<u>118,276</u>
Total	<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>	<u>\$ 15,481,728</u>

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

	<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>2020</b>
Tax roll	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Estimated actual value <sup>1</sup>	\$ 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	\$ 4,157,370,518
Assessed values:										
Residential property	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	2,626,622,072
Commercial property	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	743,396,747
Government property	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	43,198,296
Institutional property	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	23,821,676
Other real property	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	10,343,749
Personal property	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	76,766,625
Total assessed value	<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>	<u>3,524,149,165</u>
Less: property tax exemptions	(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)	(265,561,857)
Total taxable value	<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>	<u>3,258,587,308</u>
Total direct tax rate <sup>2</sup>	2.7514	2.9464	3.3697	2.8569	3.1500	3.1500	3.1500	3.1500	3.1500	3.1500
Assessed value as a percentage of actual value	90.1%	92.2%	95.5%	91.3%	87.3%	85.6%	85.1%	82.4%	84.4%	84.8%
Taxable value as a percentage of actual value	80.5%	82.3%	83.1%	81.8%	78.7%	77.6%	77.5%	75.4%	77.8%	78.4%

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**

<b>Fiscal Year</b>	<b>City of St. Pete Beach</b>			<b>Pinellas County</b>			<b>Pinellas County School Board</b>			<b>Emerg.</b>	<b>Pinellas</b>	<b>Juvenile</b>	<b>Southwest Florida Water Management</b>	<b>Pinellas Anclote River Basin</b>	<b>Total</b>
	<b>Operating Millage</b>	<b>Debt Millage</b>	<b>Total City</b>	<b>Operating Millage</b>	<b>Health Department</b>	<b>Total County</b>	<b>State Operating</b>	<b>Local Operating</b>	<b>Total School</b>	<b>Medical Services</b>	<b>Planning Council</b>	<b>Welfare Board</b>	<b>District</b>	<b>River Basin</b>	
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
2020	3.1500	0.0000	3.1500	5.2755	0.0835	5.3590	3.8360	2.7480	6.5840	0.9158	0.0150	0.8981	0.2801	0.0000	17.2020

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	2020		2011	
	Taxable Value	Rank	Taxable Value	Rank
HHR St. Pete Beach LLC	96,088,806	1		
GPIF Sirata LLC	85,000,000	2		
TPG St Pete Beach LLC	40,000,000	3		
Vacation Trust Inc Tre	37,409,134	4		
Grand Plaza Hotel Owner LLC	35,319,026	5		
PNC Bank Na Tre	30,552,500	6		
St Pete Beach Hotels LLC	24,000,000	7		
HHR Beach House LLC	22,500,000	8		
Beachcomber Hotel Owner LLC	21,238,124	9		
5500-5600 Gulf Blvd IG LLC	18,250,000	10		
Don CeSar Resort Hotel			46,197,377	1
Nicklaus, H Gregg Tre			23,500,000	2
RIA - Sandpiper Inc			15,000,000	3
Dolphin Village Partners, LLC			14,896,883	4
RIA - Breckenridge, Inc.			14,250,000	5
St. Pete Partners LLC			11,703,240	6
Grand Plaza Resorts			10,100,000	7
RIA - Tradewinds, Inc.			9,335,048	8
Dolphin Holdings, LTD			9,300,000	9
Alden Enterprises, Inc.			8,300,000	10
Total taxable value of ten largest taxpayers	410,357,590	12.59%	162,582,548	7.67%
Total taxable value of other taxpayers	2,848,229,718	87.41%	1,958,378,493	92.33%
Total taxable value of all taxpayers	3,258,587,308	100%	2,120,961,041	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>	
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%	253,019
2020	2019	3,258,587,308	3.1500	10,264,550	9,961,492	97.0%	240

Note:

Fiscal year 2020 collections in subsequent years are reported through February 2021.

Source:

Pinellas County Property Appraiser

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

	<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>2020</b>
<b>Governmental activities:</b>										
General Obligation (G.O.) Bonds, 1993	315,000	160,000	-	-	-	-	-	-	-	-
Revenue Bond, Series 2001 & 2006	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	11,665,000
Police Pension Obligation Revenue Bonds, Series 2019	-	-	-	-	-	-	-	-	-	6,700,000
Capital leases payable	-	-	-	302,121	229,191	154,554	78,171	-	-	-
Total governmental activities	<u>\$ 3,170,000</u>	<u>\$ 2,410,000</u>	<u>\$ 1,915,000</u>	<u>\$ 1,872,121</u>	<u>\$ 14,434,191</u>	<u>\$ 13,659,554</u>	<u>\$ 12,938,171</u>	<u>\$ 12,190,000</u>	<u>\$ 11,930,000</u>	<u>\$ 18,365,000</u>
<b>Business-type activities:</b>										
State Revolving Loan, 1992	2,190,474	1,671,186	1,133,436	576,600	-	-	-	-	-	-
Wastewater Revenue Bonds, Series 2003 & 2005	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	1,279,497
Wastewater Revenue Bond, Series 2015	-	-	-	-	5,000,000	4,838,000	4,664,000	4,482,000	4,293,000	4,097,000
Stormwater Revenue Bond, Series 2015	-	-	-	-	3,000,000	2,916,000	2,745,000	2,569,000	2,388,000	2,201,000
Capital leases payable	32,837	-	-	-	-	356,843	289,173	219,702	148,383	75,165
Total business-type activities	<u>\$ 5,169,898</u>	<u>\$ 4,442,499</u>	<u>\$ 3,735,205</u>	<u>\$ 3,004,308</u>	<u>\$ 10,249,010</u>	<u>\$ 10,176,395</u>	<u>\$ 9,573,488</u>	<u>\$ 8,952,526</u>	<u>\$ 8,312,689</u>	<u>\$ 7,652,662</u>
<b>Total primary government outstanding debt</b>	<u>\$ 8,339,898</u>	<u>\$ 6,852,499</u>	<u>\$ 5,650,205</u>	<u>\$ 4,876,429</u>	<u>\$ 24,683,201</u>	<u>\$ 23,835,949</u>	<u>\$ 22,511,659</u>	<u>\$ 21,142,526</u>	<u>\$ 20,242,689</u>	<u>\$ 26,017,662</u>
Total outstanding debt as percent of personal income	1.9%	1.7%	1.3%	1.1%	5.4%	4.8%	4.2%	3.9%	3.6%	4.5%
Total outstanding debt per capita	\$ 829	\$ 736	\$ 604	\$ 515	\$ 2,633	\$ 2,522	\$ 2,311	\$ 2,172	\$ 2,070	\$ 2,662
General bonded debt as percent of property tax value	0.01%	0.01%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General bonded debt per capita	\$ 31	\$ 17	N/A	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**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to City of St. Pete Beach</b>	<b>Amount Applicable to City of St. Pete Beach</b>
<b>City of St. Pete Beach</b>			
Total direct debt	\$ 18,365,000	100%	\$ 18,365,000
<b>Pinellas County Government:</b>			
Governmental Activities Notes	12,691,808	3.8%	483,888
Capital Leases	615,497	3.8%	23,466
<b>Pinellas County School Board:</b>			
Certificates of Participation	61,059,813	3.5%	2,139,143
Bonds	14,000	3.5%	490
Capital Leases	3,873,480	3.5%	135,702
Total overlapping debt	78,254,598		2,782,690
Total direct and overlapping debt			\$ 21,147,690
Total direct and overlapping debt as a percentage of personal income			3.9%
Total direct and overlapping debt per capita			\$ 2,172

Note:

The applicable share of overlapping debt is calculated based on the ratio of the City of St. Pete Beach taxable property value (\$3,258,587,308) to Pinellas County (\$85,468,863,997) and Pinellas County School Board (\$93,013,302,612) respective taxable property 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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Obligation (G.O.) Bonds, 1993</b>										
Pledged revenue - property taxes	\$ 5,659,947	\$ 5,641,473	\$ 6,474,606	-	-	-	-	-	-	-
Total debt service requirement	169,150	171,357	168,400	-	-	-	-	-	-	-
Coverage ratio	33.46	32.92	38.45	-	-	-	-	-	-	-
<b>State Revolving Loan, 1992</b>										
Gross pledged revenue - reclaimed water fees	\$ 683,605	\$ 781,555	\$ 775,886	\$ 842,702	\$ 846,638	-	-	-	-	-
Net available revenue (gross revenue less operating expenses; plus sale of other assets)	681,910	698,798	787,196	897,992	829,543	-	-	-	-	-
Total debt service requirement	597,101	597,101	597,101	597,101	581,763	-	-	-	-	-
Coverage ratio	1.14	1.17	1.32	1.50	1.43	-	-	-	-	-
<b>Revenue Bonds, Series 2001 &amp; 2006</b>										
Pledged revenue - Infrastructure Sales Tax (1)	\$ 719,060	\$ 761,136	\$ 804,221	\$ 858,293	\$ 923,839	\$ 971,639	\$ 997,929	-	-	-
Total debt service requirement	729,980	727,729	444,150	440,750	443,500	445,250	441,000	-	-	-
Coverage ratio	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	\$ 4,290,856
Total debt service requirement	-	-	-	-	-	749,681	746,769	746,869	746,569	745,970
Coverage ratio	-	-	-	-	-	5.53	5.36	5.51	5.76	5.75
<b>Wastewater Revenue Bonds, Series 2003 &amp; 2005</b>										
Gross pledged revenue - sewer service fees	\$ 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	\$ 6,647,101
Net available revenue (gross revenue less operating expenses and parity debt service requirements)	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	1,684,356
Total debt service requirement	261,898	251,627	241,555	241,283	241,555	241,356	241,555	241,556	241,558	241,558
Coverage ratio	6.95	5.05	5.42	6.32	6.51	2.77	8.18	4.62	5.82	6.97
<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	\$ 6,647,101
Net available revenue (gross revenue less operating expenses)	-	-	-	-	-	1,037,899	2,289,065	1,486,028	1,774,540	2,053,056
Total debt service requirement	-	-	-	-	-	368,488	369,493	369,176	368,579	368,700
Coverage ratio	-	-	-	-	-	2.82	6.20	4.03	4.81	5.57
<b>Stormwater Revenue Bonds, Series 2015</b>										
Gross pledged revenue - Stormwater assessment	-	-	-	-	-	\$ 862,478	\$ 1,005,287	\$ 1,099,125	\$ 1,190,234	\$ 1,276,363
Net available revenue (gross revenue less operating expenses)	-	-	-	-	-	525,021	575,164	656,910	627,789	563,382
Total debt service requirement	-	-	-	-	-	167,338	255,768	255,694	256,074	255,529
Coverage ratio	-	-	-	-	-	3.14	2.25	2.57	2.45	2.20

**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>Per Capita</b>		<b>Median Age</b>	<b>Unemployment Rate (1)</b>
		<b>Personal Income</b>	<b>Personal Income</b>		
2011	10,063	449,393,454	44,658	56.8	10.8%
2012	9,307	397,883,557	42,751	56.8	7.2%
2013	9,357	435,587,064	46,552	57.5	5.7%
2014	9,471	451,037,433	47,623	55.9	5.6%
2015	9,373	460,036,213	49,081	56.1	4.0%
2016	9,452	493,073,032	52,166	58.6	4.1%
2017	9,739	539,238,691	55,369	59.4	3.2%
2018	9,735	548,294,670	56,322	59.7	2.9%
2019	9,779	565,245,758	57,802	60.3	3.0%
2020	9,775	580,429,725	59,379	60.5	5.9%

Sources:

Pinellas County Economic Development

Pinellas County Schools

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

Notes:

(1) 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**

Employer	2020			2011		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Tradewinds Resort	500	1	5.1%	650	1	
The Don CeSar Beach Resort	300	2	3.0%	550	2	
Grand Plaza Hotel	200	3	2.0%	100	7	
City of St. Pete Beach	150	4	1.5%	119	6	
Publix Supermarkets	150	4	1.5%	200	4	
Sirata Beach Resort	100	6	1.0%	300	3	
Beachcomber Resort	80	7	0.8%			
Dolphin Beach Resort	75	8	0.8%			
Hotel Zamora	70	9	0.7%			
Toasted Monkey Restaurant	70	9	0.7%			
Stucco Texture & Plaster, Inc.				150	5	
Fortune Hotels				100	7	
Hurricane Lounge, Inc.				100	7	
Sandpiper Hotel & Suites				99	10	
Total employment of ten largest employers	<u>1,695</u>		17.1%	<u>2,368</u>		
Total employment of other employers	<u>8,198</u>		82.9%			
Total employment of all employers (1)	<u><u>9,893</u></u>		100.0%			

Source:

Pinellas County Economic Development

Note:

(1) 2011 total employment data unavailable.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function</b>										
General government										
City Manager	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
City Clerk	3.13	3.13	3.13	2.88	2.88	2.63	2.75	2.75	3.00	3.00
Community Development	6.00	6.00	6.00	7.00	7.00	7.00	11.00	12.40	13.03	13.03
Finance	4.00	4.00	4.00	4.00	4.00	3.20	3.00	3.63	4.63	5.63
Library	6.50	6.50	6.50	7.43	7.15	7.15	7.15	7.15	7.40	7.40
Parking Enforcement	2.00	2.00	2.00	2.00	2.20	3.00	3.35	3.35	3.35	3.50
Information Technology	1.80	1.80	1.80	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Public Safety										
Law Enforcement (1)	33.00	33.00	33.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire/EMS	29.75	29.75	29.75	29.75	32.00	32.00	35.00	35.00	35.00	35.63
Public Works	30.14	28.94	18.33	17.00	18.00	19.00	22.19	25.80	29.00	22.00
Parks and Recreation (2,3)	0.00	0.00	11.36	13.83	13.83	15.14	15.34	15.59	16.54	24.77
<b>Total (4)</b>	<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>	<u>118.96</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) Parks was reported under Public Works prior FY 2020.

(4) 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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function</b>										
Public Safety										
Law enforcement calls for service	11,790	12,891	23,469	7,023	6,324	6,962	6,218	5,816	5,655	5,815
Felony arrests	102	103	141	147	159	206	219	116	150	75
Traffic citations	2,081	1,085	3,235	1,629	2,986	2,799	3,903	2,769	3,071	2,095
Parking violations	3,314	2,520	3,190	2,612	2,904	5,039	4,093	4,293	4,133	5,502
Fire structure responses	93	116	41	59	288	386	455	645	736	693
EMS medical calls	1,844	1,793	1,910	1,880	1,831	2,267	2,707	2,380	2,279	2,215
EMS auto crash responses	128	120	41	120	114	182	89	137	139	114
EMS water rescues	35	36	18	30	15	65	81	52	53	85
Public Works										
Street resurfacing (miles)	0.30	1.18	-	0.95	1.20	-	4.23	2.42	5.64	2.96
Culture and Recreation										
Summer camp participation	143	191	138	328	398	216	156	142	699	623
Recreation classes offered	28	37	49	53	59	39	42	45	37	39
Recreation program participation	4,202	38,217	46,890	58,390	62,000	68,778	89,551	112,655	115,302	56,003
Facility rentals booked (1)	226	361	318	250	321	290	212	205	61	33
Library materials borrowed	173,937	172,082	153,213	154,360	165,548	157,044	147,211	149,988	133,597	92,578
Library reference questions	9,276	14,745	15,706	15,685	17,620	22,414	27,724	20,623	17,842	18,745
Wastewater										
Average daily sewer flow (mgd)	2.49	3.00	2.63	2.95	2.78	2.99	2.87	2.61	2.61	2.56
Miles of sewer lines	42	42	42	42	42	42	42	42	42	42
Reclaimed Water										
Average daily consumption (mgd)	2.60	2.40	2.10	1.60	1.90	2.20	3.02	2.89	2.92	2.80

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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function</b>										
Public Safety										
Police Stations	1	1	1	1	0	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)	35.5	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	40	40	40	40	40	40
Playgrounds	7	5	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)	2.49	3	2.63	2.95	2.78	2.99	2.87	2.61	2.61	2.56
Reclaimed water										
Reclaimed lines (miles)	40	40	40	40	40	40	40	40	40	40

Source:

Various City Departments

**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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2021.

***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) as a basis for designing 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.

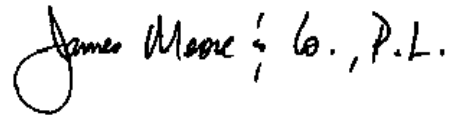
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and 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 financial statements. 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, flowing style.

Daytona Beach, Florida  
March 29, 2021

**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, 2020, and have issued our report thereon dated March 29, 2021.

**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*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 29, 2021, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, if applicable.

**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 for the City. 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 did not have any such recommendations.

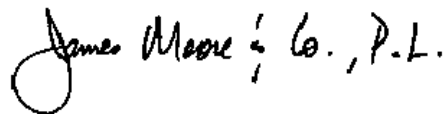
## **Additional Matters**

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  
March 29, 2021

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

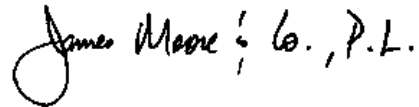
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2020. 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, 2020, 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, 2020.



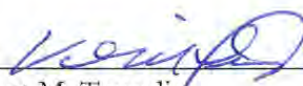
Daytona Beach, Florida  
March 29, 2021

## 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 29th day of March, 2021.



NOTARY PUBLIC

Print Name \_\_\_\_\_

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

Type of identification produced: \_\_\_\_\_

My Commission Expires:

