CITY OF ST. PETE BEACH, FLORIDA

Comprehensive
Annual Financial Report

For the Year Ended September 30, 2014

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Annual Financial Report

For the Year Ended September 30, 2014

Prepared by Finance Department

CITY OF ST. PETE BEACH,
FLORIDA

CITY COMMISSION / CITY MANAGER
FORM OF GOVERNMENT

CITY COMMISSION

Maria Lowe
MAYOR

Melinda Pletcher
VICE-MAYOR

Teresa Finnerty

Domonick Falkenstein

Gregory Premer

CITY OFFICIALS

Elaine Edmunds
INTERIM CITY MANAGER

CITY CLERK
Rebecca Haynes

CITY ATTORNEY
Andrew Dickman

ADMINISTRATIVE SERVICES DIRECTOR
Elaine Edmunds

FIRE CHIEF
Dan Graves

INTERIM COMMUNITY DEVELOPMENT DIRECTOR
Dan Graves

PUBLIC SERVICES DIRECTOR
Steven Hallock

RECREATION DIRECTOR
Jennifer McMahon

Introductory Section

CITY OF ST. PETE BEACH, FLORIDA

SEPTEMBER 30, 2014

TABLE OF CONTENTS

INTRODUCTORY SECTION

TABLE OF CONTENTS	i
LETTER OF TRANSMITTAL	v
CERTIFICATE OF ACHIEVEMENT	ix
ORGANIZATIONAL CHART	xi

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	18
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	20
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position - Governmental Activities	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities – Governmental Activities	23

TABLE OF CONTENTS (Continued)

Proprietary Fund Financial Statements

Balance Sheet – Proprietary Funds – Business-type Activities – Enterprise Funds 24
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds – Business-type Activities – Enterprise Funds 27
Statement of Cash Flows - Proprietary Funds – Business-type Activities – Enterprise Funds 28

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position 30
Statement of Changes in Fiduciary Net Position 31

Notes to Financial Statements 32

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

General Fund 67

COMBINING FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Combining Balance Sheet 71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 72

Fiduciary Funds

Combining Statement of Fiduciary Net Position 73
Combining Statement of Changes in Fiduciary Net Position 74

OTHER SUPPLEMENTARY SCHEDULES

Comparative Balance Sheet – General Fund 75
Schedule of Revenues and Expenses Compared With Budget - Proprietary Fund - Wastewater 76
Schedule of Revenues and Expenses Compared With Budget - Proprietary Fund – Reclaimed Water 77
Schedule of Revenues and Expenses Compared With Budget - Proprietary Fund – Stormwater 78
Reconciliation of Total Fund Balance for the Governmental Funds to Total Net Position for Governmental Activities 79
Reconciliation of Net Change in Fund Balances for the Governmental Funds to Change in Net Position for Governmental Activities 80

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION

Schedules of Financial Trends Information

Schedule	1	-	Net Position by Component - Last Ten Fiscal Years	82
Schedule	2	-	Changes in Net Position - Last Ten Fiscal Years	84
Schedule	3	-	Fund Balances, Governmental Funds - Last Ten Fiscal Years	86
Schedule	4	-	Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	88
Schedule	5	-	Program Revenue by Function / Program – Last Ten Fiscal Years	90
Schedule	6	-	Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years	92

Schedules of Revenue Capacity Information

Schedule	7	-	Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	94
Schedule	8	-	Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	96
Schedule	9	-	Principal Property Tax Payers – Current Year and Nine Years Ago	98
Schedule	10	-	Property Tax Levies and Collections – Last Ten Fiscal Years	99

Schedules of Debt Capacity Information

Schedule	11	-	Direct and Overlapping Governmental Activities Debt	101
Schedule	12	-	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	102
Schedule	13	-	Pledged Revenue Coverage - Last Ten Fiscal Years	104

Schedules of Demographic and Economic Information

Schedule	14	-	Demographic and Economic Statistics - Last Ten Calendar Years	107
Schedule	15	-	Principal Employers – Current Year and Six Years Ago	108

Schedules of Operating Information

Schedule	16	-	Full-time Equivalent City Government Employees by Function / Program – Last Ten Fiscal Years	109
Schedule	17	-	Operating Indicators by Function / Program – Last Ten Fiscal Years	110
Schedule	18	-	Capital Asset Statistics by Function / Program – Last Ten Fiscal Years	112

OTHER REPORTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards* 115

Independent Auditor's Management Letter 117

Independent Auditor's Report regarding Compliance Requirements in Rules of the Auditor General 10.556(10) 119

Letter of Transmittal

City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706-1839
727-367-2735
www.stpetebeach.org

April 3, 2015

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

The Comprehensive Annual Financial Report of the City of St. Pete Beach, Florida, for the fiscal year ended September 30, 2014, is submitted herewith pursuant to Florida law and the Rules of the Auditor General of the State of Florida. This Annual Financial Report was prepared by the Finance Division and represents the official report of the City's financial condition and results of operations to the citizens of St. Pete Beach, City Commission, City administrative personnel, investment firms, rating agencies, and other interested persons.

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

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

The City's financial statements have been audited by Wells, Houser & Schatzel, P. A., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Pete Beach for the year ended September 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of St. Pete Beach's financial statements for the fiscal year ended September 30, 2014, and are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report on Page 1.

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

THE REPORTING ENTITY

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

these criteria, the various funds (being all the funds of the City) shown in the Table of Contents are included in this report.

PROFILE OF THE GOVERNMENT

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

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

The City has a land area of approximately two and one quarter square miles and a year round resident population of 9,471. The beautiful beaches of the City are a major attraction. The population swells during full season with a combination of seasonal residents and vacationers.

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

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

LOCAL ECONOMY AND OUTLOOK

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

St. Pete Beach property values increased for the second year in a row in fiscal year 2014 after several years of declining property values. Since the property values have increased, the millage rate that would be required to generate the same amount of tax revenue as the previous year is 3.1588 compared to the 2013 millage rate of 3.2819.

The choice to outsource police protection was decided by a referendum vote of the City residents in January 2013. Since the outcome of the referendum was unknown at the time of the budget submittal, the millage rate for fiscal year 2013 was set under the assumption that the police department would be maintained and therefore no savings would be realized from contracting with the Pinellas County Sheriff's Office. In an effort to return some of the savings to the taxpayers, the City Commission adopted a millage for fiscal year 2014 equal the millage set in fiscal year 2012.

Funding the budget under this scenario required a decrease of the millage rate from 3.2819 set in fiscal year 2013 to 2.8569 for fiscal year 2014. This millage rate is below the roll back rate and resulted in $877,000 less in tax revenue than the previous year.

LONG-TERM FINANCIAL PLANNING

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

The latest CIP was adopted by the City Commission for FY 2015 through FY 2019. This document projects the City's major capital expenditures and related operating expenditures for a rolling five-year period. Projections are updated during the annual budget process.

Current CIP projections were developed assuming a gradual upturn in the national and local economies. The following schedule summarizes projected increases in major rates. Property taxes were increased in fiscal year 2015 to return to fiscal year 2013 amounts and to provide funds for many capital improvement projects long overdue. Future property tax projections are to be determined (TBD), due to uncertainty regarding recent and future property tax reform initiatives and changes in the economy.

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

The City has contracted with rate consultants to review both the wastewater and stormwater rates. The results of their analysis are not currently available, but the City does anticipate an increase in both rates.

Projected Property Tax and Utility Rate Increases

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Property Tax (mills)	10.26%	TBD	TBD	TBD	TBD
Wastewater	0%	TBD	TBD	TBD	TBD
Reclaimed Water	0%	TBD	TBD	TBD	TBD
Stormwater Fee	$38.27 flat fee plus $47.09 per ERU annually	TBD	TBD	TBD	TBD

The Honorable Mayor and City Commission
April 3, 2015

MAJOR INITIATIVES

Part of the savings from outsourcing police protection has been used to increase the transfer to the capital projects fund from $1,325,000 in fiscal year 2013 to $1,825,000 in fiscal year 2014. A higher level of effort is needed for infrastructure, particularly in the area of street rehabilitation. Revenue and expenditure projections have been carefully monitored to adjust quickly to any variances identified.

The millage rate was reduced in fiscal year 2014 to return a portion of the tax savings from outsourcing police protection to the taxpayers of St. Pete Beach. The reduced millage rate of 2.8569 resulted in a decrease in ad valorem tax revenue of $877,000 from the previous year had the millage been kept the same at 3.2819 mills and $623,000 less in revenue if the millage rate had been set at the roll-back rate of 3.1588 mills.

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

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

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

ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Pete Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This is the eighteenth consecutive year that the City has received this prestigious award.

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

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

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

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

Respectfully Submitted,

Elaine Edmunds

Elaine Edmunds, CGFO
Administrative Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Pete Beach

Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

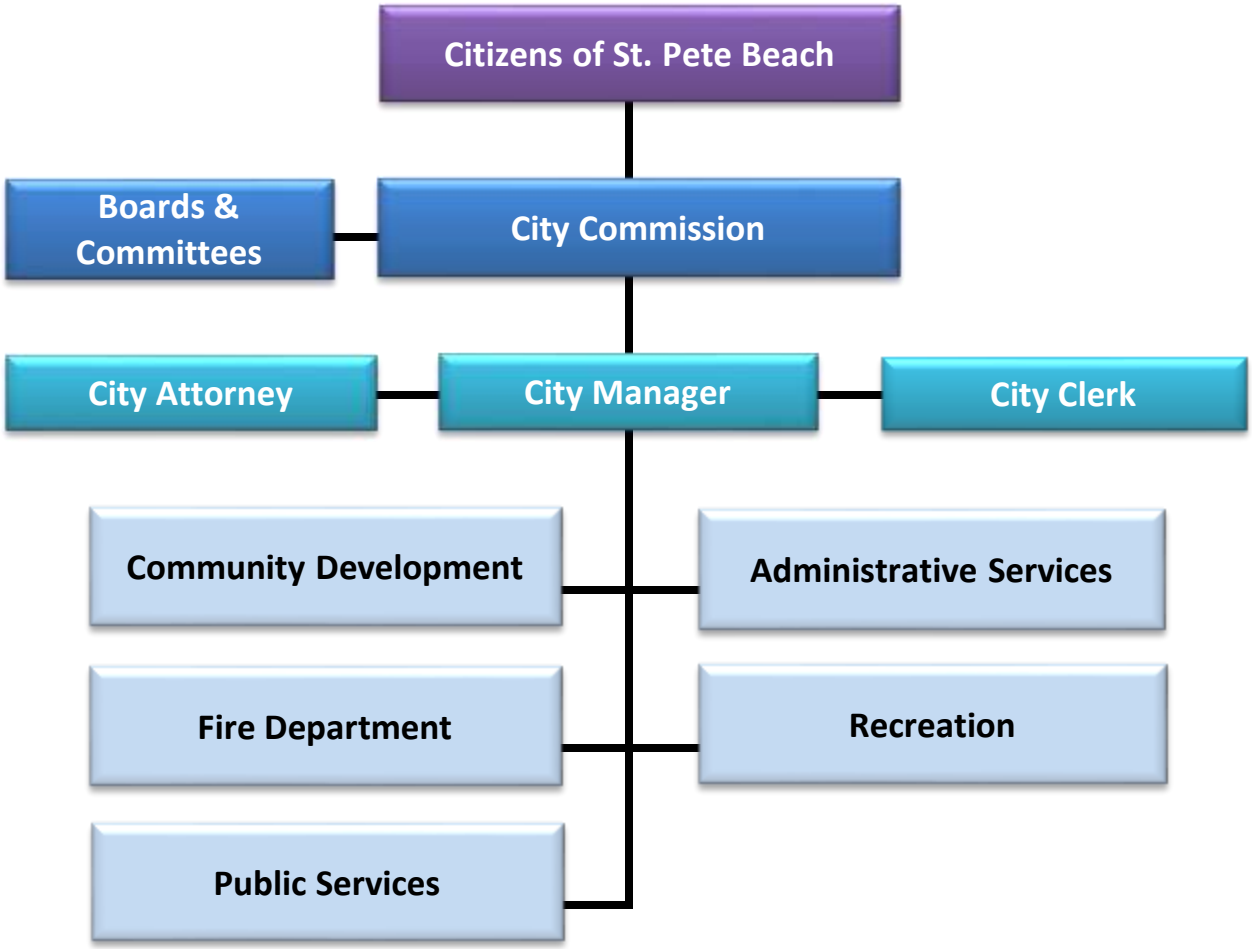
September 30, 2013

Jeffrey R. Ernst

Executive Director/CEO

The City of St. Pete Beach, Florida has been awarded the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013 by the Government Finance Officers Association of the United States and Canada.

City of St. Pete Beach
Organization Chart



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Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining Financial Statements

Other Supplementary Schedules

Independent Auditor's Report

WELLS, HOUSER & SCHATZEL, P.A.
CPA AND CONSULTING FIRM

John B. Houser, CPA
Peter C. Schatzel, CPA
Peter B. Wells, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the City of St. Pete Beach, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Pete Beach, Florida, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (pages 3-14) be presented to supplement the basic financial statements. Such information, although not a

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Pete Beach, Florida's basic financial statements. The introductory section, combining financial statements, other supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required budgetary comparison schedule (pages 67-70) is not a required part of the basic financial statements but is required by accounting principles generally accepted in the United States of America.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2015, on our consideration of the City of St. Pete Beach, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Pete Beach, Florida's internal control over financial reporting and compliance.

Wells, Houser & Schatzel, P.A.

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

April 3, 2015

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

- For fiscal year 2014, the assets for the City of St. Pete Beach exceeded the liabilities by $51,099,810 (net position). Of this amount, $10,490,184 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $3,149,657. Of this amount, $2,817,823 is attributable to an increase in the investment in capital assets net of related debt. All assets purchased were paid for with cash with the exception of a fire truck in the amount of $379,132 which was financed over a five year period. The net position of governmental funds improved by $1,497,648. This is largely a result of several capital projects that were budgeted in fiscal year 2014 not being completed in the fiscal year. Such projects include seawall repairs ($167,850), improvements to Egan Park lighting ($200,000) and Blind Pass Road improvements ($554,688). All three projects have been carried forward to future years. General Fund revenues such as utility taxes and parking facilities were higher than projected ($127,645 and $165,605 respectively). Building permit fees were $112,579 higher than projected since the economy has improved. A large code enforcement fine was collected which resulted in fines being $121,632 higher than projected. Approximately $431,000 is available in the capital projects fund to be used toward fiscal year 2014 encumbrances.

- The net position of the enterprise funds improved by $1,652,009. Of this amount, $2,427,765 is from an increase in investment in capital assets net of related debt and a decrease of $277,208 in unrestricted net position. The largest changes occurred in the wastewater fund. The wastewater fund had an increase in investment in capital assets net of related debt of $1,948,210 and a decrease in unrestricted net position of $804,481. A more detailed explanation can be found on pages 7 and 17.

- As of September 30, 2014, the City of St. Pete Beach's governmental funds reported combined ending fund balances of $8,003,186 which is an increase of $1,420,226 over the previous year. Approximately 60% or $4,800,833 of the total fund balance is available for spending at the City's discretion (unassigned fund balance.)

- At the end of the current fiscal year, unassigned fund balance for the general fund was $4,800,833, or 32% of total general fund expenditures excluding capital items but including the $1,825,000 transfer to the Capital Improvement Projects Fund.

- The city funded the purchase of a fire truck through a five year loan. The total amount borrowed was $379,132. Long term debt payments made in fiscal year 2014 resulted in an overall decrease of $1,152,907.

- Prior to Fiscal Year 2010, the wastewater and reclaimed water funds were reported as special revenue funds and have since been converted to enterprise funds. Additionally, a stormwater fund was established in Fiscal Year 2011 as an enterprise fund. The City Commission had established a policy to set fees and assessments for these activities that are designed to recover the cost of providing services including capital costs such as depreciation and debt service. Fees are charged to external users for the services provided.

- The City implemented a stormwater fee which was assessed on all property tax bills beginning November 1, 2010. The current fee is $38.27 per property. These monies were used to hire a consultant to determine an equitable equivalent residential unit (ERU) for future charges. In November 2011 the second tier of the stormwater assessments was instituted and charged to the properties in the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of St. Pete Beach's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* (see pages 16-19) are designed to be corporate-like and provide readers with a broad overview of the City's finances. The focus is on "activities", rather than "fund types."

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

The *Statement of Activities* (see pages 18-19) presents information showing how the City's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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

the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of St. Pete Beach adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

The government-wide financial statements can be found on pages 16-19 of this report.

Proprietary Funds

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

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

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 30-31 and 73-74 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 32-65 of this report.

Infrastructure Assets

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets exceeded liabilities by $51,099,810.

More than 76% ($39,320,374) of the City's net assets reflect its investment in capital assets. Capital assets include land, buildings, improvements, vehicles and equipment, less any related debt used to acquire those assets that is still outstanding. The City of St. Pete Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of St. Pete Beach investment in its capital assets is report net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

City of St. Pete Beach's Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current assets	$10,437,011	$8,924,545	$4,309,273	$4,626,940	$14,746,284	$13,551,485
Non- current other assets	206,582	279,964	247,066	750,582	453,648	1,030,546
Capital assets	27,845,283	27,800,225	16,049,399	14,352,531	43,894,682	42,152,756
Total Assets	38,488,876	37,004,734	20,605,738	19,730,053	59,094,614	56,734,787
Current liabilities	2,002,223	1,878,123	1,614,069	1,557,034	3,616,292	3,451,998
Long-term liabilities less current portion	1,833,323	1,951,737	2,477,821	3,312,007	4,311,144	5,263,744
Other non-current liabilities	63,415	38,992	3,953	3,126	67,368	68,892
Total liabilities	3,898,961	3,912,467	4,095,843	4,872,167	7,994,804	8,784,634
Net Position:						
Net investment in capital assets	26,275,283	25,885,225	13,045,091	10,617,326	39,320,374	36,502,551
Restricted	414,080	388,582	875,172	1,373,720	1,289,252	1,762,302
Unrestricted	7,900,552	6,818,460	2,589,632	2,866,840	10,490,184	9,685,300
Total net position	34,589,915	$33,092,267	16,509,895	14,857,886	51,099,810	47,950,153

Restricted assets apply to assets whose use is subject to constraints that are either external or imposed by law. Outside restrictions include debt covenants ($875,172), restricted donations for the library ($198,063) state restrictions on confiscated property ($5,321), and county restrictions on transportation impact fees collected ($210,696). Taking this into account, the balance of unrestricted net assets ($10,490,184) may be used to meet the City's ongoing obligations to citizens and creditors.

There was a decrease of $498,548 in restricted net assets reported in connection with the City of St. Pete Beach's business-type activities. This decrease is due to the removal of restrictions on certain assets associated with the State of Florida Revolving Loan Fund as a result of reducing loan indebtedness.

The government's net position increased by $3,149,657 during the current fiscal year. About eighty nine percent of this increase represents the degree of increase in capital assets, net of related debt. The city reduced long term debt through scheduled payments. The only new asset purchased with the issuance of additional debt was a fire truck in the amount of $379,132.

Governmental Activities

Governmental activities increased the City of St. Pete Beach's net position by $1,497,648, thereby accounting for 48% of the total growth in the net position of the City of St. Pete Beach. The following table reflects the condensed Statement of Activities for the current year as compared to the previous year. For more detailed information see the Statement of Activities on page 18-19.

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

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$3,524,371	$3,192,424	$6,552,941	$6,118,472	$10,077,312	$9,310,896
Operating grants and Contributions	1,544,867	1,800,650	-	118,280	1,544,867	1,918,930
Capital grants and Contributions	6,309	353,008	24,450	-	30,759	353,008
General revenues:				-		
Property taxes	5,694,314	6,474,606	-	-	5,694,314	6,474,606
Franchise fees	1,175,145	1,105,415	-	-	1,175,145	1,105,415
Utility taxes	2,211,732	2,082,201	-	-	2,211,732	2,082,201
State sales tax	539,946	513,577	-	-	539,946	513,577
Infrastructure tax	858,293	804,221	-	-	858,293	804,221
Local option gas tax	131,110	131,214	-	-	131,110	131,214
State excise tax – public safety	297,976	277,654	-	-	297,976	277,654
Other taxes	41,341	47,710	-	-	41,341	47,710
State revenue sharing – unrestricted	70,119	67,817	-	-	70,119	67,817
State revenue sharing – guaranteed entitlement	199,235	199,235	-	-	199,235	199,235
Investment income	9,320	9,700	2,132	4,584	11,452	14,284
Miscellaneous	68,078	93,367	(330)	(7,866)	67,748	85,501
Transfers	80,896	(75,418)	(80,896)	75,418	-	-
Special item – change in assumptions used for other post-employment benefits	-	556,716	-	36,351	-	593,067
Special item – transfer of operations	-	(747,433)	-	-	-	(747,433)
Total revenues	16,453,052	16,886,664	6,498,297	6,345,239	22,926,899	23,231,903
Expenses:						
General government	1,653,433	1,772,659			1,653,433	1,772,659
Community development	664,648	607,796			664,648	607,796
Recreation	1,405,019	1,357,270			1,405,019	1,357,270
Library	603,073	584,453			603,073	584,453
Parking Enforcement	337,912	359,881			337,912	359,881
Public safety - police	2,926,351	2,832,865			2,926,351	2,832,865
Public safety - fire	3,542,091	3,408,902			3,542,091	3,408,902
Public services	3,713,816	3,091,481			3,689,366	3,091,481
Wastewater			3,893,752	3,691,949	3,893,752	3,691,949
Reclaimed water			709,244	772,697	709,244	772,697
Stormwater			243,292	332,920	243,292	332,920
Interest on long term debt	109,061	123,922	-	-	109,061	123,922

Total expenses	14,955,404	14,139,229	4,846,288	4,797,566	19,777,242	18,936,795
Increase in net position	1,497,648	2,747,435	1,652,009	1,547,673	3,149,657	4,295,108
Net position 10/1/13	33,092,267	30,344,832	14,857,886	13,310,213	47,950,153	43,655,045
Net position 9/30/14	$34,589,915	$33,092,267	16,509,895	$14,857,886	$51,099,810	$47,950,153

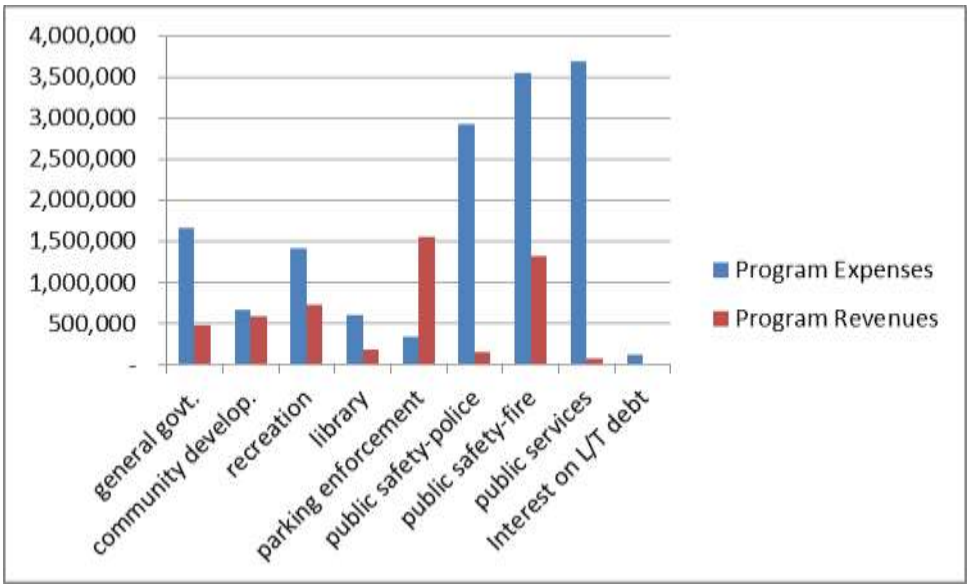
- Property taxes were lower ($780,292) than the previous year because the City decreased the millage below the roll-back millage rate which is designed to bring in the same amount of revenue as the previous year. Property values actually increased 4%. This increase was offset by a decrease in the ad valorem millage rate from 3.2819 to 3.14588 which was equivalent to the roll-back rate. The City Commission made a conscious decision to return some of the savings from outsourcing police protection to the Pinellas County Sheriff's Office and further reduced the millage rate to 2.8569.

- Franchise fees and utility taxes increased by $199,261 (6.3%) which is attributable to an increase in the amount collected for electric franchise and utility tax fees. The area experienced a mild winter in 2013 which decreased usage thereby decreasing revenues in fiscal year 2013.

Governmental Activities

Governmental activities increased the City's net assets by $1,497,648 which, when added to the increase in net asset of the business-type activities, resulted in a total increase in net assets of $3,149,657.

Expenses and Revenues – Governmental Activities



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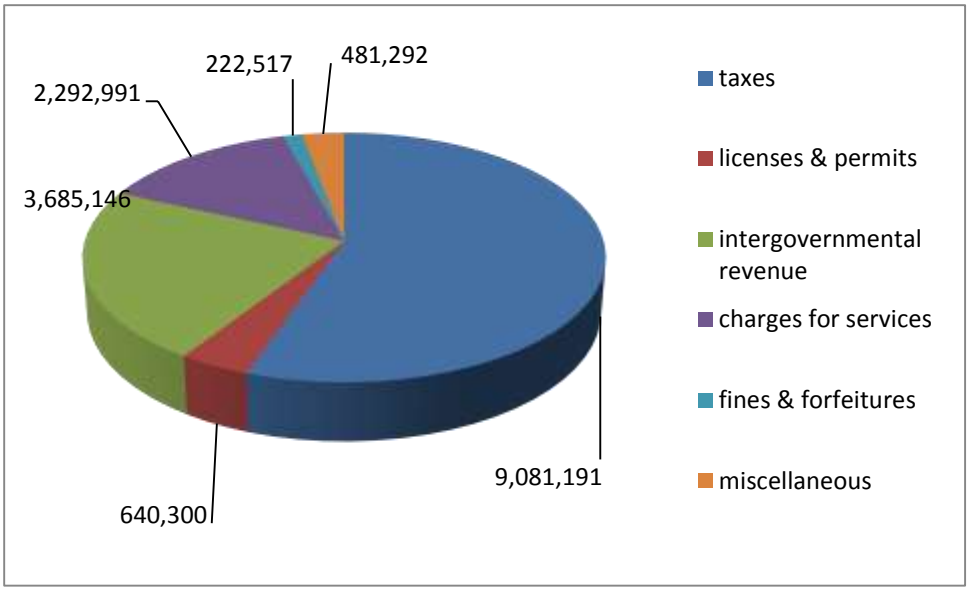
Revenues by Source - Governmental Activities



Overall revenues decreased by $723,694. Taxes decreased by $581,031 due to the decrease in the ad valorem millage rate. Capital grant revenue decreased $296,428 when compared to the previous year. Several transportation projects were not completed by the end of the fiscal year and therefore the grant revenues associated with these projects had not been received. Charges for services increased $80,444 in the governmental funds due to increased revenues from our recreation department. Legal fees were $303,051 in fiscal year 2014 compared to $419,065 the previous year which is a decrease of $116,414. In April, there was turnover in the City Manager position which resulted in approximately $98,000 being expended through a separation agreement. Part of this cost was offset by budgeted salary expense for the remaining five months of the fiscal year resulting in a net increase of $25,000 over the amount budgeted for the position. A savings was realized in Information Technology (IT) by a reduction in professional/contractual costs of approximately $40,000. These costs are associated with network maintenance thru a contract service and have been closely monitored. Code Enforcement has been outsourced to the Pinellas County Sheriff's Office with a corresponding elimination of the code enforcement position previously staffed by the City. This change has resulted in increased compliance and is essentially cost neutral. The outsourcing of the police department occurred in January 2013. Therefore, fiscal year 2013 costs included approximately 3 months of the city police department and nine months of contracted service with the Pinellas County Sheriff's Office. The cost of police protection in fiscal year 2014 was $2,862,158 compared to $4,020,086 in fiscal year 2013 or a $1,157,928 reduction.

Business-type Activities

Business-type activities increased the City's net position by $1,652,009 which, when added to the increase in net asset of the governmental activities, resulted in a total increase in net position of $3,149,657.

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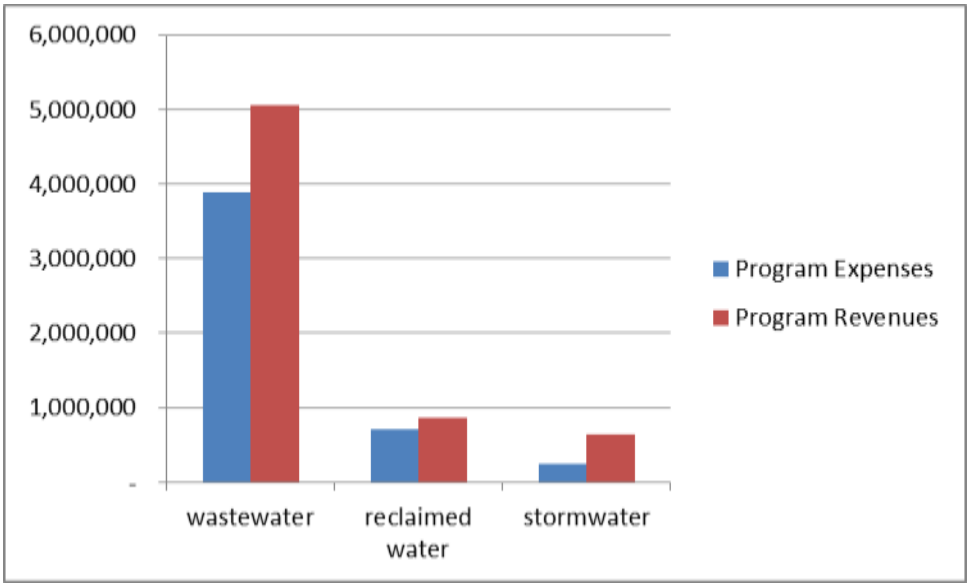
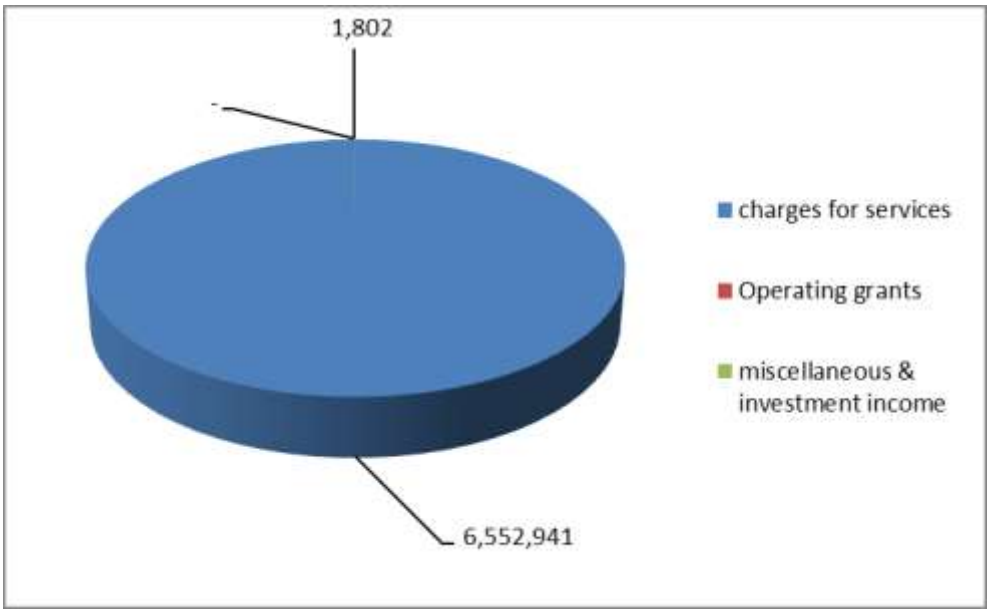
Expenses and Revenues – Business-type Activities



Revenues by Source – Business Activities



The wastewater rate increased by 4% and the reclaimed water rate increased by 8%. As a result, charges for services for business-type activities increased from the previous year by a $434,469. Wastewater charges increased $371,241, reclaimed charges increased $64,415. The stormwater assessment charge remained unchanged. Overall stormwater assessment charges decreased $1,187. In 2013, the city received a $98,401 grant from the Federal Emergency Management Agency (FEMA) for reimbursement of costs incurred during Tropical Storm Debbie the previous year. Extensive damage was done to the storm drains in Sunset Park. No grant revenues were received in fiscal year 2014.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of September 30, 2014, the City's governmental funds reported combined ending fund balances of $8,003,186, an increase of $1,420,226 over the prior year. Approximately 2.65% of this amount ($211,956) is non-spendable. Non-spendable refers to assets that cannot be spent because of their form and include items such as inventory, prepaid expenses and long term receivables. Another 5.17% of this amount ($414,080) is restricted which means there are externally enforceable limitations on the use of the funds. Such limitations have been placed by contributors or laws and regulations of other governmental entities. Approximately 32% of this amount ($2,576,317) is assigned which reflects monies intended to be used for a specific purpose. The total assigned amount consists of monies that have been assigned for the payment of compensated absences ($431,619), an insurance stabilization fund ($51,454) and monies set aside for future capital improvements ($2,093,244). Compensated absences refer to paid time off made available to employees in connection with vacation leave and sick leave. The unassigned balance is 60% ($4,800,833) which is available for spending at the City's discretion.

The general fund is the chief operating fund of the City. At September 30, 2014, the unassigned balance of the general fund was $4,800,833 while the total fund balance was $5,693,925. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32% of total general fund expenditures excluding capital items while total fund balance represents 38% of that same amount.

The fund balance of the City's general fund increased by $674,104 during the current fiscal year even with an increase in the amount of transfer from the general fund to the capital projects fund was increased of $500,000.

Proprietary Funds: As mentioned previously, the wastewater and reclaimed water funds were previously reported as special revenue funds and have been converted to enterprise funds. The City's proprietary (enterprise) fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Unrestricted net position of the enterprise funds at September 30, 2014 show a positive balance of $2,589,632 compared to a balance of $2,866,840 the previous year. A rate study for wastewater and reclaimed water was completed at the end of fiscal year 2010. Based on the study, a 4% increase was required for wastewater and an 8% increase for reclaimed water in fiscal year 2014. The assessment of $36 per property to pay for the establishment of this fund was collected in fiscal year 2011. A second tier of the stormwater assessment based on impervious surface was implemented in fiscal year 2012. No changes were made to these assessment amounts in fiscal year 2014.

The City was placed under a Department of Environmental Protection (DEP) consent order in 2014 for spills associated with the wastewater system. A significant effort is underway to update the system. The city has hired a rate consultant to once again review our rate structure now that these mandatory capital improvements are known.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a $184,000 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- $47,000 supplemental appropriation for costs associated the separation agreement with the former City Manager and the hiring of a recruiting firm to search for his replacement. This increase was funded through reserves.
- $60,000 increase in personnel costs for law enforcement as a result of a settlement agreement for a lost wages claim filed by a former police officer. The increase was funded through reserves.
- $67,000 supplemental appropriation to fund personnel costs in the recreation department due to a higher demand in the after school program. This increase was funded by a corresponding increase in staff led program revenues.

- $10,000 increase in fire pension expense which is paid dollar for dollar from the fire insurance premium tax revenue received from the State of Florida which funded the increase.

CAPITAL AND DEBT ADMINISTRATION

Capital Assets: The City of St. Pete Beach's investment in capital assets for its governmental and business-type activities as of September 30, 2014 amounts to $43,894,682 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture, machinery and equipment and infrastructure.

Capital projects completed during the current fiscal year include:

- Lazarillo Park playground resurfacing
- Park facility roof repairs
- Fire truck purchase
- ATV purchase
- Rehabilitation of gymnasium
- Resurfacing work in Belle Vista and alley behind library
- Tennis court resurfacing
- Repairs to the Vina Del Mar Bridge
- Pump replacement at Lift Station 1
- Purchase of a SCADA system for wastewater
- Analysis of force main 3

City of St. Pete Beach's Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land and improvements	$3,905,294	$3,856,454	$310,117	$310,117	$4,215,411	$4,166,571
Capital projects in process	354,447	196,748	1,203,021	30,150	1,557,468	226,898
Building and improvements	13,855,565	14,100,124	119,832	124,216	13,975,397	14,224,340
Furniture, machinery and equipment	1,863,328	1,798,027	236,908	216,328	2,100,236	2,014,355
Infrastructure	7,866,649	7,848,872	14,179,521	13,671,720	22,046,170	21,520,592
Total	27,845,283	27,800,225	16,049,399	14,352,531	43,894,682	42,152,756

Additional information on the City of St. Pete Beach's capital assets can be found in note F on page 47 of this report.

Long-term debt: At the end of the current fiscal year, the City of St. Pete Beach had total bonded long term debt outstanding of $4,876,430. The amount of bonds secured by specified revenues sources total $4,574,308.

City of St. Pete Beach' Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenue bonds	1,570,000	1,915,000	3,004,308	3,735,205	4,574,308	5,650,205
Capital leases	302,122	-	-	-	302,122	-
Total	1,872,122	1,915,000	3,004,308	3,735,205	4,876,430	5,650,205

Additional information on the City of St. Pete Beach's long term debt can be found in note G on pages 48-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- After four years of decline, property values are showing an upward trend. Property values increased 4% in fiscal year 2014 and another 6.7% in fiscal year 2015. The Pinellas County Property Appraiser is projecting a moderate increase for fiscal year 2016 as the economy continues to recover.
- The State of Florida, by Constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, business tax, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.
- The outsourcing of the police department has resulted in annual savings of approximately $1.5 million. A significant portion of this savings is being used to fund infrastructure needs with a particular focus being placed on street and roadway improvements. Further borrowing will be required to help fund two large street rehabilitation projects.
- The City has been investigating options of moving/renovating/constructing a new library. The current building is old and in need of significant repairs and updating. Further borrowing will be required to help fund this project.
- The City is under a consent order with the State of Florida Department of Environmental Protection effective October 28, 2014 with regard to the city wastewater system. This order mandates certain improvement to the wastewater system to be completed by specific dates. The City has hired a rate consultant to update our current wastewater model to include the additional projects at their specified completion date. It is anticipated that a rate increase will be necessary to accommodate these improvements.
- Along with the roadway improvements mentioned above, the city will be addressing stormwater improvements to accompany these projects. A study of the stormwater assessment has been initiated to review the assessment fees and an increase will be necessary to accommodate these improvements.

In the fiscal year 2014 budget, the decision was made to return part of the savings from contracting out law enforcement services back to the taxpayers of the City of St. Pete Beach. This resulted in lowering the millage rate from 3.2819 mills to 2.8569 or approximately $780,000 less in revenue. The balance of the savings was put towards an increase in the transfer from the General Fund to the Capital Improvement Projects Fund from $1,325,000 to $1,825,000.

The city experienced a change of leadership in fiscal year 2014. With the change in leadership came a change in vision for the city's future. The city commission has elected to recapture some of the savings passed on to the taxpayers through a decrease in the ad valorem rate in fiscal year 2014 and invest these monies back into the city to fund the many capital improvement projects that are necessary throughout the city. The millage rate for fiscal year 2015 was increased from 2.8569 mills to 3.15 mills which is above the roll-back rate of 2.6823 mills.

The City continues to monitor the unfunded liabilities in the three sponsored City pension plans. The higher than the projected 7.75% return on investments (actual returns of 9.67% to 10.84%) for the general and fire pension plans resulted in a reduction in the unfunded liabilities for the two plans. The total unfunded liability of the two plans combined dropped from $11,801,957 as of October 1, 2013 to $11,326,012 as of October 1, 2014. The police pension plan board decreased the earning assumption from 7.75% to 7% which resulted in increasing the unfunded liability of the plan even though the return on investment was 9.67% and exceeded the previous earnings assumption of 7.75%. The unfunded liability in the police pension plan increased from $4,294,862 to $5,215,545.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions

about the report or need additional financial information, contact the City's Administrative Services Director at City Hall at 155 Corey Avenue, St. Pete Beach, Florida 33706, telephone number (727) 363-9250.

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Basic Financial Statements

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

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CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF NET POSITION

September 30, 2014
With Comparative Amounts for September 30, 2013

	2014				2013
	Governmental Activities	Business-type Activities	Reclasses and Eliminations	Total	Total
ASSETS					
CURRENT ASSETS					
Cash	$ 2,800	$ 75	$ -	$ 2,875	$ 3,025
Pooled cash and investments and cash equivalents	8,206,581	2,359,132	-	10,565,713	9,805,376
Restricted assets - State Revolving Loans:					
Pooled cash and investments	-	128,144	-	128,144	123,138
Investments, at fair value	-	499,962	-	499,962	500,000
Receivables					
Customer service charges	-	864,635	-	864,635	907,900
Other	302,113	-	-	302,113	268,793
Due from other funds	71,176	-	(71,176)	-	-
Due from other governments	728,657	374,157	-	1,102,814	667,403
Supplies inventory	934	83,168	-	84,102	80,842
Prepaid items	1,124,750	-	-	1,124,750	1,123,832
Total current assets	10,437,011	4,309,273	(71,176)	14,675,108	13,480,309
NON-CURRENT ASSETS					
Restricted assets - State Revolving Loans:					
Pooled cash and investments	-	247,066	-	247,066	251,473
Investments, at fair value	-	-	-	-	499,109
Due from other funds	201,968	-	(201,968)	-	-
Land, land rights and improvements	3,905,294	310,117	-	4,215,411	4,215,411
Buildings and other improvements	20,865,733	129,409	-	20,995,142	20,547,357
Furniture, machinery and equipment	4,577,523	769,361	-	5,346,884	5,140,726
Infrastructure	15,571,153	22,659,550	-	38,230,703	36,624,652
Capital projects in process	354,447	1,203,021	-	1,557,468	226,898
Less: accumulated depreciation	(17,428,867)	(9,022,059)	-	(26,450,926)	(24,602,288)
Un-amortized debt costs	4,614	-	-	4,614	6,820
Total non-current assets	28,051,865	16,296,465	(201,968)	44,146,362	42,910,158
TOTAL ASSETS	$ 38,488,876	$ 20,605,738	$ (273,144)	$ 58,821,470	$ 56,390,467

	2014				2013
	Governmental Activities	Business-type Activities	Reclasses and Eliminations	Total	Total
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	$ 327,946	$ 448,292	$ -	$ 776,238	$ 654,708
Accrued liabilities	811,147	68,231	-	879,378	870,977
Due to other governments	253,365	250,700	-	504,065	572,744
Current portion of:					
Unearned revenue	139,347	-	-	139,347	136,611
Due to other funds	-	71,176	(71,176)	-	-
Compensated absences	32,488	2,203	-	34,691	33,902
Revenue bonds payable	365,000	-	-	365,000	345,000
State Revolving Loan	-	145,361	-	145,361	141,006
Capital lease obligation	72,930	-	-	72,930	-
Payable from restricted assets:					
Accrued interest payable - State Revolving Loan	-	17,951	-	17,951	33,021
State Revolving Loans - current portion	-	610,155	-	610,155	590,117
Total current liabilities	2,002,223	1,614,069	(71,176)	3,545,116	3,378,086
NON-CURRENT LIABILITIES					
Net other post employment benefit obligation	45,412	3,953	-	49,365	42,118
Unearned revenue	18,003	-	-	18,003	29,510
Due to other funds	-	201,968	(201,968)	-	-
Compensated absences	399,131	27,061	-	426,192	416,518
Revenue bonds payable	1,205,000	-	-	1,205,000	1,570,000
State Revolving Loans	-	2,248,792	-	2,248,792	3,004,082
Capital lease obligation	229,192	-	-	229,192	-
Total non-current liabilities	1,896,738	2,481,774	(201,968)	4,176,544	5,062,228
TOTAL LIABILITIES	3,898,961	4,095,843	(273,144)	7,721,660	8,440,314
NET POSITION					
Net investment in capital assets	26,275,283	13,045,091	-	39,320,374	36,502,551
Restricted:					
Debt service	-	875,172	-	875,172	1,373,720
Library	198,063	-	-	198,063	198,063
Law enforcement	5,321	-	-	5,321	5,322
Transportation improvements	210,696	-	-	210,696	185,197
Unrestricted	7,900,552	2,589,632	-	10,490,184	9,685,300
TOTAL NET POSITION	34,589,915	16,509,895	-	51,099,810	47,950,153
TOTAL LIABILITIES AND NET POSITION	$ 38,488,876	$ 20,605,738	$ (273,144)	$ 58,821,470	$ 56,390,467

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2014
With Comparative Total Amounts for the Year Ended September 30, 2013

	2014			
		Program Revenues		
FUNCTIONS / PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	$ 1,653,433	$ 482,675	$ -	$ -
Community development	664,648	587,335	-	-
Recreation	1,405,019	719,884	-	4,050
Library	603,073	31,355	153,237	-
Parking enforcement	337,912	1,555,258	-	-
Public safety - police	2,926,351	147,864	-	2,259
Public safety - fire	3,542,091	-	1,317,862	-
Public services	3,713,816	-	73,768	-
Interest on long-term debt	109,061	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	14,955,404	3,524,371	1,544,867	6,309
BUSINESS-TYPE ACTIVITIES				
Water pollution control - wastewater	3,893,752	5,051,892	-	-
Water pollution control - reclaimed water	709,244	864,886	-	-
Water pollution control - stormwater	243,292	636,163	-	24,450
TOTAL BUSINESS-TYPE ACTIVITIES	4,846,288	6,552,941	-	24,450
TOTAL	$ 19,801,692	$ 10,077,312	$ 1,544,867	$ 30,759

General Revenues
Taxes:
Ad valorem
Franchise taxes
Utility taxes
Telecommunications tax
State half cent sales tax
Infrastructure tax
Local option gas tax
State excise tax - public safety
Other taxes
State revenue sharing - unrestricted
State revenue sharing - guaranteed entitlement
Investment income
Miscellaneous
Transfers
Special item - change in assumptions used for Other Post Employment Benefits - Note M
Special item - Transfer of Operations - Note M
Total general revenues, transfers and special items
Change in net position
Net position - beginning of year
Net position - end of year

2014			2013
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Total
$ (1,170,758)	$ -	$ (1,170,758)	$ (1,303,335)
(77,313)	-	(77,313)	(137,146)
(681,085)		(681,085)	(618,254)
(418,481)	-	(418,481)	(395,545)
1,217,346	-	1,217,346	1,084,963
(2,776,228)	-	(2,776,228)	(2,767,562)
(2,224,229)	-	(2,224,229)	(1,956,377)
(3,640,048)	-	(3,640,048)	(2,575,969)
(109,061)	-	(109,061)	(123,922)
(9,879,857)	-	(9,879,857)	(8,793,147)
-	1,158,140	1,158,140	1,008,581
-	155,642	155,642	27,774
-	417,321	417,321	402,831
-	1,731,103	1,731,103	1,439,186
(9,879,857)	1,731,103	(8,148,754)	(7,353,961)
5,694,314	-	5,694,314	6,474,606
1,175,145	-	1,175,145	1,105,415
1,632,645	-	1,632,645	1,527,262
579,087	-	579,087	554,939
539,946	-	539,946	513,577
858,293	-	858,293	804,221
131,110	-	131,110	131,214
297,976	-	297,976	277,654
41,341	-	41,341	47,710
70,119	-	70,119	67,817
199,235	-	199,235	199,235
9,320	2,132	11,452	14,284
68,078	(330)	67,748	85,501
80,896	(80,896)	-	-
-	-	-	593,067
-	-	-	(747,433)
11,377,505	(79,094)	11,298,411	11,649,069
1,497,648	1,652,009	3,149,657	4,295,108
33,092,267	14,857,886	47,950,153	43,655,045
$ 34,589,915	$ 16,509,895	$ 51,099,810	$ 47,950,153

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

CITY OF ST. PETE BEACH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2014
With Comparative Total Amounts for September 30, 2013

	2014				2013
	General	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds	Total
ASSETS					
Cash	$ 2,800	$ -	$ -	$ 2,800	$ 2,950
Pooled cash and investments and cash equivalents	5,934,119	2,032,852	239,610	8,206,581	6,926,214
Receivables					
Other	302,113	-	-	302,113	268,793
Due from other funds	273,144	-	-	273,144	344,320
Due from other governments	521,645	207,012	-	728,657	531,211
Supplies inventory	934	-	-	934	435
Prepaid insurance and deposits	9,255	-	-	9,255	11,088
TOTAL ASSETS	$ 7,044,010	$ 2,239,864	$ 239,610	$ 9,523,484	$ 8,085,011
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 181,326	$ 146,620	$ -	$ 327,946	$ 451,157
Accrued liabilities	811,147	-	-	811,147	843,095
Due to other governments	229,772	-	23,593	253,365	85,293
Deferred revenue	127,840	-	-	127,840	122,506
TOTAL LIABILITIES	1,350,085	146,620	23,593	1,520,298	1,502,051
FUND BALANCES					
Fund balances					
Nonspendable:					
Supplies inventory	934	-	-	934	435
Prepaids	9,055	-	-	9,055	10,888
Long-term receivable	201,967	-	-	201,967	273,144
Restricted for:					
Library	198,063	-	-	198,063	198,063
Law enforcement	-	-	5,321	5,321	5,322
Transportation improvements	-	-	210,696	210,696	185,197
Assigned to:					
Capital improvement projects	-	2,093,244	-	2,093,244	1,372,620
Compensated absences	431,619	-	-	431,619	412,809
Insurance stabilization	51,454	-	-	51,454	-
Unassigned:					
General fund	4,800,833	-	-	4,800,833	4,124,482
TOTAL FUND BALANCES	5,693,925	2,093,244	216,017	8,003,186	6,582,960
TOTAL LIABILITIES AND FUND BALANCES	$ 7,044,010	$ 2,239,864	$ 239,610	$ 9,523,484	$ 8,085,011

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

CITY OF ST. PETE BEACH, FLORIDA

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

September 30, 2014

Fund Balances - total governmental funds		$ 8,003,186
Amounts reported for governmental activities in the statement of net position are different because:		
The Negative Net Pension Obligations represent a prepaid expense. These prepayments are not recognized as an asset in the governmental funds as they are not a financial resource.		
Firefighters' Pension	$ 333,031	
Police Officers' Pension	782,464	
		1,115,495
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	45,274,150	
Less: Accumulated depreciation	(17,428,867)	
		27,845,283
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capitalized debt issuance costs - insurance	29,022	
Less: accumulated amortization	(24,408)	
		4,614
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net other post employment benefit obligation	(45,412)	
Compensated absences	(431,619)	
Revenue bonds payable	(1,570,000)	
Capital lease obligation	(302,122)	
		(2,349,153)
Premiums received on revenue bonds issued in prior years that were a financial resource in the governmental funds in the years received but are reported as unearned revenues net of amortization in the statement of net position.		
Premiums received in prior years	(185,598)	
Less: Accumulated amortization	156,088	
		(29,510)
Net position of governmental activities.		$ 34,589,915

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

CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2014
With Comparative Total Amounts for the Year Ended September 30, 2013

	2014				2013
	General	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds	Total
REVENUES					
Taxes	$ 9,081,191	$ -	$ -	$ 9,081,191	$ 9,662,222
Licenses and permits	640,300	-	-	640,300	540,699
Intergovernmental revenue	2,826,853	858,293	-	3,685,146	4,195,087
Charges for services	2,292,991	-	-	2,292,991	2,212,547
Fines and forfeitures	222,517	-	-	222,517	132,755
Miscellaneous	452,244	3,550	25,498	481,292	383,821
TOTAL REVENUES	15,516,096	861,843	25,498	16,403,437	17,127,131
EXPENDITURES					
CURRENT					
General government	1,651,768	-	-	1,651,768	1,729,444
Community development	664,048	-	-	664,048	595,161
Recreation	1,074,734	-	-	1,074,734	1,045,861
Library	569,904	-	-	569,904	547,258
Parking enforcement	316,752	-	-	316,752	336,416
Public safety	6,154,403	-	-	6,154,403	6,985,526
Public services	2,495,230	303,768	-	2,798,998	2,408,160
CAPITAL OUTLAY					
General government	14,604	-	-	14,604	20,330
Recreation	20,203	337,740	-	357,943	109,307
Public safety	54,758	394,591	-	449,349	485,990
Public services	4,988	861,283	-	866,271	862,497
DEBT SERVICE					
Principal reductions	-	422,010	-	422,010	495,000
Interest and fiscal charges	-	106,855	-	106,855	121,397
TOTAL EXPENDITURES	13,021,392	2,426,247	-	15,447,639	15,742,347
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,494,704	(1,564,404)	25,498	955,798	1,384,784
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of surplus capital assets	4,400	-	-	4,400	19,056
Capital lease obligation incurred	-	379,132	-	379,132	-
Transfers in	-	1,905,896	-	1,905,896	1,384,400
Transfers out	(1,825,000)	-	-	(1,825,000)	(1,325,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,820,600)	2,285,028	-	464,428	78,456
SPECIAL ITEM - TRANSFER OF OPERATIONS - See Note M	-	-	-	-	(342,729)
NET CHANGE IN FUND BALANCES	674,104	720,624	25,498	1,420,226	1,120,511
FUND BALANCES - BEGINNING OF YEAR	5,019,821	1,372,620	190,519	6,582,960	5,462,449
FUND BALANCES - END OF YEAR	$ 5,693,925	$ 2,093,244	$ 216,017	$ 8,003,186	$ 6,582,960

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

CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2014

Net change in fund balances - total governmental funds		$ 1,420,226
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their useful lives.		
Expenditures for capital assets	$ 1,688,167	
Less: Current year depreciation	(1,568,871)	
		119,296
Capital lease obligations incurred are reported as other financing sources in the governmental funds since they provide current resources to enable the City to purchase capital assets, but these obligations increase long-term liabilities in the statement of net position.		(379,132)
In the statement of activities, a gain or loss is reported on the disposal of capital assets based on the sale price less the remaining un-depreciated cost, whereas in the governmental funds the proceeds from the sale of capital assets increase financial resources. The remaining un-depreciated cost of assets disposed of results in a decrease in net position.		
Un-depreciated cost of capital assets sold as surplus or disposed of		(49,786)
In the statement of activities an expense is reported for the remaining un-depreciated cost of assets transferred to the business-type activities. The expense is reported as a loss on disposition in the governmental-activities - public sercvices.		(24,450)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		422,010
Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds.		
Amortization of premium received on Revenue Bonds		14,105
Certain prepaid expenses recorded in governmental activities do not represent financial resources and are not reported in the governmental funds.		
Negative Net Pension Obligation - Firefighters' Pension	4,233	
Negative Net Pension Obligation - Police Officers' Pension	(1,416)	
		2,817
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Current year other post employment benefit obligation	(6,422)	
Amortization of debt issuance costs	(2,206)	
Increase in compensated absences - increase of expense	(18,810)	
		(27,438)
Change in net position of governmental activities		$ 1,497,648

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

CITY OF ST. PETE BEACH, FLORIDA

BALANCE SHEET
PROPRIETARY FUNDS

September 30, 2014
With Comparative Total Amounts for September 30, 2013

	Business-type Activities - Enterprise Funds				
	2014				2013
	Wastewater	Reclaimed Water	Stormwater	Total	Total
ASSETS					
CURRENT ASSETS					
Cash	$ 75	$ -	$ -	$ 75	$ 75
Pooled cash and cash equivalents	1,168,444	498,373	692,315	2,359,132	2,879,162
Receivables					
Customer service charges	730,687	133,948	-	864,635	907,900
Due from other governments	351,574	18,452	4,131	374,157	136,192
Supplies inventory	83,168	-	-	83,168	80,407
Prepaid insurance	-	-	-	-	66
Restricted:					
Cash equivalents	36,186	91,958	-	128,144	123,138
Investments, at fair value	-	499,962	-	499,962	500,000
Total current assets	2,370,134	1,242,693	696,446	4,309,273	4,626,940
NON-CURRENT ASSETS					
Restricted:					
Cash equivalents	-	247,066	-	247,066	251,473
Investments, at fair value	-	-	-	-	499,109
Capital Assets:					
Land and land rights	310,117	-	-	310,117	310,117
Buildings and other improvements	129,409	-	-	129,409	129,409
Infrastructure	10,774,404	11,591,189	293,957	22,659,550	21,667,410
Furniture, machinery and equipment	657,372	83,918	28,071	769,361	676,089
Capital projects in process	1,057,468	3,435	142,118	1,203,021	30,150
Less: accumulated depreciation	(4,100,349)	(4,897,408)	(24,302)	(9,022,059)	(8,460,644)
Total non-current assets	8,828,421	7,028,200	439,844	16,296,465	15,103,113
TOTAL ASSETS	$11,198,555	$ 8,270,893	$ 1,136,290	$ 20,605,738	$ 19,730,053

	Business-type Activities - Enterprise Funds				
	2014				2013
	Wastewater	Reclaimed Water	Stormwater	Total	Total
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	$ 432,913	$ 2,890	$ 12,489	$ 448,292	$ 203,551
Accrued liabilities	61,785	4,227	2,219	68,231	27,882
Due to other governments	227,080	23,620	-	250,700	487,451
Current portion of:					
Due to other funds	-	71,176	-	71,176	71,176
Compensated absences	2,016	93	94	2,203	2,830
State Revolving Loans	145,361	-	-	145,361	141,006
Payable from restricted assets					
Accrued interest payable	2,631	15,320	-	17,951	33,021
State Revolving Loan	33,555	576,600	-	610,155	590,117
Total current liabilities	905,341	693,926	14,802	1,614,069	1,557,034
NON-CURRENT LIABILITIES					
Net other post employment benefit obligation	2,699	773	481	3,953	3,126
Due to other funds	-	201,968	-	201,968	273,144
Compensated absences	24,774	1,137	1,150	27,061	34,781
State Revolving Loans	2,248,792	-	-	2,248,792	3,004,082
Total non-current liabilities	2,276,265	203,878	1,631	2,481,774	3,315,133
TOTAL LIABILITIES	3,181,606	897,804	16,433	4,095,843	4,872,167
NET POSITION					
Invested in capital assets, net of related debt	6,400,713	6,204,534	439,844	13,045,091	10,617,326
Restricted - expendable:					
Long-term debt requirements	36,186	838,986	-	875,172	1,373,720
Unrestricted	1,580,050	329,569	680,013	2,589,632	2,866,840
TOTAL NET POSITION	8,016,949	7,373,089	1,119,857	16,509,895	14,857,886
TOTAL LIABILITIES AND NET POSITION	$ 11,198,555	$ 8,270,893	$ 1,136,290	$ 20,605,738	$ 19,730,053

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

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CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2014
With Comparative Total Amounts for the Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds				
	2014				2013
	Wastewater	Reclaimed Water	Stormwater	Total	Total
OPERATING REVENUES					
Charges for services	$ 5,048,037	$ 842,702	$ 636,163	$ 6,526,902	$ 6,092,852
Other income	2,820	20,759	-	23,579	23,310
TOTAL OPERATING REVENUES	5,050,857	863,461	636,163	6,550,481	6,116,162
OPERATING EXPENSES					
Personal services	481,568	91,116	53,793	626,477	632,080
Contractual and other services	3,041,590	353,594	177,723	3,572,907	3,548,263
Depreciation	303,372	239,065	11,776	554,213	500,368
TOTAL OPERATING EXPENSES	3,826,530	683,775	243,292	4,753,597	4,680,711
OPERATING INCOME	1,224,327	179,686	392,871	1,796,884	1,435,451
NON-OPERATING REVENUE (EXPENSES)					
Interest earned	823	42,633	-	43,456	77,732
Grants	-	-	-	-	118,280
Gain (loss) on disposition of capital assets	-	(330)	-	(330)	(7,866)
Decrease in fair value of investments	-	(41,324)	-	(41,324)	(73,148)
Interest and debt service fees paid	(67,222)	(25,469)	-	(92,691)	(116,855)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(66,399)	(24,490)	-	(90,889)	(1,857)
INCOME BEFORE CONTRIBUTIONS, TRANSFERS AND SPECIAL ITEM	1,157,928	155,196	392,871	1,705,995	1,433,594
Capital contribution - capital assets	-	-	24,450	24,450	191,895
Transfers out	(15,234)	(46,565)	(19,097)	(80,896)	(116,477)
Impact fees	1,035	1,425	-	2,460	2,310
Special item - change in assumptions used for Other Post Employment Benefits	-	-	-	-	36,351
CHANGE IN NET POSITION	1,143,729	110,056	398,224	1,652,009	1,547,673
NET POSITION - BEGINNING OF YEAR	6,873,220	7,263,033	721,633	14,857,886	13,310,213
NET POSITION - END OF YEAR	$ 8,016,949	$ 7,373,089	$ 1,119,857	$ 16,509,895	$ 14,857,886

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2014
With Comparative Total Amounts for the Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds				
	2014				2013
	Wastewater	Reclaimed Water	Stormwater	Total	Total
INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS					
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 4,999,346	$ 858,966	$ 738,882	$ 6,597,194	$ 6,064,919
Cash payments to suppliers for goods and services	(3,056,061)	(280,585)	(107,553)	(3,444,199)	(2,986,866)
Cash payments to employees for services	(447,969)	(91,491)	(54,188)	(593,648)	(626,635)
Cash paid for general government allocated expenses	(219,694)	(72,566)	(72,566)	(364,826)	(354,199)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,275,622	414,324	504,575	2,194,521	2,097,219
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Operating grants	-	-	-	-	118,280
Transfers to other funds	(15,234)	(46,565)	-	(61,799)	(59,400)
Transfers from other funds	-	-	5,353	5,353	-
Cash advances repaid to other funds	-	(71,176)	-	(71,176)	(395,815)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	(15,234)	(117,741)	5,353	(127,622)	(336,935)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Impact fees	1,035	1,425	-	2,460	2,310
Acquisition and construction of capital assets	(2,077,521)	(3,435)	(170,125)	(2,251,081)	(779,253)
Principal paid on State Revolving Loans	(174,061)	(556,836)	-	(730,897)	(707,293)
Interest paid on State Revolving Loan	(67,496)	(40,595)	-	(108,091)	(131,364)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,318,043)	(599,441)	(170,125)	(3,087,609)	(1,615,600)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on cash and cash equivalents	823	456	-	1,279	1,595
Proceeds from the maturity of investments	-	500,000	-	500,000	500,000
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	823	500,456	-	501,279	501,595
NET INCREASE (DECREASE) IN POOLED CASH AND CASH EQUIVALENTS	(1,056,832)	197,598	339,803	(519,431)	646,279
POOLED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,261,537	639,799	352,512	3,253,848	2,607,569
POOLED CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,204,705	$ 837,397	$ 692,315	$ 2,734,417	$ 3,253,848
POOLED CASH AND CASH EQUIVALENTS IS COMPRISED OF:					
Cash	$ 75	$ -	$ -	$ 75	$ 75
Current pooled cash and cash equivalents	1,168,444	498,373	692,315	2,359,132	2,879,162
Current restricted cash equivalents	36,186	91,958	-	128,144	123,138
Non-current restricted cash equivalents	-	247,066	-	247,066	251,473
	$ 1,204,705	$ 837,397	$ 692,315	$ 2,734,417	$ 3,253,848

	Business-type Activities - Enterprise Funds				
	2014				2013
	Wastewater	Reclaimed Water	Stormwater	Total	Total
RECONCILIATION OF OPERATING INCOME (LOSS)TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$1,224,327	$ 179,686	$ 392,871	$1,796,884	$1,435,451
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	303,372	239,065	11,776	554,213	500,368
Changes in assets and liabilities:					
(Increase) decrease in receivables - customer service charges	(51,511)	(7,943)	102,719	43,265	(42,306)
(Increase) decrease in receivables - other	-	3,448	-	3,448	(8,937)
(Increase) decrease in due from other governments	(237,282)	-	(4,131)	(241,413)	(113,987)
(Increase) decrease in supplies inventory	(2,761)	-	-	(2,761)	(7,276)
(Increase) decrease in prepaid items	33	14	19	66	(66)
Increase (decrease) in accounts payable	245,257	(2,232)	1,716	244,741	99,907
Increase (decrease) in accrued liabilities	40,212	27	110	40,349	3,226
Increase (decrease) in due to other governments	(239,412)	2,661	-	(236,751)	228,620
Increase (decrease) in compensated absences	(7,177)	(575)	(595)	(8,347)	1,222
Increase (decrease) in other post employment benefit obligation excluding *Special Item* portion	564	173	90	827	997
TOTAL ADJUSTMENTS	51,295	234,638	111,704	397,637	661,768
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$1,275,622	$ 414,324	$ 504,575	$2,194,521	$2,097,219

Non-cash financing activities for the year ended September 30, 2014 consisted of the transfer of capital assets from the Governmental Activities to the Stormwater Fund with a cost of $24,450. There were no non-cash investing activities.

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2014
With Comparative Amounts for September 30, 2013

	Totals	
	2014	2013
ASSETS		
Cash	$	$ 159,561
Investments, at fair value		
Cash and cash equivalents, short term investments	633,316	558,067
U. S. Government, Federal Agency and municipal securities	3,116,040	2,324,774
Asset backed securities	1,388,945	1,863,648
Collateralized mortgage obligations	2,457,968	2,107,425
Fixed income mutual funds	4,471,775	5,011,509
Unit investment trusts	133,622	160,209
Foreign stocks and bonds	995,225	1,193,578
Corporate bonds	3,920,837	2,873,720
Equities - common stock	7,007,640	7,079,462
Equities - mutual funds	10,396,997	9,111,639
	34,522,365	32,284,031
Receivables		
Accrued interest and dividends	73,031	74,711
Contribution receivable	218,925	357,711
State excise tax rebate	297,977	196,803
	589,933	629,225
TOTAL ASSETS	35,112,298	33,072,817
LIABILITIES		
Administrative expenses payable	51,896	76,852
Deferred contribution	14,339	14,339
TOTAL LIABILITIES	66,235	91,191
NET POSITION HELD IN TRUST		
Held in trust for pension benefits	$ 35,046,063	$ 32,981,626

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

CITY OF ST. PETE BEACH, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

Year Ended September 30, 2014
With Comparative Amounts for the Year Ended September 30, 2013

	Totals	
	2014	2013
ADDITIONS		
Contributions		
Employer	$ 1,654,855	$ 2,290,592
Plan members	76,391	151,220
	1,731,246	2,441,812
Intergovernmental revenue		
State excise tax rebate	297,977	277,654
Investment income		
Net appreciation in fair value of investments	2,466,561	2,882,088
Interest and dividends	856,253	763,316
Miscellaneous income	50,266	466
Total investment earnings	3,373,080	3,645,870
Less investment expense	139,513	137,551
Net investment earnings	3,233,567	3,508,319
TOTAL ADDITIONS	5,262,790	6,227,785
DEDUCTIONS		
Benefits	2,809,254	2,758,440
Lump sum Deferred Retirement Option Plan (DROP) payments	205,728	714,363
Refunds of contributions	83,087	359,815
Administrative expenses	100,284	91,558
TOTAL DEDUCTIONS	3,198,353	3,924,176
CHANGE IN NET POSITION	2,064,437	2,303,609
NETS POSITION - BEGINNING OF YEAR	32,981,626	30,678,017
NET POSITION - END OF YEAR	$ 35,046,063	$ 32,981,626

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Defining the Reporting Entity

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

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

2. Basic Financial Statements – GASB Statement #34

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

3. Basis of Presentation

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

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

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

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

4. Basis of Accounting

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

5. Budget and Budgetary Accounting

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

(a) By the end of June, the City Manager and Administrative Services Director submit to the Finance and Budget Review Committee (a citizen advisory committee) a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of receipts to finance them.

(b) By August 1, the City Manager, Administrative Services Director, and Finance and Budget Review Committee submit budget recommendations to the City Commission.

(c) Public hearings are conducted in September to obtain taxpayer comments.

(d) By mid September, the budget is approved by the Commission and becomes the basis for the millage levied by the Commission.

(e) The budget is legally adopted at the department level. The City Manager is authorized to approve transfers between line items within any department. Transfers between departments and increases or decreases in total budget for a fund must have prior approval of the Commission.

(f) Budgets for funds that have formal budgetary integration are adopted on a basis consistent with generally accepted accounting principles.

(g) Appropriations lapse at year-end. Encumbrances outstanding at year-end are re-appropriated and charged against the ensuing year's budget and thus are not reflected in budget to actual presentations.

(h) Budgeted amounts are as originally adopted, or as amended in accordance with City ordinance.

(i) The General Fund, Wastewater Fund, Reclaimed Water Fund and Stormwater Fund are budgeted by the City. The budget serves as legal authorization for all expenditures. The following supplemental budget appropriations, in total, were made: General Fund – increase of $184,000; and Wastewater Fund – increase of $1,856,749.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Assets, Liabilities and Fund Equity

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

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

Investments: Investments held in the Reclaimed Water Fund consist of U.S. Treasury obligations. These investments are reported at fair value.

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

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

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

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

Prepaid Items: Payments made to vendors and others for services that will benefit periods beyond September 30, 2014 are recorded as prepaid items and are accounted for using the consumption method of accounting in the governmental funds. Prepaid items also include the Negative Net Pension Obligations at the government – wide level.

Restricted Assets: Assets are restricted to indicate that they are legally segregated for a specific future use. Cash equivalents and investments have been restricted in the Wastewater and Reclaimed Water Funds to meet loan escrow and sinking fund requirements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Deferred Outflows / Inflows of Resources: The Statement of Net Position contains separate elements for deferred outflows and deferred inflows of resources, when applicable, that represent a consumption or provision of net position that applies to a future period and will not be recognized as an outflow or inflow of resources until then. For the year ended September 30, 2014, there are no deferred outflows or inflows of resources reported in the Statement of Net Position.

Net Position: The government-wide financial statements utilize a net position presentation. Net Position is presented in three components – net investment in capital assets, restricted and unrestricted. The net investment in capital assets component consists of capital assets less accumulated depreciation and any related long-term debt. Restricted assets consist of the portion of net position that have constraints placed on them either externally by third parties (grantors and contributors) or by law through provisions of enabling legislation. Unrestricted net position consists of items that do not meet the definition of "net investment in capital assets" or "restricted". Designations of net position made by the City's management are included in this component because these constraints are internal and management can remove or modify them. The government-wide statement of net position reports $1,289,252 of restricted net position, of which $210,696 is restricted by enabling legislation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified Supplies Inventory, Prepaid Items, and Long-Term Receivables as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The City has included restrictions for Library Expenditures pursuant to the request of the donor of the funds, Law Enforcement that is restricted per Florida statute for police education expenditures, and Transportation Improvements which are unexpended impact fees that are legally restricted for transportation projects.

- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council, in this case by ordinance. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations (encumbrances) to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. For the fiscal year ended September 30, 2014 the City did not have any funds classified in this category.

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager whereby through the budgetary process a portion of the fund balance of the General Fund can be assigned for a specific purpose. When applicable, this classification includes the remaining positive fund balance for governmental funds other than the General Fund. Within the General Fund, the City Commission, through the budgetary process, has assigned a portion of the fund balance for the future payment of compensated absences.

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

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

7. Revenues and Expenditures

Property Taxes: The amount of taxes receivable at year-end is immaterial and, therefore, not accrued. Under Florida law, the assessment of all properties and the collection of all county, municipal and School Board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit cities

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

to levy property taxes at a rate of up to 10 mils. The millage rate in effect for the fiscal year ended September 30, 2014, was 2.8569.

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes.

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

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

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

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

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

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

8. **Bond Premium / Issuance Costs**

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

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

9. **Inter-fund Transactions**

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. **Comparative Data**

The financial statements include summarized prior year comparative information that does not include, in all instances, sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2013, from which such summarized information has been derived.

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

Pooled Cash
The City maintains a cash pool that is available for all funds except the Fiduciary Fund types. The restricted cash and investments, including the amounts on deposit with the State Board of Administration, are held separately and are not pooled.

The amounts invested with the Florida Municipal Investment Trust Fund (FMIVT) and Florida Surplus Asset Fund Trust are not pooled and are available to the General Fund and Wastewater Fund, respectively.

Deposits
Florida Statutes and City policy require that all City demand accounts be in financial institutions that pledge collateral with the State Treasurer pursuant to Chapter 280, Florida Statutes. The City is required to verify that monies are on deposit with "qualified public depositories" as defined in Florida Statutes Section 280.02. Florida Statutes require that all qualified public depositories provide collateral each month equal to a least 50 percent of the public funds on deposit with the institution that are in excess of deposit insurance amounts. The carrying amount of the City's deposits as of September 30, 2014 was $3,830,565, excluding $2,875 petty cash and cash on-hand funds that are maintained. The State Treasurer may assess other qualified public depositories for a pro rata share of any loss suffered by a public depositor in excess of its depository's collateral. Since the City uses only authorized public depositories, all funds, including time deposits, deposited with financial institutions are in compliance with the City's policies.

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

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

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

Repurchase Agreements with primary dealers or with the City's primary state qualified public depository that are evidenced by a Master Agreement to engage in this investment option and are fully collateralized by U. S. Government Obligations or any Agency or Instrumentality thereof (Reverse Repurchase Agreements are prohibited); and i) Securities in, or other interests in, any open-ended or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio is limited to obligations of the U. S. Government or any agency or instrumentality thereof (Mutual Funds).

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

The Local Government Surplus Trust Fund (Florida PRIME) and the Fund B Surplus Funds Trust Fund (Fund B) are an external investment pool administered by the Florida State Board of Administration which is a three member board made up of the State-elected officials of Governor, Chief Financial Officer and Attorney General. This Board is empowered by Florida law to invest funds at the request of local governments. The Florida PRIME is treated as a "2a-7 like" pool in accordance with GASB Statements No. 31 and No. 59 and is valued using the pooled share price (amortized cost), which approximates fair value. The Florida PRIME funds may be withdrawn upon demand. Fund B was accounted for as a fluctuating net asset value (NAV) pool. The Fund B funds were not available for withdrawal until they were released from the Fund B pool to the Florida Prime by the State Board of Administration, therefore they were previously reported as non-current assets in the accompanying Statement of Net Position. The amount designated as non-current cash and cash equivalents in the Statement of Net Position as of September 30, 2014 does not pertain to the funds previously held in the Fund B pool since the final portion of funds held in the Fund B pool were transferred to the Florida Prime accounts prior to the end of the fiscal year.

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

The City's investments, carried at fair value as of September 30, 2014, are:

Investment	Maturity	Fair Value	Rating
State Board of Administration – Florida PRIME	N/A	$5,003,956	AAAm
Florida Municipal Investment Trust -0-2 Year High Quality Bond Fund	N/A	102,293	AAA/V1
Florida Safe Investment Pool	N/A	1,008,499	AAAm
Florida Safe Fixed Income Investment Program – Certificates of Deposit	3/15 to 9/16	995,610	Non-rated
U. S. Treasury Strips - face value of $500,000, Zero coupon bond maturing on November 15, 2014 for debt sinking fund purposes.	11/15	499,962	N/A
Total investments		$7,610,320	

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

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

Interest Rate Risk – In compliance with the City's investment policy, as of September 30, 2014, the City minimized the interest rate risk, related to the decline in value of securities due to rising interest rates, by limiting the effective duration of security types not to exceed five years, except for required debt sinking fund purposes, and investing in short-term securities or similar investment pools so that securities mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

Credit Risk – In compliance with the City's investment policy, as of September 30, 2014, the City minimized credit risk due to default of a security issuer or backer, by limiting investments to the safest types of securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business.

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

Petty cash	$ 2,875
Deposits	3,830,565
Investments	7,610,320
Total	$ 11,443,760
As reported in Statement of Net Position:	
Unrestricted	
Cash	$ 2,875
Pooled cash and investments and cash equivalents	10,565,713
Restricted Assets - Current:	
Pooled cash and investments	128,144
Investments, at fair value	499,962
Restricted Assets – Non-Current:	
Pooled cash and investments	247,066
Total	$ 11,443,760

Police Officers' Retirement System

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

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

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

5% of the total Police Pension assets; 4. Real Estate and Real Estate Investment Trusts - not to exceed 15% of the total Police Pension assets, and 5. Foreign Securities - to include fixed income and equity securities. Investments in corporate common stock and convertible bonds shall not exceed 75% of the Police Pension assets at market value. Foreign securities shall not exceed 25% of the assets of the Police Pension.

The Police Pension held the following deposits and investments as of September 30, 2014:

Salem Trust Company:	Fair Value	Moody's Rating
Cash and Investments		
Cash equivalents and short term investments	$ 214,279	N/A
U. S. Government, Federal Agency and Municipal Securities	1,148,914	Aaa to A1
Asset backed securities and collateralized obligations	1,284,424	Aaa to Baa1
Unit investment trusts	28,585	N/A
Foreign stocks and bonds	221,627	Aa1 to Baa2
Corporate bonds	1,302,290	Aa1 to Baa3
Equities – common stocks	931,388	N/A
Equities – mutual funds	6,475,123	N/A
Total Investments	$11,606,630	

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

Firefighters' Retirement System

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

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

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

Investments in corporate common stock and convertible bonds shall not exceed 75% of the Firefighters' Pension assets at market value. Foreign securities shall not exceed 25% of the assets of the Firefighters' Pension.

The Firefighters' Pension held the following deposits and investments as of September 30, 2014:

Salem Trust Company:	Fair Value	S&P Rating
Cash and Investments		
Cash equivalents and short term investments	$ 261,133	N/A
U. S. Government, Federal Agency and Municipal Securities	1,024,333	Aaa to A1
Asset backed securities and collateralized obligations	1,242,714	Aaa to Baa1
Unit investment trusts	69,760	N/A
Foreign stocks and bonds	557,449	Aa1 to Baa2
Corporate bonds	1,291,336	Aa1 to Baa3
Equities – common stocks	4,979,641	N/A
Equities – mutual funds	1,616,536	N/A
Total Investments	$11,042,902	

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

General Employees' Retirement System

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

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

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

The General Pension held the following deposits and investments as of September 30, 2014:

Salem Trust Company:	Fair Value	S&P Rating
Cash and Investments		
Cash equivalents and short term investments	$ 157,904	N/A
U. S. Government, Federal Agency and Municipal Securities	942,793	Aaa to A1
Asset backed securities and collateralized obligations	1,319,775	Aaa to Baa1
Fixed income mutual funds	4,471,775	N/A
Unit investment trusts	35,277	N/A
Foreign stocks and bonds	216,149	Aa1to Baa2
Corporate bonds	1,327,211	Aaa to Baa3
Equities – common stocks	1,096,611	N/A
Equities – mutual funds	2,305,338	N/A
Total Investments	$11,872,833	

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

NOTE C - DUE FROM AND TO OTHER GOVERNMENTS

Due from and to other governments consists of the following as of September 30, 2014:

	Due From	Due To
General Fund		
Pinellas County		
Utility taxes	$ 36,359	$ -
Fines and parking tickets	5,069	-
Parking meters	-	128,884
Utilities	-	48,785
Other	9,109	34,665
Pinellas County Sheriff	-	15,776
Florida Department of Law Enforcement	-	24
State of Florida		
Intergovernmental revenue	471,108	1,638
	521,645	229,772
Capital Improvement Projects Fund		
Pinellas County		
Intergovernmental revenue	207,012	-
Transportation Impact Fund		
Pinellas County – Transportation Impact Fee	-	23,593

NOTE C - DUE FROM AND TO OTHER GOVERNMENTS (continued)

	Due From	Due To
Wastewater Fund		
City of St. Petersburg - Wastewater Treatment	351,574	226,435
Pinellas County - Utilities	-	645
	351,574	227,080
Reclaimed Water Fund		
Pinellas County – Utilities	18,452	23,620
Stormwater Fund		
Pinellas County – Utilities	4,131	-
	$ 1,102,814	$ 504,065

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

NOTE D - INTER-FUND TRANSACTIONS

Inter-fund receivable and payable balances consist of the following as of September 30, 2014:

	Receivable	Payable
General Fund	$ 273,144	$ -
Reclaimed Water Fund		
Current portion	-	71,176
Long-term portion	-	201,968
	$ 273,144	$ 273,144

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

Inter-fund transfers consist of the following for the year ended September 30, 2014:

	Transfers In	Transfers Out
General Fund	$ -	$ 1,825,000
Capital Improvement Projects Fund	1,905,896	-
Wastewater Fund	-	15,234
Reclaimed Water Fund	-	46,565
Stormwater Fund	-	19,097
	$ 1,905,896	$ 1,905,896

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

Additionally, capital assets in the amount of $24,450 were transferred to the Stormwater Fund from the governmental activities. This transfer has been reported as a capital contribution in the Stormwater Fund and as a loss on disposal of assets in the governmental activities.

NOTE E - CAPITAL ASSETS

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

Governmental Activities	Balance 10-1-13	Additions / Transfers-in	Deletions / Transfers-out	Balance 9-30-14
Non-depreciable assets:				
Capital projects in process	$ 196,748	$ 576,110	$ 418,411	$ 354,447
Depreciable assets:				
Land, land rights and improvements	3,905,294	-	-	3,905,294
Buildings and other improvements	20,417,948	447,785	-	20,865,733
Furniture, machinery and equipment	4,464,637	444,320	331,434	4,577,523
Infrastructure	14,957,242	638,361	24,450	15,571,153
Total at historical cost	$ 43,941,869	$ 2,106,576	$ 774,295	$ 45,274,150
Less accumulated depreciation for:				
Land and improvements	$ 48,840	$ -	$ 48,840	$ -
Buildings and other improvements	6,317,824	692,344	-	7,010,168
Furniture, machinery and equipment	2,666,610	344,087	296,502	2,714,195
Infrastructure	7,108,370	596,134	-	7,704,504
Total accumulated depreciation	16,141,644	1,632,565	345,342	17,428,867
Capital assets, net	$ 27,800,225	$ 474,011	$ 428,953	$ 27,845,283

Business-Type Activities	Balance 10-1-13	Additions / Transfers-in	Deletions / Transfers-out	Balance 9-30-14
Non-depreciable assets:				
Land, land rights and improvements	$ 310,117	$ -	$ -	$ 310,117
Capital projects in process	30,150	1,203,021	30,150	1,203,021
Depreciable assets:				
Buildings and other improvements	129,409	-	-	129,409
Furniture, machinery and equipment	676,089	115,418	22,146	769,361
Infrastructure	21,667,410	992,140	-	22,659,550
Total at historical cost	$ 22,813,175	$ 2,310,579	$ 52,296	$ 25,071,458
Less accumulated depreciation for:				
Buildings and other land improvements	$ 5,193	$ 4,384	$ -	$ 9,577
Furniture, machinery and equipment	459,761	94,838	22,146	532,453
Infrastructure	7,995,690	484,339	-	8,480,029
Total accumulated depreciation	8,460,644	583,561	22,146	9,022,059
Capital assets, net	$ 14,352,531	$ 1,727,018	$ 30,150	$ 16,049,399

Depreciation was charged to governmental activities as follows:

General government	$ 18,670
Community development	4,163
Recreation	318,761
Library	32,978
Parking enforcement	21,160
Public safety – police	62,679
Public safety – fire	220,495
Public services	889,965
	$ 1,568,871

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

NOTE F - LONG-TERM DEBT

Long-term debt activity for the fiscal year ended September 30, 2014 was as follows:

	Balance 10-1-13	Increases	Decreases	Balance 9-30-14	Due Within One Year
Governmental Activities					
Revenue Bonds, Series 2006	$ 1,915,000	$ -	$ 345,000	$ 1,570,000	$ 365,000
Capital leases	-	379,132	77,010	302,122	72,930
Accumulated unused Compensated absences	412,809	42,284	23,474	431,619	32,488
	$ 2,327,809	$ 421,416	$ 445,484	$ 2,303,741	$ 470,418

	Balance 10-1-13	Increases	Decreases	Balance 9-30-14	Due Within One Year
Business-Type Activities					
State Revolving Loan (1992)	$ 1,133,436	$ -	$ 556,836	$ 576,600	$ 576,600
State Revolving Loan (2003)	166,549	-	14,479	152,070	14,879
State Revolving Loan (2005)	2,435,220	-	159,582	2,275,638	164,037
Accumulated unused Compensated absences	37,611	-	8,347	29,264	2,203
	$ 3,772,816	$ -	$ 739,244	$ 3,033,572	$ 757,719

Long-term debt for the governmental activities is comprised of the following as of September 30, 2014:

Revenue Bonds, Series 2006: Revenue Bonds in the amount of $3,915,000 were issued through the Florida Municipal Loan Council to finance a portion of the construction of the new Recreation Center. The remaining bonds mature in various amounts annually, ranging from $365,000 to $420,000, through October 1, 2018. Interest on the remaining bonds accrues at a rate of 5.00% and is payable semi-annually on April 1 and October 1. The bond principal and interest is secured by and payable from non – ad valorem revenues	1,570,000
Capital Leases: The City currently leases a pumper fire truck under a lease-purchase agreement that expires in November, 2017. The lease terms require the City to pay any taxes, insurance and maintenance expenses related to the leased fire truck. The present value of future minimum lease payments is:	302,122
Accumulated unused compensated absences: Represents the vested portion of accumulated vacation and sick pay benefits due employees.	431,619
Total Governmental Activities Long-Term Debt	$ 2,303,741

Long-term debt for the business-type activities is comprised of the following as of September 30, 2014:

State Revolving Loan (1992): The City entered into a revolving loan agreement with the State of Florida, Department of Environmental Protection (DEP), on September 29, 1992, whereby the DEP agreed to finance a portion of the Reclaimed Water Project. The total amount drawn on the loan is $8,541,335 and is to be repaid in annual installments of $597,101 including interest of 3.57% and 3.16%, through December 31, 2014. The loan is secured by a lien on pledged revenues derived from the reclaimed water system after payment of operation and maintenance expenses.	$ 576,600

NOTE F - LONG-TERM DEBT (continued)

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.	152,070
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.	2,275,638
Accumulated unused compensated absences: Represents the vested portion of accumulated vacation and sick pay benefits due employees.	29,264
Total Business-Type Activities Long Term Debt	$ 3,033,572

Interest expense and fiscal charges for Governmental Activities in the amount of $106,855 has been separately reported as interest on long-term debt in the Statement of Activities for the year ended September 30, 2014. Interest expense of $92,691 has been reported for the Business-type Activities – Enterprise Funds for the year ended September 30, 2014.

Funding of Revenue Bonds, Series 2006

The total amount of principal and interest paid during fiscal year 2014 on the Revenue Bonds, Series 2006 was $345,000 and $95,750, respectively. The debt service payments are secured by non – ad valorem revenues. The City has identified the infrastructure sales tax revenues as the source for the debt service payments on the Revenue Bonds, Series 2006. The combined amount of debt service payments for the Revenue Bonds, Series 2006, and the amount of infrastructure sales tax revenues received for fiscal year 2014 was $440,750 and $858,293, respectively.

Funding Requirements of State Revolving Loan (1992)

The loan agreement provides that the City would initially establish an escrow account in the amount of $4,342,334, which would be reserved (Reserved Escrow Account), along with the earnings thereon, and dedicated solely for the repayment of the loan. This Escrow account has been established and is accounted for in the Reclaimed Water Fund as a restricted asset. Additionally, the City was required to establish a pledged revenue escrow account in the amount of $100,000, which shall be reserved, along with the earnings thereon, as pledged security for the loan. A loan repayment reserve account is also required to be established in the amount of 15% of the annual loan payment. The escrow account and loan repayment reserve account are accounted for in the Reclaimed Water Fund as restricted assets. The required balances and the amount of restricted assets as of September 30, 2014, are as follows:

Reserved escrow account	$ 499,962
Pledged Reserve escrow account	249,459
Loan repayment reserve account	89,565
Total restricted assets	$ 838,986

NOTE F - LONG-TERM DEBT (continued)

The City has used the Reserved Escrow Account funds to purchase $4,342,417 of U.S. Treasury Zero Coupon Bonds with an original face value of $10,000,000. The U.S. Treasury bonds mature in $500,000 increments annually for twenty years through November 15, 2014. This maturity schedule coincides with the annual loan repayment terms requiring annual payments through December 31, 2014. The face value of unmatured bonds as of September 30, 2014 is $500,000. The balance remaining in the Pledged Reserve escrow account after the final payment is made in December 2014 will be approximately $242,000. These funds will become unrestricted once the final debt payment has been made.

The total amount of principal and interest paid for fiscal year 2014 on the 1992 State Revolving Loan was $597,101, of which $500,000 was paid from the maturing U. S. Treasury bond and $97,101 from the pledged reclaimed water system revenues. The total amount of reclaimed water system revenues for fiscal year 2014 was $863,461.

Funding Requirements of State Revolving Loan (2003)

The loan agreement provides that the City shall establish a Loan Repayment Reserve Account in the amount of $14,346 by September 15, 2003 which shall be dedicated solely for the repayment of the loan. Additionally, a Loan Debt Service Account shall be established by September 15, 2003 into which shall be deposited monthly 1/6th of the semi-annual loan payment of $9,725. These Escrow accounts have been established and are accounted for in the Wastewater Fund as a restricted asset. The required balances and the amount of restricted assets as of September 30, 2014, are as follows:

Loan Repayment reserve account	$ 14,346
Loan Debt Service account	1,621
Total restricted assets	$ 15,967

The total amount of principal and interest paid for fiscal year 2014 on the 2003 State Revolving Loan was $19,449. This amount was paid from the pledged wastewater system revenues. The total amount of wastewater system revenues for fiscal year 2014 was $5,050,857 and operating expenditures and capital outlay expenditures totaled $5,601,198. The short-fall in available funds required the use of cash accumulated in prior years.

Funding Requirements of State Revolving Loan (2005)

The loan agreement provides that a Loan Debt Service Account shall be established by September 15, 2006 into which shall be deposited monthly 1/6th of the semi-annual loan payment of $111,053. This Escrow account has been established and is accounted for in the Wastewater Fund as a restricted asset. The required balance and the amount of restricted assets as of September 30, 2014, are as follows:

Loan Debt Service account	$ 20,219
Total restricted assets	$ 20,219

The total amount of principal and interest paid for fiscal year 2014 on the 2005 State Revolving Loan was $222,106. This amount was paid from the pledged wastewater system revenues. The total amount of wastewater system revenues for fiscal year 2014 was $5,050,857 and operating expenditures and capital outlay expenditures totaled $5,601,198. As stated above, the short-fall in available funds required the use of cash accumulated in prior years.

Total funding requirements for the State Revolving Loans:

State Revolving Loan (1992)	$ 838,986
State Revolving Loan (2003)	15,967
State Revolving Loan (2005)	20,219
Total restricted assets	$ 875,172

NOTE F - LONG-TERM DEBT (continued)

The restricted assets pertaining to the funding requirements for the State Revolving Loans are presented in the accompanying Statement of Net Position as of September 30, 2014 as follows:

Current assets –Pooled cash and investments	$ 128,144
Investments, at fair value	499,962
Non-current assets – Pooled cash and investments	247,066
Total restricted assets	$ 875,172

The annual requirements to amortize the long-term debt for governmental activities as of September 30, 2014, are as follows:

Revenue Bonds, Series 2006	Principal	Interest	Total
2015	$ 365,000	$ 78,500	$ 443,500
2016	385,000	60,250	445,250
2017	400,000	41,000	441,000
2018	420,000	21,000	441,000
	$ 1,570,000	$ 200,750	$ 1,770,750
Capital Leases			
2015	$ 72,930	$ 7,070	$ 80,000
2016	74,637	5,363	80,000
2017	76,383	3,617	80,000
2018	78,172	1,828	80,000
	$ 302,122	$ 17,878	$ 320,000
Total Annual Requirements Excluding Accumulated Unused Compensated Absences			
2015	$ 437,930	$ 85,570	$ 523,500
2016	459,637	65,613	525,250
2017	476,383	44,617	521,000
2018	498,172	22,828	521,000
	$ 1,872,122	$ 218,628	$ 2,090,750

The annual requirements to amortize the long-term debt for business-type activities as of September 30, 2014, are as follows:

	Principal	Interest	Total
State Revolving Loan (1992)			
2015	$ 576,600	$ 20,501	$ 597,101
	$ 576,600	$ 20,501	$ 597,101

State Revolving Loan (2003)	Principal	Interest	Total
2015	$ 14,879	$ 4,570	$ 19,449
2016	15,339	4,110	19,449
2017	15,814	3,635	19,449
2018	16,303	3,146	19,449
2019	16,807	2,642	19,449
	79,142	18,103	97,245
2020-2023	72,928	5,206	78,134
	$ 152,070	$ 23,309	$ 175,379

NOTE F - LONG-TERM DEBT (continued)

State Revolving Loan (2005)	Principal	Interest	Total
2015	$ 164,037	$ 58,070	$ 222,107
2016	168,330	53,777	222,107
2017	172,735	49,372	222,107
2018	177,255	44,852	222,107
2019	181,894	40,213	222,107
	864,251	246,284	1,110,535
2020-2024	983,407	127,128	1,110,535
2025-2026	427,980	13,880	441,860
	$ 2,275,638	$ 387,292	$ 2,662,930

Total Annual Requirements Excluding Accumulated Unused Compensated Absences	Principal	Interest	Total
2015	$ 755,516	$ 83,124	$ 838,640
2016	183,669	57,887	241,556
2017	188,549	53,007	241,556
2018	193,558	47,998	241,556
2019	198,701	42,855	241,556
	1,519,993	284,871	1,804,864
2020-2024	1,056,335	132,334	1,188,669
2025-2026	427,980	13,880	441,860
	$ 3,004,308	$ 431,085	$ 3,435,393

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

	Cost	Accumulated Depreciation	Book Value
Governmental Activities:			
Pumper Fire Truck	$ 379,132	$ 12,638	$ 366,494

NOTE G - PENSIONS

Defined Benefit Plans

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

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

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

NOTE G – PENSIONS (continued)

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

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

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

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

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

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

Membership of the Plans: Membership of each plan consisted of the following at September 30, 2014:

	Police Pension	Firefighters' Pension	General Pension
Inactive plan members or beneficiaries currently receiving benefits	25	23	75
Inactive plan members entitled to but not yet receiving benefits	5	2	46
Active plan members	4	26	20
	34	51	141

Benefits Provided:

Police Pension**:**

1. As a result of the Police Department being merged into the Pinellas County Sheriff's Department, Plan members can elect to remain in the Police Pension or enter into the Florida Retirement System.
2. A freeze on all accrued benefits was implemented as of January 31, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Such members will accrue benefits in accordance with the Plan provisions in effect prior to January 31, 2013.
3. For all Plan members that had not completed 10 years of credited service by January 31, 2013, the normal retirement date will be the earlier of attaining age 60 and the completion of 10 years of credited service or the completion of 30 years of credited service regardless of age.
4. Early retirement is the earlier of age 50 and 10 years of credited service and 20 years of credited service regardless of age for frozen benefits. There is no early retirement for those that don't have frozen benefits, except that if a member had 10 years of credited service on January 31, 2013 then prior retirement criteria applies to both benefits. The amount is equal to the accrued benefit, reduced 3% per year.

NOTE G – PENSIONS (continued)

5. A member is 10% vested after 1 year of credited service plus 10% per year thereafter up to 100% after 10 years if they have frozen benefits and 100% after 10 years of credited service for all other participants A member will receive the vested portion of their accrued benefit payable at the otherwise normal retirement date.
6. Members are eligible for total and permanent disability benefits after 10 years of credited service (for non-service incurred) or from the date of hire (for service-incurred). The benefits are accrued to the date of disability but not less than 50% of average final compensation for service-incurred disability.
7. Pre-retirement death benefits for vested individuals is equal to the value of accrued benefits payable on a monthly basis to the beneficiary for 10 years. For non-vested members, benefits include a refund of contributions without interest.
8. Retirees receive a 3% per year cost of living adjustment (COLA) commencing 7 years after retirement (10 years after retirement if they retired prior to March 14, 2006) on any frozen benefits. There is no COLA for members without frozen benefits.
9. Plan members will not be able to enter the Deferred Retirement Option Program (DROP) effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Participation is not to exceed 60 months and the member can elect a rate of return equal to 7.5% annual rate or actual net rate of investment return credited each fiscal quarter. The DROP balance as of September 30, 2014 was $273,208.
10. Member contribution rates were lowered from 8.3% to 3% effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date who will continue to make contributions at 8.3%.

Firefighters' Pension:

1. A freeze on all accrued benefits was implemented as of December 31, 2012 except for Plan members who have attained the earlier of age 55 or 25 years of credited service as of that date, regardless of age. Such members will accrue benefits on the frozen portion in accordance with the Plan provisions in effect prior to December 31, 2012, receiving 3.4% of their average final compensation times credited service.
2. The normal retirement date for all Plan members that had not completed 10 years of credited service by January 1, 2013 such that the normal retirement date is the earlier of attaining age 60 or the completion of 30 years of credited service regardless of age. These members will receive 1.25% of their average final compensation times credited service.
3. The maximum combined benefit is 75% of average final compensation. If a member's accrued benefit as of January 1, 2013 is greater than or equal to 75% of average final compensation, the benefit percentage may not be reduced.
4. For members with frozen benefits, early retirement is the earlier of age 50 and 10 years of credited service or the completion of 20 years credited service, regardless of age. The benefit amount is the accrued benefit reduced by 3% for each year commencement of benefits precedes the normal retirement date. There is no early retirement for members without frozen benefits.
5. A member becomes 100% vested after attaining 10 years of credited service and is 0% vested prior to attaining 10 years of credited service. The members will receive the vested portion of their accrued benefits payable at the otherwise normal retirement date. Pre-freeze members will continue to use the 10% per year vesting schedule.
6. Members are eligible for total and permanent disability benefits after 10 years of credited service (for non-service incurred) or from the date of hire (for service-incurred). The benefits are accrued to the date of disability but not less than 42% of average final compensation for service-incurred disability.
7. Pre-retirement death benefits for vested individuals is equal to the value of accrued benefits payable on a monthly basis to the beneficiary for 10 years. For non-vested members, member contributions are refunded.
8. Retirees receive a 3% per year cost of living adjustment (COLA) commencing 7 years after retirement on any frozen benefits. There is no COLA for members without frozen benefits.
9. Plan members will not be able to enter the Deferred Retirement Option Program (DROP) effective January 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Participation is not to exceed 60 months and the member can elect a rate of return equal to 7.5% annual rate or the actual net rate of investment return credited each fiscal quarter. The DROP balance as of September 30, 2014 was $373,289.

NOTE G – PENSIONS (continued)

10. Member contribution rates were lowered from 10.3% to 3% effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date who will continue to make contributions at 10.3%.

General Pension:

1. A freeze on all accrued benefits was implemented as of September 30, 2012 except for Plan members who have attained age 55 or 25 years of credited service as of that date, regardless of age. Such members will accrue benefits on the frozen portion in accordance with the Plan provisions in effect prior to September 30, 2012, receiving 2.25% of their average final compensation times credited service.
2. The normal retirement date for members hired before October 1, 2002 is the earlier of age 55 or the completion of 25 years of credited service, regardless of age. For individuals hired after October 1, 2002, normal retirement is the earlier of age 60 with 10 years of credited service or the completion of 30 years credited service, regardless of age, and will receive 1.00% of average final compensation time credited service earned on and after October 1, 2012.
3. The maximum combined benefit is 75% of average final compensation.
4. For members with frozen benefits, early retirement is age 50 and the completion of 10 years of credited service. The benefit amount is the accrued benefit reduced by 1/15th for each year that the commencement of payments precedes normal retirement. There is no early retirement for members without frozen benefits.
5. A member becomes 10% vested after 1 year of credited service for frozen benefits and is 100% vested after attaining 10 years of credited service. Members without frozen benefits are 0% vested prior to attaining 10 years of credited service. A member will receive the vested portion of their accrued benefit payable at the otherwise normal retirement date or on a reduced basis beginning at early retirement.
6. Members are eligible for total and permanent disability after 10 years of credited service. The benefit is accrued to the date of disability.
7. Pre-retirement death benefits are equal to the value of the accrued benefit payable on a monthly basis to the designated beneficiary for 10 years.
8. Retirees receive a 3% per year cost of living adjustment (COLA) on any frozen benefits after completing 10 years of retirement. There is no COLA for members without frozen benefits.
9. Plan members will not be able to enter the Deferred Retirement Option Program (DROP) effective October 1, 2012 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Participation is not to exceed 60 months and the member can elect a rate of return equal to 7.5% annual rate or the actual net rate of investment return credited each fiscal quarter. The DROP balance as of September 30, 2014 was $438,194.
10. Member contribution rates were lowered from 7.6% to 3% effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date who will continue to make contributions at 7.6%.

Investments: The Board for each of the pension plans has adopted the following target asset allocation policies and related long-term expected rate of return:

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%	30%	7.8%
International Equity	10%	8.5%	10%	8.5%	6%	7.7%
Global Fixed Income	5%	3.5%	5%	3.5%	-	-
Domestic Fixed Income	40%	2.5%	-	-	-	-
Broad Market Fixed Income	-	-	35%	2.5%	-	-
Domestic Value	-	-	-	-	9%	7.8%
Domestic Growth	-	-	-	-	9%	7.8%
Short Term Fixed Income	-	-	-	-	40%	2.3%
Real Estate	-	-	-	-	6%	6.9%

NOTE G – PENSIONS (continued)

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, 2014 was:

Police Pension	Firefighters' Pension	General Pension
9.67%	9.74%	10.84%

Net Pension Liability:

	Police Pension	Firefighters' Pension	General Pension
Total Pension Liability	$ 16,270,332	$ 16,345,362	$ 16,603,678
Plan Fiduciary Net Position	(11,856,983)	(11,205,448)	(11,944,766)
Net Pension Liability	$ 4,413,349	$ 5,139,915	$ 4,658,913
Net Position as a Percentage of Total Pension Liability	72.87%	68.55%	71.94%

Comparison of net pension liability using alternative discount rates:

Police Pension:

	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Net Pension Liability	$ 6,210,437	$ 4,413,349	$ 2,824,461

Firefighters' Pension:

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	$ 6,985,606	$ 5,139,915	$ 3,597,378

General Pension:

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	$ 6,341,739	$ 4,658,913	$ 3,239,388

Funding Policy and Annual Pension Cost:

	Police Pension	Firefighters' Pension	General Pension
Annual pension cost	$667,423	$668,010	$552,241
Contributions made - City and State	$666,007	$672,243	$552,241
Contribution rates:			
Plan members	3%	3.0%	3%
Actuarial valuation date	October 1, 2014	October 1, 2014	October 1, 2014
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed	Level percentage of pay, closed
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing
Actuarial assumptions:			
Projected salary increases	5% per year	4.5% per year	5% per year
Inflation rate	3%	3%	3%

NOTE G – PENSIONS (continued)

	Police Pension	Firefighters' Pension	General Pension
Discount rate	7%	7.75%	7.75%
Interest rate	7.75%	7.75%	7.75%
Payroll growth	Up to 3% per year	Up to 3% per year	Up to 3% per year
Mortality basis	RP 2000 Combined Healthy Mortality Table, 10% Margin for Future Mortality Improvements, Disabled Lives Set Forward 5 Years	Sex Distinct RP 2000 Combined Healthy Mortality Table, 10% Margin for Future Mortality Improvements, Disabled Lives Set Forward 5 Years	Sex Distinct RP 2000 Combined Healthy Mortality Table, Projected to Valuation Date Using Scale AA, Disabled Lives Set Forward 5 Years

	Three Year Trend Information			
	Year Ending September 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation *
Police Pension	2012	$ 692,038	110	$ (97,422)
	2013	505,311	236	(783,880)
	2014	667,423	100	(782,464)
Firefighters' Pension	2012	$ 581,097	112	$ (154,774)
	2013	668,138	126	(328,798)
	2014	668,010	101	(333,031)
General Pension	2012	$ 428,564	100	$ 0
	2013	541,944	100	0
	2014	552,241	100	0

* Beginning October 1, 2012 this includes both City and State contributions.

Plans' Funded Status. The Plans' Funded status as of the disclosed valuation dates is presented below:

	Police Pension	Firefighters' Pension	General Pension
Actuarial Valuation Date	October 1, 2014	October 1, 2014	October 1, 2014
Actuarial Value of Assets	$ 11,293,865	$ 10,691,462	$ 11,422,059
Actuarial Accrued Liability	$ 16,509,410	$ 16,803,136	$ 16,636,397
Unfunded Actuarial Accrued Liability	$ 5,215,545	$ 6,111,674	$ 5,214,338
Actuarial Value of Assets as a Percentage of the Actuarial Accrued Liability	68.41%	63.63%	68.66%
Annual Covered Payroll	$ 124,414	$ 1,508,496	$ 786,937
Ratio of the Unfunded Actuarial Liability to Covered Payroll	3547.32%	405.15%	662.61%

NOTE G – PENSIONS (continued)

Net Pension Obligation:
The development of the Police Officers' Net Pension Obligation (NPO) to date is as follows:

	2012	2013	2014
Actuarially determined contribution (A)	$ 692,107	$ 505,018	$ 666,007
Interest on NPO	(2,139)	(7,550)	(60,751)
Adjustment to (A)	2,070	7,843	62,167
Annual Pension Cost	692,038	505,311	667,423
Contributions made	764,299	1,191,769	666,007
(Increase) decrease in NPO	(72,261)	(686,458)	1,416
NPO beginning of year	(25,161)	(97,422)	(783,880)
NPO end of year	$(97,422)	$(783,880)	$(782,464)

The development of the Firefighters' Net Pension Obligation (NPO) to date is as follows:

	2012	2013	2014
Actuarially determined contribution (A)	$ 582,851	$ 670, 930	$ 672,243
Interest on NPO	(7,155)	(11,995)	(25,482)
Adjustment to (A)	5,401	9,203	21,249
Annual Pension Cost	581,097	668,138	668,010
Contributions made	651,695	842,162	672,243
Increase in NPO	(70,598)	(174,024)	(4,233)
NPO beginning of year	(84,176)	(154,774)	(328,798)
NPO end of year	$ (154,774)	$ (328,798)	$ (333,031)

Other Required Supplementary Information:

Schedules of Funding Progress

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
Police Pension	10/01/14	$ 11,293,865	$ 16,509,410	$ 5,215,545	68.41%	$ 124,414	3547.32%
	10/01/13	10,712,936	15,007,798	4,294,862	71.38%	272,610	1575.46%
	10/01/12	10,158,175	17,659,312	7,501,137	57.52%	1,252,844	598.73%
	10/01/11	9,221,295	16,765,701	7,544,406	55.00%	1,120,784	673.14%
	10/01/10	9,527,348	15,276,140	5,748,792	62.37%	1,437,902	399.80%
	10/01/09	9,552,752	14,398,893	4,846,141	66.34%	1,404,026	345.16%
Firefighters' Pension	10/01/14	$ 10,691,462	$ 16,803,136	$ 6,111,674	63.63%	$ 1,508,496	405.15%
	10/01/13	9,927,164	16,193,620	6,266,456	61.30%	1,503,961	416.66%
	10/01/12	8,988,256	18,551,034	9,562,778	48.45%	1,565,984	610.66%
	10/01/11	8,281,274	17,306,838	9,025,564	47.85%	1,413,601	638.48%
	10/01/10	8,543,626	14,633,693	6,090,067	58.38%	1,514,660	402.07%
	10/01/09	8,474,767	13,540,454	5,065,687	62.59%	1,434,893	353.04%

NOTE G – PENSIONS (continued)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
General Pension	10/01/14	$ 11,422,059	$ 16,636,397	$ 5,214,338	68.66%	$ 786,937	662.61%
	10/01/13	10,934,940	16,470,441	5,535,501	66.39%	839,938	659.04%
	10/01/12	10,681,049	16,915,811	6,234,762	63.14%	960.352	649.22%
	10/01/11	9,899,600	16,008,271	6,108,671	61.84%	1,001,703	609.83%
	10/01/10	10,551,102	15,243,589	4,692,487	69.22%	1,296,564	361.92%
	10/01/09	10,675,257	14,898,199	4,222,942	71.65%	1,399,819	301.68%

Schedules of Contributions from the Employer and Other Contributing Entities

	Year Ended September 30,	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
Police Pension	2014	$ 666,007	$ 577,960	$ 88,047	100.00%
	2013	505,018	1,110,918	80,851	235.99%
	2012	692,107	703,405	* 60,894	110.43%
	2011	604,633	543,739	* 60,894	100.00%
	2010	509,659	448,765	* 60,894	100.00%
	2009	469,856	408,962	* 60,894	100.00%
Firefighters' Pension	2014	$ 672,243	$ 524,654	$ 147,589	100.00%
	2013	670,930	631,303	210,859	125.52%
	2012	582,851	509,362	* 142,333	111.81%
	2011	480,589	338,255	* 142,333	100.00%
	2010	461,572	319,239	* 142,333	100.00%
	2009	400,255	257,922	* 142,333	100.00%
General Pension	2014	$ 552,241	$ 552,241	$ 0	100.00%
	2013	544,082	544,082	0	100.00%
	2012	428,564	428,564	0	100.00%
	2011	393,026	393,026	0	100.00%
	2010	430,860	430,860	0	100.00%
	2009	471,792	471,792	0	100.00%

* - The State contribution was 'frozen' pursuant to the provisions of Chapters 185 and 175, respectively, Florida Statutes, prior to October 1, 2012.

The pension contributions made by the State of Florida on behalf of the City to the Police Pension and Firefighters' Pension during the fiscal year ended September 30, 2014 in the amounts of $88,047 and $209,930, respectively, have been recognized as revenues and expenditures in the General Fund during the period. The pension contributions made by the State of Florida on behalf of the City to the Firefighters' Pension per the actuarial report differ from the amount reported in the accompanying Statement of Changes in Fiduciary Net Position as a result of a timing difference in recognizing accrued State contributions.

NOTE G – PENSIONS (continued)

Financial Statements:
The financial statements for each of the Retirement Funds as of and for the year ended September 30, 2014 are as follows:

Statement of Fiduciary Net Position
September 30, 2014

	Police	Firefighters'	General
Assets			
Cash equivalents	$ 214,279	$ 261,133	$ 157,904
Investments, at fair value	11,606,630	11,042,902	11,872,833
Receivables	250,353	264,802	74,778
Total assets	11,856,983	11,307,704	11,947,611
Liabilities			
Administrative expenses payable	6,916	31,425	13,555
Deferred contribution	-	14,339	-
Total Liabilities	6,916	45,764	13,555
Net Position			
Held in Trust for Pension Benefits	$ 11,850,067	$ 11,261,940	$ 11,934,056

Statement of Changes in Fiduciary Net Position
For the year Ended September 30, 2014

	Police	Firefighters'	General
Additions			
Contributions			
Employer	$ 577,960	$ 524,654	$ 552,241
Plan members	3,857	43,396	29,138
	581,817	568,050	581,379
Intergovernmental revenue			
State excise tax rebate and Supplemental Compensation Trust Fund	88,047	209,930	-
Investment earnings			
Net appreciation (depreciation) in fair value of investments	736,344	786,336	943,881
Interest and dividends	338,369	238,118	279,766
Miscellaneous Income	12,552	26,507	11,207
Total investment earnings	1,087,265	1,050,961	1,234,854
Less investment expense	32,299	72,624	34,590
Net investment earnings	1,054,966	978,337	1,200,264
Total additions	1,724,830	1,756,317	1,781,643

NOTE G – PENSIONS (continued)

Deductions			
Benefits	$ 1,031,355	$ 832,098	$ 945,801
Lump sum Deferred Retirement Option Plan (DROP) payments	47,231	-	158,497
Refunds of contributions	-	47,881	35,206
Administrative expenses	23,621	41,052	35,611
Total deductions	1,102,207	921,031	1,175,115
Change in Net Position	622,623	835,286	606,528
Net Position – October 1, 2013	11,227,444	10,426,654	11,327,528
Net Position – September 30, 2014	$ 11,850,067	$ 11,261,940	$ 11,934,056

Defined Contribution Plans

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

Funding Policy: Pursuant to the Plan agreement the City contributes 12% of eligible wages pertaining to the city manager and department directors and 10% of eligible wages for all other personnel that elect to participate. The City's contributions for the years ended September 30, 2014, 2013 and 2012 were $133,278, $120,169, and $112,071, respectively. The City contributed the required amount for each fiscal year.

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

Funding Policy: The City makes a matching contribution to the General & Special Risk Retirement Plan as follows: general employees with less than 14 years of credited service as of October 1, 2012 can contribute up to 5% of their earnings each year and the City will match 50% of the contribution percentage up to 2.5% of the employee's contribution; general employees with more than 14 years of credited service as of the effective date can contribute up to 5% of earnings and the City will match 75% of the contribution percentage up to 3.75% of the employee's contribution. Firefighters with less than 14 years of credited service as of October 1, 2012 can contribute up to 10% of their earnings each year and the City will match 50% of the contribution percentage up to 5% of the employee's contribution; Firefighters with more than 14 years of credited service as of the effective date can contribute up to 10% of earnings and the City will match 75% of the contribution percentage up to 7.5% of the employee's contribution. The City's matching contribution for September 30, 2014 was $68,971. The City contributed the required amount for the year.

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

NOTE H – OTHER POSTEMPLOYMENT BENEFITS PLAN

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

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

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

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

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

Funding Policy: The annual required contribution to fund the incremental cost of the benefits plan is based on a pay-as-you-go funding approach. For the year ended September 30, 2014, the expected contribution for the City was $2,030.

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

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

NOTE H – OTHER POSTEMPLOYMENT BENEFITS PLAN (continued)

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

	Pay-As-You-Go Funding - Fiscal Year Ending 9/30/14
Annual Required Contribution (ARC)	$ 9,033
Interest on net OPEB obligation	244
Adjustment to ARC	-
Annual OPEB cost	9,277
Expected employer contribution	2,030
Increase in net OPEB obligation	7,247
Net OPEB obligation beginning of year	42,118
Net OPEB obligation end of year	$ 49,365

Other Required Supplementary Information:
Three year trend information:

Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/14	$ 9,033	22.5%	$ 49,365
9/30/13	9,033	20.5%	42,118
9/30/12	246,164	22.7%	627,311

Schedule of Funding Progress:

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

Required Actuarial Information*:*

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

NOTE I – OPERATING LEASE COMMITMENTS

The City has entered into office equipment lease agreements having original terms of 60 months. The lease agreements do not contain renewal or escalation provisions. Rental expense for the year ended September 30, 2014 was $11,625. The remaining lease payments as of September 30, 2014 are as follows:

Year Ending September 30,	Payment Requirement
2015	$ 1,936
Total	$ 1,936

NOTE J - RISK FINANCING

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

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

Public Risk Management of Florida is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool requires additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums for the year ended September 30, 2014, nor is the City aware of any contingent assessments. The City has not reduced insurance coverage from the prior year for any category of insurance risk. Settlement claims, if any, have not exceeded insurance coverage at any time for each of the past three fiscal years.

NOTE K - DEFERRED COMPENSATION PLAN

The City offers certain employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is managed by independent plan administrators, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts are held in trust for the exclusive benefit of the participants and their beneficiaries. The fiduciary responsibility for the plan assets has been conveyed to a third party administrator. As a result, these assets are not reported in the accompanying financial statements.

NOTE L – COMMITMENTS AND CONTINGENCIES

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

NOTE L – COMMITMENTS AND CONTINGENCIES (continued)

Law Enforcement: Through a voter referendum held in November, 2012, the Citizens of St. Pete Beach approved a charter amendment to dissolve the City's Police Department and allow the City to contract with the Pinellas County Sheriff's Department for law enforcement services with an effective date of January 6, 2013. For the fiscal year ending September 30, 2014, the City paid $2,202,256 for law enforcement services through the Pinellas County Sheriff's Department. The City Commission continued this contract for services for the fiscal year ended September 30, 2015 in the amount of $2,222,770.

Commitments: At September 30, 2014 contractual commitments in the Governmental Fund Types totaled $501,191. Contractual commitments for the Proprietary Funds totaled $1,602,310 as of September 30, 2014.

Contingent Liability: As of September 30, 2014, the City is involved in legal matters that are incidental to its routine operations. It is the opinion of management, based upon the advice of legal counsel, that the likely outcomes of these matters will not be material in nature to the overall operating results of the City.

NOTE M – SPECIAL ITEMS

Special Item – Prior Year – Other Post Employment Benefits – Change in Assumptions
During the year ended September 30, 2013, the City changed the retirement age for all classes of employees from age 55 to 60 or the attainment of 30 years of credited service rather than the previous requirement of 25 years of credited service. The City also transferred the operation of the police department to the Pinellas County Sheriff's Department resulting in a reduction of the City's workforce of approximately 30%. As a result of changing the retirement age requirement and the reduction in the City's workforce, there was a significant decrease in the Other Postemployment Benefits obligation for fiscal year 2013. The reduction of the Net OPEB obligation was $593,067. This amount has been reported as a *Special Item* in the accompanying Statement of Activities.

Special Item – Prior Year – Transfer of Operations – Public Safety - Police
Effective January 6, 2013, the City of St. Pete Beach dissolved its Police department and contracted with the Pinellas County Sheriff's Department to provide law enforcement services. The direct costs associated with the transfer of law enforcement services as reported at the fund level totaled $342,729 and included the payment of severance and accumulated vacation, sick and compensatory time to terminated employees in the amount of $304,882 and the payment of additional pension plan contributions in the amount of $37,847. These expenditures have been reported as a *Special Item* in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Additional direct costs associated with the transfer of law enforcement services as reported on the government-wide level includes the un-depreciated cost of equipment transferred to the Pinellas County Sheriff's Department and the un-depreciated cost of equipment otherwise disposed of totaling $404,704. The sum of all direct costs in the amount of $747,433 is reported as a *Special Item* in the accompanying Statement of Activities.

NOTE N - SUBSEQUENT EVENTS

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

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Required Supplementary Information

The required supplementary information consists of budgetary comparison schedules for the General Fund.

CITY OF ST. PETE BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2014
With Comparative Actual Amounts for the Year Ended September 30, 2013

	2014				2013
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
RESOURCES (INFLOWS)					
Taxes					
Ad valorem tax	$ 5,694,628	$ 5,694,628	$ 5,694,314	$ (314)	$ 6,474,606
Franchise tax	1,188,000	1,188,000	1,175,145	(12,855)	1,105,415
Telecommunications tax	585,000	585,000	579,087	(5,913)	554,939
Utility tax	1,505,000	1,505,000	1,632,645	127,645	1,527,262
	8,972,628	8,972,628	9,081,191	108,563	9,662,222
Licenses and permits					
Local business tax	102,000	102,000	95,721	(6,279)	94,410
Building, sign and other permits	432,000	432,000	544,579	112,579	446,289
	534,000	534,000	640,300	106,300	540,699
Intergovernmental revenues					
State half cent sales tax	510,000	510,000	539,946	29,946	513,577
Emergency medical services	1,317,862	1,317,862	1,317,862	-	1,445,699
Federal, state and local grants	68,900	68,900	76,027	7,127	195,322
State excise tax rebate - Fire Pension	199,867	209,867	209,929	62	196,803
State excise tax rebate - Police Pension	92,536	92,536	88,047	(4,489)	80,851
Pinellas Library Cooperative	129,991	129,991	153,237	23,246	162,137
Other intergovernmental revenues	438,910	438,910	242,570	(196,340)	246,742
State revenue sharing - guaranteed entitlement	-	-	199,235	199,235	199,235
	2,758,066	2,768,066	2,826,853	58,787	3,040,366
Charges for services					
Planning and zoning fees	20,000	20,000	17,198	(2,802)	23,287
Certification, copies and record search	7,100	7,100	6,526	(574)	6,533
Administration charges to other funds	364,826	364,826	364,826	-	354,199
Parking facilities	1,165,000	1,315,000	1,480,605	165,605	1,350,873
Library fees	25,000	25,000	31,355	6,355	26,771
Recreation activity fees	386,500	400,500	377,679	(22,821)	438,253
Other charges for services	5,100	5,100	14,802	9,702	9,596
Police services	-	-	-	-	3,035
	1,973,526	2,137,526	2,292,991	155,465	2,212,547
Fines and forfeitures					
Court fines and costs	40,000	40,000	10,537	(29,463)	20,753
Police education	-	-	695	695	1,118
Parking tickets	75,000	75,000	74,653	(347)	93,971
Other fines and forfeitures	15,000	15,000	136,632	121,632	16,913
	130,000	130,000	222,517	92,517	132,755
Miscellaneous revenues					
Interest income	14,000	14,000	9,880	(4,120)	9,844
Rentals of City owned facilities	338,800	348,800	342,205	(6,595)	300,692
Surplus and scrap sales	30,000	30,000	4,400	(25,600)	19,056
Contributions and donations	11,000	11,000	9,708	(1,292)	9,750
Other miscellaneous revenues	25,794	25,794	90,451	64,657	62,607
	419,594	429,594	456,644	27,050	401,949

(continued)

CITY OF ST. PETE BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2014 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2013

	2014				2013
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
AMOUNTS AVAILABLE FOR APPROPRIATION	$ 14,787,814	$ 14,971,814	$ 15,520,496	$ 548,682	$ 15,990,538
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
General Government					
City Commission					
Personal services	31,971	31,971	31,437	534	31,972
Other operating expenditures	35,001	35,001	26,779	8,222	41,867
City Clerk					
Personal services	173,734	173,734	170,546	3,188	155,674
Other operating expenditures	47,190	24,190	27,260	(3,070)	34,369
Legal					
Operating expenditures	265,000	304,000	303,051	949	419,465
City Manager					
Personal services	344,669	389,669	370,751	18,918	341,048
Other operating expenditures	123,618	146,618	142,448	4,170	114,290
Transfer to Capital Improvement Projects Fund	1,825,000	1,825,000	1,825,000	-	1,325,000
Financial Administration					
Personal services	373,891	373,891	371,994	1,897	358,007
Other operating expenditures	39,408	39,408	42,528	(3,120)	30,101
Information Technology					
Personal services	69,505	69,505	67,458	2,047	64,351
Other operating expenditures	134,100	113,100	97,516	15,584	138,300
Capital outlay	28,000	28,000	14,604	13,396	-
	3,491,087	3,554,087	3,491,372	62,715	3,054,444
Community Development					
Planning					
Personal services	176,383	136,383	117,253	19,130	157,014
Other operating expenditures	16,625	56,625	69,332	(12,707)	35,230
Building Services					
Personal services	438,512	372,293	361,539	10,754	362,620
Other operating expenditures	73,797	124,016	115,924	8,092	40,297
	705,317	689,317	664,048	25,269	595,161
Recreation					
Personal services	583,320	616,320	608,785	7,535	535,231
Other operating expenditures	425,576	459,576	465,949	(6,373)	510,630
Capital outlay	21,500	21,500	20,203	1,297	20,059
	1,030,396	1,097,396	1,094,937	2,459	1,065,920
Library					
Personal services	380,902	380,902	377,103	3,799	362,026
Other operating expenditures	192,730	192,730	192,801	(71)	185,232
	573,632	573,632	569,904	3,728	547,258

(continued)

CITY OF ST. PETE BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2014 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2013

	2014				2013
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	(Budgetary Basis)	(Negative)	Actual
CHARGES TO APPROPRIATIONS (OUTFLOWS) (continued)					
Parking Enforcement					
Personal services	$ 151,446	$ 151,446	$ 151,854	$ (408)	$ 154,098
Other operating expenditures	123,369	123,369	164,898	(41,529)	182,318
Debt service	30,000	30,000	-	30,000	-
	304,815	304,815	316,752	(11,937)	336,416
Public Safety					
Police					
Personal services	612,972	672,972	735,437	(62,465)	2,264,044
Other operating expenditures	2,199,449	2,199,449	2,126,721	72,728	1,689,080
Capital outlay	4,000	4,000	-	4,000	6,962
Debt service	-	-	-	-	169,208
Fire - Fire Suppression					
Personal services	1,780,189	1,790,189	1,783,388	6,801	1,828,880
Other operating expenditures	198,306	199,528	191,008	8,520	224,324
Capital outlay	50,000	48,778	54,758	(5,980)	38,316
Fire - EMS					
Personal services	1,269,676	1,269,676	1,269,676	-	1,263,851
Other operating expenditures	52,686	52,686	48,173	4,513	58,076
Capital outlay	-	-	-	-	150,000
	6,167,278	6,237,278	6,209,161	28,117	7,692,741
Public Services					
Administration					
Personal services	154,738	154,738	148,251	6,487	150,593
Other operating expenditures	489,424	490,424	491,651	(1,227)	471,593
Building Administration					
Personal services	130,139	130,139	133,631	(3,492)	148,460
Other operating expenditures	92,610	92,610	169,741	(77,131)	80,575
Streets					
Personal services	218,226	218,226	193,224	25,002	196,292
Other operating expenditures	668,432	662,444	642,670	19,774	635,485
Capital outlay	-	4,988	4,988	-	-
Parks					
Personal services	267,264	267,264	256,568	10,696	248,376
Other operating expenditures	494,456	494,456	459,494	34,962	449,543
Capital outlay	-	-	-	-	9,217
	2,515,289	2,515,289	2,500,218	15,071	2,390,134
TOTAL CHARGES TO APPROPRIATIONS	14,787,814	14,971,814	14,846,392	125,422	15,682,074
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	674,104	674,104	308,464
FUND BALANCES - BEGINNING OF YEAR	5,019,821	5,019,821	5,019,821	-	4,711,357
FUND BALANCES - END OF YEAR	$ 5,019,821	$ 5,019,821	$ 5,693,925	$ 674,104	$ 5,019,821

(continued)

CITY OF ST. PETE BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2014 (continued)
With Comparative Actual Amounts for the Year Ended September 30, 2013

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

SOURCES/INFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	$ 15,520,496
Differences - budget to GAAP:	
Proceeds from sale of surplus capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes.	(4,400)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$ 15,516,096
USES/OUTFLOWS OF RESOURCES	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 14,846,392
Differences - budget to GAAP:	
Transfers out are outflows for budgetary purposes but are not expenditures for financial reporting purposes.	(1,825,000)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$ 13,021,392

Combining Financial Statements

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

CITY OF ST. PETE BEACH, FLORIDA

COMBINING BALANCE SHEET
NON- MAJOR GOVERNMENTAL FUNDS

September 30, 2014
With Comparative Total Amounts for September 30, 2013

	Special Revenue Funds		Totals Non- major Governmental Funds	
	Transportation Impact Fee	Police Confiscation	2014	2013
ASSETS				
Pooled cash and investments and cash equivalents	$ 234,289	$ 5,321	$ 239,610	$ 191,511
TOTAL ASSETS	$ 234,289	$ 5,321	$ 239,610	$ 191,511
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other governments	$ 23,593	$ -	$ 23,593	$ 992
TOTAL LIABILITIES	23,593	-	23,593	992
FUND BALANCES				
Fund balances				
Restricted for:				
Transportation Improvements	210,696	-	210,696	185,197
Law enforcement	-	5,321	5,321	5,322
TOTAL FUND BALANCES	210,696	5,321	216,017	190,519
TOTAL LIABILITIES AND FUND BALANCES	$ 234,289	$ 5,321	$ 239,610	$ 191,511

CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2014
With Comparative Total Amounts for the Year Ended September 30, 2013

	Special Revenue Funds		Totals Non- major Governmental Funds	
	Transportation Impact Fee	Police Confiscation	2014	2013
REVENUES				
Impact fees	$ 25,559	$ -	$ 25,559	$ 1,074
Miscellaneous	(60)	(1)	(61)	(39)
TOTAL REVENUES	25,499	(1)	25,498	1,035
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,499	(1)	25,498	1,035
OTHER FINANCING SOURCES (USES)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	25,499	(1)	25,498	1,035
FUND BALANCES - BEGINNING OF YEAR	185,197	5,322	190,519	189,484
FUND BALANCES - END OF YEAR	$ 210,696	$ 5,321	$ 216,017	$ 190,519

CITY OF ST. PETE BEACH, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2014
With Comparative Total Amounts for September 30, 2013

	Police Pension	Firefighters' Pension	General Pension	Totals 2014	Totals 2013
ASSETS					
Cash	$ -	$ -	$ -	$	$ 159,561
Investments, at fair value					
Cash equivalents, short term investments	214,279	261,133	157,904	633,316	558,067
U. S. Government, Federal Agency and municipal securities	1,148,914	1,024,333	942,793	3,116,040	2,324,774
Asset backed securities	565,657	553,604	269,684	1,388,945	1,863,648
Collateralized mortgage obligations	718,767	689,110	1,050,091	2,457,968	2,107,425
Fixed income mutual funds	-	-	4,471,775	4,471,775	5,011,509
Unit investment trusts	28,585	69,760	35,277	133,622	160,209
Foreign stocks and bonds	221,627	557,449	216,149	995,225	1,193,578
Corporate bonds	1,302,290	1,291,336	1,327,211	3,920,837	2,873,720
Equities - common stock	931,388	4,979,641	1,096,611	7,007,640	7,079,462
Equities - mutual funds	6,475,123	1,616,536	2,305,338	10,396,997	9,111,639
	11,606,630	11,042,902	11,872,833	34,522,365	32,284,031
Receivables					
Accrued interest and dividends	26,384	29,970	16,677	73,031	74,711
Contribution receivable	135,922	24,902	58,101	218,925	357,711
State excise tax rebate	88,047	209,930	-	297,977	196,803
	250,353	264,802	74,778	589,933	629,225
TOTAL ASSETS	11,856,983	11,307,704	11,947,611	35,112,298	33,072,817
LIABILITIES					
Administrative expenses payable	6,916	31,425	13,555	51,896	76,852
Deferred contribution	-	14,339	-	14,339	14,339
TOTAL LIABILITIES	6,916	45,764	13,555	66,235	91,191
NET POSITION HELD IN TRUST					
Held in trust for pension benefits	$ 11,850,067	$ 11,261,940	$ 11,934,056	$35,046,063	$32,981,626

CITY OF ST. PETE BEACH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

Year Ended September 30, 2014
With Comparative Total Amounts for the Year Ended September 30, 2013

	Police Pension	Firefighters' Pension	General Pension	Totals 2014	Totals 2013
ADDITIONS					
Contributions					
Employer	$ 577,960	$ 524,654	$ 552,241	$ 1,654,855	$ 2,290,592
Plan members	3,857	43,396	29,138	76,391	151,220
	581,817	568,050	581,379	1,731,246	2,441,812
Intergovernmental revenue					
State excise tax rebate	88,047	209,930	-	297,977	277,654
Investment income					
Net appreciation in fair value of investments	736,344	786,336	943,881	2,466,561	2,882,088
Interest and dividends	338,369	238,118	279,766	856,253	763,316
Miscellaneous income	12,552	26,507	11,207	50,266	466
Total investment earnings	1,087,265	1,050,961	1,234,854	3,373,080	3,645,870
Less investment expense	32,299	72,624	34,590	139,513	137,551
Net investment earnings	1,054,966	978,337	1,200,264	3,233,567	3,508,319
TOTAL ADDITIONS	1,724,830	1,756,317	1,781,643	5,262,790	6,227,785
DEDUCTIONS					
Benefits	1,031,355	832,098	945,801	2,809,254	2,758,440
Lump sum Deferred Retirement Option Plan (DROP) payments	47,231	-	158,497	205,728	714,363
Refunds of contributions	-	47,881	35,206	83,087	359,815
Administrative expenses	23,621	41,052	35,611	100,284	91,558
TOTAL DEDUCTIONS	1,102,207	921,031	1,175,115	3,198,353	3,924,176
CHANGE IN NET POSITION	622,623	835,286	606,528	2,064,437	2,303,609
NET POSITION - BEGINNING OF YEAR	11,227,444	10,426,654	11,327,528	32,981,626	30,678,017
NET POSITION - END OF YEAR	$ 11,850,067	$ 11,261,940	$ 11,934,056	$ 35,046,063	$ 32,981,626

Other Supplementary Schedules

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

CITY OF ST. PETE BEACH, FLORIDA

COMPARATIVE BALANCE SHEET
GENERAL FUND

	September 30, 2014	September 30, 2013
ASSETS		
Cash	$ 2,800	$ 2,950
Pooled cash and investments and cash equivalents	5,934,119	5,339,364
Receivables		
Other	302,113	268,793
Due from other funds	273,144	344,320
Due from other governments	521,645	396,402
Supplies inventory	934	435
Prepaid insurance and deposits	9,255	11,088
TOTAL ASSETS	$ 7,044,010	$ 6,363,352
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	$ 181,326	$ 293,629
Accrued liabilities	811,147	843,095
Due to other governments	229,772	84,301
Deferred revenue	127,840	122,506
TOTAL LIABILITIES	1,350,085	1,343,531
FUND BALANCES		
Nonspendable:		
Supplies inventory	934	435
Prepaids	9,055	10,888
Long-term receivable	201,967	273,144
Restricted for:		
Library	198,063	198,063
Assigned to:		
Compensated absences	431,619	412,809
Insurance stabilization	51,454	-
Unassigned:		
General fund	4,800,833	4,124,482
TOTAL FUND BALANCES	5,693,925	5,019,821
TOTAL LIABILITIES AND FUND BALANCES	$ 7,044,010	$ 6,363,352

CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2014
With Comparative Actual Amounts for the Year Ended September 30, 2013

	2014				2013
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	Budgetary Basis	(Negative)	Actual
RESOURCES (INFLOWS)					
Charges for services					
Customer service charges	$ 4,803,269	$ 4,803,269	$ 5,048,037	$ 244,768	$ 4,679,616
Grants	-	-	-	-	19,879
Miscellaneous revenues					
Impact fees	15,000	15,000	1,035	(13,965)	1,035
Sale (disposal) of capital assets	-	-	-	-	(7,200)
Other	500	328,539	3,643	(324,896)	217,248
AMOUNTS AVAILABLE FOR APPROPRIATION	4,818,769	5,146,808	5,052,715	(94,093)	4,910,578
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Personal services	472,149	472,149	481,568	(9,419)	474,595
Contractual/other services	2,948,887	3,059,887	3,041,590	18,297	2,895,698
Interest and fiscal charges	67,269	67,269	67,222	47	71,913
Capital outlay	1,715,000	3,460,749	2,078,040	1,382,709	638,036
State revolving loan principle	174,287	174,287	174,060	227	169,544
Repayment of advance from General Fund	-	-	-	-	324,639
Transfer to Capital Improvement Projects Fund	100,000	100,000	15,234	84,766	12,575
TOTAL CHARGES TO APPROPRIATIONS	5,477,592	7,334,341	5,857,714	1,476,627	4,587,000
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	$ (658,823)	$ (2,187,533)	$ (804,999)	$ 1,382,534	$ 323,578

NOTES TO SCHEDULE:

The City does not budget for depreciation expense. Total expenses, including depreciation expense of $303,372, for generally accepted accounting principles (GAAP) purposes was $3,908,986. Capital outlay expenditures of $2,078,040 and state revolving loan principle of $14,479, are not expenses for GAAP purposes.

CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2014
With Comparative Actual Amounts for the Year Ended September 30, 2013

	2014				2013
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	Budgetary Basis	(Negative)	Actual
RESOURCES (INFLOWS)					
Charges for services					
Customer service charges	$ 844,000	$ 844,000	$ 842,702	$ (1,298)	$ 775,886
Investment income					
Interest	600	600	-	(600)	-
Miscellaneous revenues					
Impact fees	2,375	2,375	1,425	(950)	1,275
Sale (disposal) of capital assets	-	-	(330)	(330)	(666)
Other	513,000	513,000	20,759	(492,241)	29,672
AMOUNTS AVAILABLE FOR APPROPRIATION	1,359,975	1,359,975	864,556	(495,419)	806,167
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Personal services	89,289	89,289	91,116	(1,827)	101,647
Contractual/other services	361,769	361,769	353,594	8,175	387,043
State revolving loan debt service	597,101	597,101	597,101	-	597,101
Transfers out	133,176	133,176	46,565	86,611	60,512
Capital Outlay	38,000	38,000	-	38,000	-
TOTAL CHARGES TO APPROPRIATIONS	1,219,335	1,219,335	1,088,376	130,959	1,146,303
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	$ 140,640	$ 140,640	$ (223,820)	$ (364,460)	$ (340,136)

NOTES TO SCHEDULE:

The City does not budget for depreciation expense. Total expenses, including depreciation expense of $239,065, for generally accepted accounting principles (GAAP) purposes was $755,809. Also, the City does not budget for changes in investment values and interest income from sinking fund investments. Total revenue, including interest income from sinking fund investments of $42,633 and a decrease in investment value of ($41,324), for GAAP purposes was $865,866. State revolving loan principal of $556,836 is not an expense for GAAP purposes.

CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2014
With Comparative Actual Amounts for the Year Ended September 30, 2013

	2014				2013
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive	
	Original	Final	Budgetary Basis	(Negative)	Actual
RESOURCES (INFLOWS)					
Charges for services					
Customer service charges	$ 619,000	$ 619,000	$ 636,163	$ 17,163	$ 637,350
Grants	-	-	-	-	98,401
Transfers in	-	-	24,450	24,450	-
AMOUNTS AVAILABLE FOR APPROPRIATION	619,000	619,000	660,613	41,613	735,751
CHARGES TO APPROPRIATIONS (OUTFLOWS)					
Personal services	56,136	56,136	53,793	2,343	55,838
Contractual/other services	182,148	387,148	177,723	209,425	265,522
Transfers out	725,000	520,000	19,097	500,903	43,390
TOTAL CHARGES TO APPROPRIATIONS	963,284	963,284	250,613	712,671	364,750
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	$ (344,284)	$ (344,284)	$ 410,000	$ 754,284	$ 371,001

NOTES TO SCHEDULE:

The City does not budget for depreciation expense. Total expenses, including depreciation expense of $11,776, for generally accepted accounting principles (GAAP) purposes was $262,389.

CITY OF ST. PETE BEACH, FLORIDA

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

September 30, 2014

	Total Governmental Funds	Long-term Assets, Liabilities	Other Items, Reclasses and Eliminations	Statement of Net Position Totals
ASSETS				
Cash	$ 2,800	$ -	$ -	$ 2,800
Pooled cash and investments and cash equivalents	8,206,581	-	-	8,206,581
Receivables				
Other	302,113	-	-	302,113
Due from other funds	273,144	-	-	273,144
Due from other governments	728,657	-	-	728,657
Supplies inventory	934	-	-	934
Prepaid insurance and deposits	9,255	-	1,115,495	1,124,750
Land and improvements	-	3,905,294	-	3,905,294
Buildings and other improvements	-	20,865,733	-	20,865,733
Furniture, machinery and equipment	-	4,577,523	-	4,577,523
Infrastructure	-	15,571,153	-	15,571,153
Capital projects in process	-	354,447	-	354,447
Less: accumulated depreciation	-	(17,428,867)	-	(17,428,867)
Un-amortized debt costs	-	4,614	-	4,614
TOTAL ASSETS	$ 9,523,484	$ 27,849,897	$ 1,115,495	$ 38,488,876
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 327,946	$ -	$ -	$ 327,946
Accrued liabilities	811,147	-	-	811,147
Due to other governments	253,365	-	-	253,365
Current portion of				
Deferred revenue	127,840	11,507	-	139,347
Compensated absences	-	32,488	-	32,488
Revenue bonds payable	-	365,000	-	365,000
Capital lease obligation	-	72,930	-	72,930
Non-current portion of				
Net other post employment benefit obligation	-	45,412	-	45,412
Deferred revenue	-	18,003	-	18,003
Compensated absences	-	399,131	-	399,131
Revenue bonds payable	-	1,205,000	-	1,205,000
Capital lease obligation	-	229,192	-	229,192
TOTAL LIABILITIES	1,520,298	2,378,663	-	3,898,961
TOTAL FUND BALANCES / NET POSITION	8,003,186	25,471,234	1,115,495	34,589,915
TOTAL LIABILITIES AND FUND BALANCES / NET POSITION	$ 9,523,484	$ 27,849,897	$ 1,115,495	$ 38,488,876

CITY OF ST. PETE BEACH, FLORIDA

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

For the Year Ended September 30, 2014

	Total Governmental Funds	Capital Outlay, Disposals and Depreciation	Long-term Debt Transactions	Other Items, Reclasses and Eliminations	Statement of Activities Totals
REVENUES					
Taxes	$ 9,081,191	$ -	$ -	$ (9,081,191)	$ -
Licenses and permits	640,300	-	-	(640,300)	-
Intergovernmental revenue	3,685,146	-	-	(3,685,146)	-
Charges for services	2,292,991	-	-	1,231,380	3,524,371
Fines and forfeitures	222,517	-	-	(222,517)	-
Miscellaneous revenues	481,292	(45,386)	14,105	(450,011)	-
Operating grants and contributions	-	-	-	1,544,867	1,544,867
Capital grants and contributions	-	-	-	6,309	6,309
General revenues	-	-	-	11,296,609	11,296,609
TOTAL REVENUES	16,403,437	(45,386)	14,105	-	16,372,156
EXPENDITURES					
Current					
General government	1,651,768	18,670	(17,005)	-	1,653,433
Community development	664,048	4,163	(3,563)	-	664,648
Recreation	1,074,734	318,761	11,524	-	1,405,019
Library	569,904	32,978	191	-	603,073
Parking enforcement	316,752	21,160	-	-	337,912
Public safety	6,154,403	-	-	(6,154,403)	-
Public safety - police	-	62,679	98	2,863,574	2,926,351
Public safety - fire	-	220,495	33,584	3,288,012	3,542,091
Public services	2,798,998	914,415	403	-	3,713,816
Capital Outlay	1,688,167	(1,688,167)	-	-	-
Debt service					
Principal retirement	422,010	-	(422,010)	-	-
Interest and fiscal charges	106,855	-	2,206	-	109,061
TOTAL EXPENDITURES	15,447,639	(94,846)	(394,572)	(2,817)	14,955,404
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of surplus capital assets	4,400	(4,400)	-	-	-
Capital lease obligation incurred	379,132	-	(379,132)	-	-
Transfers in	1,905,896	-	-	(1,825,000)	80,896
Transfers out	(1,825,000)	-	-	1,825,000	-
TOTAL OTHER FINANCING SOURCES (USES)	464,428	(4,400)	(379,132)	-	80,896
NET CHANGE IN FUND BALANCE / NET POSITION	$ 1,420,226	$ 45,060	$ 29,545	$ 2,817	$ 1,497,648

Statistical Section - Supplemental Information

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

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

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

Schedules of Financial Trends Information

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

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

	2005	2006	2007	2008	2009
Governmental activities					
Invested in capital assets, net of related debt	$23,823,782	$27,490,946	$30,398,426	$ 30,608,205	$ 23,194,806
Restricted	4,677,706	4,301,727	4,081,739	3,869,130	380,065
Unrestricted	5,551,958	3,463,277	720,323	1,447,615	3,556,029
Total governmental activities net assets	$34,053,446	$35,255,950	$35,200,488	$ 35,924,950	$ 27,130,900
Business-type activities					
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ 7,416,175
Restricted	-	-	-	-	3,149,490
Unrestricted	-	-	-	-	(1,004,406)
Total business-type activities net assets					$ 9,561,259
Primary government					
Invested in capital assets, net of related debt	$23,823,782	$27,490,946	$30,398,426	$ 30,608,205	$ 30,610,981
Restricted	4,677,706	4,301,727	4,081,739	3,869,130	3,529,555
Unrestricted	5,551,958	3,463,277	720,323	1,447,615	2,551,623
Total primary government net assets	$34,053,446	$35,255,950	$35,200,488	$ 35,924,950	$ 36,692,159

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

2010	2011	2012	2013	2014
$ 23,703,266	$ 24,778,730	$ 25,813,130	$ 25,885,225	$ 26,275,283
382,107	369,866	387,549	388,582	414,080
3,764,169	3,601,370	4,158,240	6,818,460	7,900,552
$ 27,849,542	$ 28,749,966	$ 30,358,919	$ 33,092,267	$ 34,589,915
$ 7,966,862	$ 8,584,028	$ 9,504,196	$ 10,617,326	$ 13,045,091
2,761,992	2,360,200	1,869,900	1,373,720	875,172
(263,623)	1,090,718	1,936,117	2,866,840	2,589,632
$ 10,465,231	$ 12,034,946	$ 13,310,213	$ 14,857,886	$ 16,509,895
$ 31,670,128	$ 33,362,758	$ 35,317,326	$ 36,502,551	$ 39,320,374
3,144,099	2,730,066	2,257,449	1,762,302	1,289,252
3,500,546	4,692,088	6,094,357	9,685,300	10,490,184
$ 38,314,773	$ 40,784,912	$ 43,669,132	$ 47,950,153	$ 51,099,810

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

	2005	2006	2007	2008	2009	2010	2011	2012
Expenses								
Governmental activities:								
General government	$ 2,229,939	$ 2,413,760	$ 2,546,390	$ 2,093,889	$ 2,223,320	$ 2,306,345	$ 1,975,312	$ 2,238,921
Community Development	-	-	-	707,288	620,111	593,337	581,888	576,218
Recreation	-	-	-	-	-	-	-	1,371,830
Library	-	-	-	603,915	613,869	552,497	571,243	558,416
Parking Enforcement	-	-	-	-	-	-	267,877	318,855
Public Safety - police	3,665,002	4,006,979	4,165,767	4,400,470	4,132,774	4,048,923	3,884,179	3,892,761
Public Safety - fire	2,595,777	2,863,945	3,023,061	3,249,397	3,071,551	3,100,901	3,047,866	3,274,286
Public Services	2,808,846	2,905,516	3,058,319	4,217,367	3,999,036	3,872,799	3,962,149	2,761,043
Leisure services	1,818,392	2,056,743	2,477,342	-	-	-	-	-
Interest on long term-debt	344,444	325,147	509,659	534,107	483,111	255,846	203,379	147,049
Total governmental activities expenses	13,462,400	14,572,090	15,780,538	15,806,433	15,143,772	14,730,648	14,493,893	15,139,379
Business-type activities:								
Water pollution control - sewer	2,732,414	3,079,658	4,022,773	3,457,675	3,385,327	3,467,822	3,052,904	3,756,305
Water pollution control - reclaimed water	652,864	653,777	643,833	638,710	776,244	778,626	819,844	884,287
Water pollution control - stormwater	-	-	-	-	-	110,227	152,728	259,057
Total business-type activities expenses	3,385,278	3,733,435	4,666,606	4,096,385	4,161,571	4,356,675	4,025,476	4,899,649
Total primary government expenses	$ 16,847,678	$ 18,305,525	$ 20,447,144	$ 19,902,818	$ 19,305,343	$ 19,087,323	$ 18,519,369	$ 20,039,028
Program Revenues								
Governmental activities:								
Charges for services:								
General Government	$ 950,401	$ 1,076,223	$ 411,629	$ 435,010	$ 425,373	$ 439,404	$ 450,656	$ 473,458
Community Development	187,896	52,250	58,176	449,139	359,829	399,355	363,853	450,065
Recreation	-	-	-	-	-	-	-	574,324
Library	-	-	-	28,069	30,182	27,427	25,048	25,356
Parking Enforcement	-	-	-	-	-	928,834	1,143,883	1,404,482
Public Safety - Police	237,425	278,485	969,146	1,155,181	1,147,821	141,741	169,361	143,527
Public Services	714,049	716,278	619,330	419,320	399,399	431,290	536,404	-
Leisure Services	214,464	189,466	263,963	-	-	-	-	-
Operating grants and contributions	1,469,448	1,651,769	1,314,450	1,625,473	1,581,096	1,414,213	1,411,742	1,541,530
Capital grants and contributions	388,287	27,817	653,672	276,854	264,062	371,068	316,946	1,143,600
Total governmental activities program revenues	4,161,970	3,992,288	4,290,366	4,389,046	4,207,762	4,153,332	4,417,893	5,756,342
Business-type activities:								
Charges for services:								
Water pollution control - sewer	2,755,062	2,846,516	2,944,746	3,222,774	3,753,190	4,556,755	4,605,011	4,741,773
Water pollution control - reclaimed water	549,432	564,592	567,251	562,528	548,899	603,741	699,152	797,045
Water pollution control - stormwater	-	-	-	-	-	-	264,594	610,966
Operating grants and contributions	-	-	-	-	-	-	-	3,176
Capital grants and contributions	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,304,494	3,411,108	3,511,997	3,785,302	4,302,089	5,160,496	5,568,757	6,152,960
Total primary government program revenues	$ 7,466,464	$ 7,403,396	$ 7,802,363	$ 8,174,348	$ 8,509,851	$ 9,313,828	$ 9,986,650	$ 11,909,302
Net (Expense)/Revenue								
Governmental activities	$ (9,300,430)	$ (10,579,802)	$ (11,490,172)	$ (11,417,387)	$ (10,936,010)	$(10,577,316)	$(10,076,000)	$ (9,383,037)
Business-type activities	(80,784)	(322,327)	(1,154,609)	(311,083)	140,518	803,821	1,543,281	1,253,311
Total primary government net expense	$ (9,381,214)	$ (10,902,129)	$ (12,644,781)	$ (11,728,470)	$ (10,795,492)	$ (9,773,495)	$ (8,532,719)	$ (8,129,726)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Ad valorem	$ 5,514,840	$ 6,361,917	$ 7,205,756	$ 6,662,973	$ 6,057,622	$ 5,655,614	$ 5,659,947	$ 5,641,473
Franchise fees	961,157	1,123,954	1,129,082	1,104,184	1,224,333	1,291,867	1,198,408	1,157,857
Utility taxes	1,880,502	1,952,652	1,993,340	2,032,406	2,057,562	2,238,043	2,124,927	2,052,136
State sales tax	572,134	585,464	558,172	530,500	484,524	480,771	485,227	491,998
Infrastructure tax	927,344	979,980	947,581	920,711	808,949	805,652	719,060	761,136
Local option gas tax	91,964	92,348	88,496	133,095	128,949	139,354	126,339	126,619
State excise tax - public safety	-	194,804	300,840	334,351	224,860	252,317	244,087	292,403
Other taxes	48,494	44,328	40,112	42,785	52,617	45,060	45,701	46,793
State revenue sharing - unrestricted	269,947	270,611	272,013	267,207	262,715	263,617	264,996	265,814
State revenue sharing - guaranteed entitlement	-	-	-	-	-	-	-	-
Investment income	302,017	426,297	508,419	345,567	56,045	6,892	2,491	13,413
Miscellaneous	94,739	72,278	85,022	79,153	105,148	116,770	105,241	146,592
Transfers	-	-	-	-	-	-	-	-
Special item - Change in assumptions - OPEB	-	-	-	-	-	-	-	-
Special item - Transfer of operations	-	-	-	-	-	-	-	-
Special item - loss on capital assets	-	-	(539,514)	-	-	-	-	-
Total governmental activities	10,663,138	12,104,633	12,589,319	12,452,932	11,463,324	11,295,957	10,976,424	10,996,234
Business-type activities:								
Investment income	-	-	-	-	99,377	100,152	26,434	9,616
Miscellaneous	-	-	-	-	-	-	-	12,340
Transfers	-	-	-	-	-	-	-	-
Special item - Change in assumptions - OPEB	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	99,377	100,152	26,434	21,956
Total primary government	$ 10,663,138	$ 12,104,633	$ 12,589,319	$ 12,452,932	$ 11,562,701	$ 11,396,109	$ 11,002,858	$ 11,018,190
Change in Net Assets								
Governmental activities	$ 1,362,708	$ 1,524,831	$ 1,099,147	$ 1,035,545	$ 527,314	$ 718,641	$ 900,424	$ 1,613,197
Business-type activities	(80,784)	(322,327)	(1,154,609)	(311,083)	239,895	903,973	1,569,715	1,275,267
Total primary government	$ 1,281,924	$ 1,202,504	$ (55,462)	$ 724,462	$ 767,209	$ 1,622,614	$ 2,470,139	$ 2,888,464

2013	2014
$ 1,772,659	$ 1,653,433
607,796	664,648
1,357,270	1,405,019
584,453	603,073
359,881	337,912
2,832,865	2,926,351
3,408,902	3,542,091
3,091,481	3,713,816
-	-
123,922	109,061
14,139,229	14,955,404
3,691,949	3,893,752
772,697	709,244
332,920	243,292
4,797,566	4,846,288
$ 18,936,795	$ 19,801,692
$ 469,324	$ 482,675
470,650	587,335
739,016	719,884
26,771	31,355
1,444,844	1,555,258
41,819	147,864
-	-
-	-
1,800,650	1,544,867
353,008	6,309
5,346,082	5,075,547
4,680,651	5,051,892
800,471	864,886
637,350	636,163
118,280	-
-	24,450
6,236,752	6,577,391
$ 11,582,834	$ 11,652,938
$ (8,793,147)	$ (9,879,857)
1,439,186	1,731,103
$ (7,353,961)	$ (8,148,754)
$ 6,474,606	$ 5,694,314
1,105,415	1,175,145
2,082,201	2,211,732
513,577	539,946
804,221	858,293
131,214	131,110
277,654	297,976
47,710	41,341
67,817	70,119
199,235	199,235
9,700	9,320
93,367	68,078
(75,418)	80,896
556,716	-
(747,433)	-
-	-
11,540,582	11,377,505
4,584	2,132
(7,866)	(330)
75,418	(80,896)
36,351	-
108,487	(79,094)
$ 11,649,069	$ 11,298,411
$ 2,747,435	$ 1,497,648
1,547,673	1,652,009
$ 4,295,108	$ 3,149,657

Notes:

1 Beginning in fiscal year 2006, parking meter revenues were recorded as a charge for service in Public Safety - Police rather than in General Government.

2 Beginning in fiscal year 2011, parking meter revenues have been recorded as a charge for service in Parking Enforcement rather than Public Safety-Police.

3 Beginning in fiscal year 2008, the following departmental changes were implemented:

a. Community Development department has been separately presented;

b. Library division has been separately presented;

c. The Parks and Recreation divisions have been included as part of Public Services.

4 Beginning in fiscal year 2010, the wastewater and reclaimed water funds are classified as enterprise funds

5 Beginning in fiscal year 2013 the Recreation department has been separately presented and no longer included as a part of Public Services. Fiscal year 2012 has been restated for comparison purposes.

6 Beginning in 2014 the guaranteed entitlement portion of State Revenue Sharing is separately presented. Separate presentation for 2013 has been included for comparison purposes.

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

	2005	2006	2007	2008	2009
General Fund					
Reserved	$ 220,154	$ 213,744	$ 210,005	$ 209,325	$ 1,567,842
Unreserved	3,142,415	2,857,924	2,936,042	3,192,546	2,401,267
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	$ 3,362,569	$ 3,071,668	$ 3,146,047	$ 3,401,871	$ 3,969,109
All Other Governmental Funds					
Reserved	$ 4,531,608	$ 4,140,422	$ 3,917,959	$ 3,707,404	$ 3,397,217
Unreserved					
Special revenue funds	735,530	636,941	(702,015)	(1,047,146)	-
Debt service fund	734	734	(46,827)	(49,778)	-
Capital project fund	2,477,094	716,737	(651,603)	49,928	564,051
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 7,744,966	$ 5,494,834	$ 2,517,514	$ 2,660,408	$ 3,961,268

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

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

2010	2011	2012	2013	2014
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
1,134,260	920,961	352,325	284,467	211,956
198,063	198,063	198,063	198,063	198,063
-	-	-	-	-
668,445	565,656	543,695	412,809	483,073
2,337,289	3,229,855	3,617,274	4,124,482	4,800,833
$ 4,338,057	$ 4,914,535	$ 4,711,357	$ 5,019,821	$ 5,693,925
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
184,044	171,803	189,484	190,519	216,017
-	-	-	-	-
475,479	-	561,608	1,372,620	2,093,244
-	(198,166)	-	-	-
$ 659,523	$ (26,363)	$ 751,092	$ 1,563,139	$ 2,309,261

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

	2005	2006	2007	2008	2009	2010
Revenues						
Taxes	$ 8,356,499	$ 9,438,522	$ 10,328,178	$ 9,799,563	$ 9,339,517	$ 9,185,523
Licenses and permits	807,856	807,175	713,523	534,094	455,394	494,634
Intergovernmental revenue	3,551,832	3,846,278	3,922,805	4,004,139	3,689,253	3,678,096
Charges for services	4,279,208	4,518,661	4,679,076	5,325,751	1,572,766	1,512,469
Fines and forfeitures	204,855	215,241	224,958	209,512	163,951	150,192
Miscellaneous revenue	925,520	665,691	1,029,823	731,898	360,139	389,009
Total revenues	18,125,770	19,491,568	20,898,363	20,604,957	15,581,020	15,409,923
Expenditures						
Current						
General government	2,040,786	2,240,435	2,378,877	1,926,479	2,015,314	2,099,784
Community Development	-	-	-	716,378	610,481	581,496
Recreation	-	-	-	-	-	-
Library	-	-	-	571,361	587,953	530,304
Parking enforcement	-	-	-	-	-	-
Public safety	5,971,810	6,416,531	6,810,757	7,308,294	6,749,074	6,738,104
Public services	2,453,416	2,564,046	2,629,373	3,401,670	3,138,324	3,026,346
Water pollution control	3,038,394	3,359,030	4,259,808	3,701,133	-	-
Leisure services	1,655,771	1,806,596	2,158,388	-	-	-
Total Current Expenditures	15,160,177	16,386,638	18,237,203	17,625,315	13,101,146	12,976,034
Capital outlay						
General government	10,975	486,928	69,723	163,246	54,889	17,551
Community Development	-	-	-	3,000	6,350	-
Recreation	-	-	-	-	-	-
Library	-	-	-	163,251	-	3,894
Parking enforcement	-	-	-	-	-	-
Public safety	348,387	1,065,265	231,343	70,770	69,216	265,200
Public services	854,586	678,155	802,927	418,265	219,989	1,206,059
Water pollution control	870,342	1,838,557	1,358,178	25,399	274,086	-
Leisure services	1,285,574	2,565,988	6,731,060	-	-	-
Total Capital Outlay	3,369,864	6,634,893	9,193,231	843,931	624,530	1,492,704
Debt service						
Principal retirement	800,120	819,389	1,338,279	1,433,818	813,322	1,340,375
Interest and fiscal charges	339,133	320,480	571,085	521,138	261,648	245,623
Total Debt Service	1,139,253	1,139,869	1,909,364	1,954,956	1,074,970	1,585,998
Total expenditures	19,669,294	24,161,400	29,339,798	20,424,202	14,800,646	16,054,736
Excess of revenues over (under) expenditures	(1,543,524)	(4,669,832)	(8,441,435)	755	780,374	(644,813)
Other Financing Sources (Uses)						
Capital lease obligation incurred	234,365	658,553	-	-	-	-
Bond proceeds	-	-	4,100,598	-	-	-
Loan proceeds	73,117	1,455,892	1,414,321	388,742	269,843	875,000
Proceeds from sale of surplus capital assets	35,098	14,354	23,575	9,221	31,746	52,231
Transfers in	322,619	589,101	934,601	547,101	400,000	475,000
Transfers out	(322,619)	(589,101)	(934,601)	(547,101)	(400,000)	(475,000)
Total other financing sources (uses)	342,580	2,128,799	5,538,494	397,963	301,589	927,231
Special item - Transfer of operations	-	-	-	-	-	-
Net change in fund balances	(1,200,944)	(2,541,033)	(2,902,941)	398,718	1,081,963	282,418
Fund balances - beginning of year	12,308,479	11,107,535	8,566,502	5,663,561	3,633,199	4,715,162
Fund balance - end of year	$ 11,107,535	$ 8,566,502	$ 5,663,561	$ 6,062,279	$ 4,715,162	$ 4,997,580
Debt service as a percentage of non-capital expenditures	7.0%	6.5%	9.5%	10.0%	7.6%	10.9%

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

2011	2012	2013	2014
$ 8,983,281	$ 8,851,466	$ 9,662,222	$ 9,081,191
459,849	516,512	540,699	640,300
3,579,651	4,651,553	4,195,087	3,685,146
1,768,756	2,135,514	2,212,547	2,292,991
226,328	141,215	132,755	222,517
346,267	416,937	383,821	481,292
15,364,132	16,713,197	17,127,131	16,403,437
1,786,770	2,082,197	1,729,444	1,651,768
567,536	565,632	595,161	664,048
-	903,841	1,045,861	1,074,734
529,431	517,505	547,258	569,904
267,877	318,540	336,416	316,752
6,628,405	6,884,686	6,985,526	6,154,403
3,064,189	2,324,891	2,408,160	2,798,998
-	-	-	-
-	-	-	-
12,844,208	13,597,292	13,647,826	13,230,607
300,488	22,050	20,330	14,604
8,590	-	-	-
-	16,603	109,307	357,943
26,236	16,932	-	-
-	6,290	-	-
211,183	891,194	485,990	449,349
735,242	718,731	862,497	866,271
-	-	-	-
-	-	-	-
1,281,739	1,671,800	1,478,124	1,688,167
1,169,185	760,000	495,000	422,010
194,704	144,126	121,397	106,855
1,363,889	904,126	616,397	528,865
15,489,836	16,173,218	15,742,347	15,447,639
(125,704)	539,979	1,384,784	955,798
-	-	-	379,132
-	-	-	-
-	-	-	-
16,296	34,298	19,056	4,400
492,000	925,000	1,384,400	1,905,896
(492,000)	(925,000)	(1,325,000)	(1,825,000)
16,296	34,298	78,456	464,428
-	-	(342,729)	-
(109,408)	574,277	1,120,511	1,420,226
4,997,580	4,888,172	5,462,449	6,582,960
$ 4,888,172	$ 5,462,449	$ 6,582,960	$ 8,003,186
9.6%	6.2%	4.3%	3.8%

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

	2005	2006	2007	2008
Function / Program				
Governmental activities :				
Charges for services				
General government	$ 398,765	$ 450,424	$ 411,629	$ 435,010
Community development	187,896	52,250	58,176	449,139
Recreation	-	-	-	-
Library	-	-	-	28,069
Parking enforcement	-	-	-	-
Public safety - police	789,061	904,284	969,146	1,155,181
Public services	714,049	716,278	619,330	419,320
Leisure services	214,464	189,466	263,963	-
Total charges for services	2,304,235	2,312,702	2,322,244	2,486,719
Operating grants and contributions				
Library	218,190	235,674	271,841	248,257
Public safety - police	5,185	14,484	92,235	76,465
Public safety - fire	833,463	865,930	904,660	1,182,893
Public services	412,610	535,681	45,714	117,858
Total operating grants and contributions	1,469,448	1,651,769	1,314,450	1,625,473
Capital grants and contributions				
General government	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	-
Public safety - police	-	-	-	-
Public safety - fire	-	-	-	-
Public services	-	-	-	-
Leisure services	388,287	27,817	653,672	276,854
Total capital grants and contributions	388,287	27,817	653,672	276,854
Sub-total governmental activities	$ 4,161,970	$ 3,992,288	$ 4,290,366	$ 4,389,046
Business-type activities:				
Charges for services:				
Water pollution control - sewer	$ 2,755,062	$ 2,846,516	$ 2,944,746	$ 3,222,774
Water pollution control - reclaimed water	549,432	564,592	567,251	562,528
Water pollution control - stormwater	-	-	-	-
	3,304,494	3,411,108	3,511,997	3,785,302
Operating grants and contributions				
Total operating grants and contributions	-	-	-	-
Capital grants and contributions				
Total capital grants and contributions	-	-	-	-
Sub-total business type activities program revenues	3,304,494	3,411,108	3,511,997	3,785,302
Total primary government program revenues	$ 7,466,464	$ 7,403,396	$ 7,802,363	$ 8,174,348

2009	2010	2011	2012	2013	2014
$ 425,373	$ 439,404	$ 450,656	$ 473,458	$ 469,324	$ 482,675
359,829	399,355	363,853	450,065	470,650	587,335
-	-	-	574,324	739,016	719,884
30,182	27,427	25,048	25,356	26,771	31,355
-	928,834	1,143,883	1,404,482	1,444,844	1,555,258
1,147,821	141,741	169,361	143,527	41,819	147,864
399,399	431,290	536,404	-	-	-
-	-	-	-	-	-
2,362,604	2,368,051	2,689,205	3,071,212	3,192,424	3,524,371
218,470	189,859	173,606	168,334	162,137	153,237
47,129	63,569	82,127	97,676	20,976	-
1,236,947	1,108,691	1,101,575	1,216,072	1,452,525	1,317,862
49,532	52,084	54,434	59,448	165,012	73,768
1,552,078	1,414,203	1,411,742	1,541,530	1,800,650	1,544,867
-	-	142,500	-	-	-
-	-	-	272,500	-	4,050
-	-	10,000	-	-	-
118,719	247,341	99,760	6,100	2,508	2,259
-	-	-	665,000	-	-
174,361	123,727	64,686	200,000	350,500	-
-	-	-	-	-	-
293,080	371,068	316,946	1,143,600	353,008	6,309
$ 4,207,762	$4,153,322	$ 4,417,893	$ 5,756,342	$ 5,346,082	$ 5,075,547
$ 3,753,190	$ 4,556,755	$ 4,605,011	$ 4,741,773	$ 4,680,651	$ 5,051,892
548,899	603,741	699,152	797,045	800,471	864,886
-	-	264,594	610,966	637,350	636,163
4,302,089	5,160,496	5,568,757	6,149,784	6,118,472	6,552,941
-	-	-	3,176	118,280	-
-	-	-	-	-	24,450
4,302,089	5,160,496	5,568,757	6,152,960	6,236,752	6,577,391
$ 8,509,851	$ 9,313,818	$ 9,986,650	$ 11,909,302	$ 11,582,834	$ 11,652,938

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

Fiscal Year Ended September 30,	Ad Valorem	Franchise Fees	Utility Taxes	Total
2014	$ 5,694,314	$ 1,175,145	$ 2,211,732	$ 9,081,191
2013	6,474,606	1,105,415	2,082,201	9,662,222
2012	5,641,473	1,157,857	2,052,136	8,851,466
2011	5,659,946	1,198,408	2,124,927	8,983,281
2010	5,655,614	1,291,867	2,238,042	9,185,523
2009	6,057,622	1,224,333	2,057,562	9,339,517
2008	6,662,973	1,104,184	2,032,406	9,799,563
2007	7,205,756	1,129,082	1,993,340	10,328,178
2006	6,361,917	1,123,954	1,952,652	9,438,523
2005	5,514,840	961,157	1,880,502	8,356,499

Schedules of Revenue Capacity Information

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

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

Fiscal Year Ended September 30,	Tax Roll	Residential Property	Commercial Property	Governmental Property	Institutional Property
2014	2013	$ 1,793,883,055	$ 393,536,407	$ 25,463,444	$ 19,456,265
2013	2012	1,785,350,119	383,501,063	25,393,771	19,389,257
2012	2011	1,745,788,800	365,880,150	24,841,805	17,039,690
2011	2010	1,866,594,851	400,024,065	26,970,547	18,534,123
2010	2009	1,974,627,856	445,160,499	31,375,098	20,933,239
2009	2008	2,554,643,705	664,746,200	63,915,000	25,236,900
2008	2007	2,916,165,500	715,107,200	63,887,600	24,314,300
2007	2006	2,943,231,980	751,347,000	64,732,200	23,819,900
2006	2005	2,337,775,200	587,997,200	48,716,300	21,779,100
2005	2004	2,032,334,600	354,679,900	45,885,100	19,956,600

Source:

Pinellas County Property Appraiser

Other Real Property	Personal Property	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
$ 7,713,624	$ 61,230,630	$ 2,301,283,425	$ 237,841,071	$ 2,063,442,354	2.8569
7,773,482	57,629,771	2,279,037,463	294,774,137	1,984,263,326	3.3697
7,252,963	57,842,179	2,218,645,587	237,892,158	1,980,753,429	2.9464
8,148,597	53,226,254	2,373,498,437	252,537,396	2,120,961,041	2.7514
9,952,577	55,337,521	2,537,386,790	261,028,318	2,276,358,472	2.5588
4,397,000	53,478,550	3,366,417,355	805,857,299	2,560,560,056	2.4425
5,038,700	50,266,380	3,774,779,680	950,102,233	2,824,677,447	2.4363
3,186,800	47,787,380	3,834,105,260	1,044,433,806	2,789,671,454	2.6656
1,914,900	43,287,248	3,041,469,948	761,552,330	2,279,917,618	2.8792
1,738,700	39,857,810	2,494,452,710	590,553,250	1,903,899,460	2.9954

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

				Pinellas County				Pinellas
Fiscal Year	City Millage	City Debt	Total City	Operating	Mosquito Control	Health Department	Total County - Operating	State School Operating
2014	2.8569	0.0000	2.8569	5.2755	-	0.0622	5.3377	5.3120
2013	3.2819	0.0878	3.3697	5.0105	-	0.0622	5.0727	5.5540
2012	2.8569	0.0895	2.9464	4.8108	-	0.0622	4.8730	5.6370
2011	2.6718	0.0796	2.7514	4.8108	-	0.0622	4.8730	5.3420
2010	2.4834	0.0754	2.5588	4.8108	-	0.0622	4.8730	5.3480
2009	2.3764	0.0661	2.4425	4.8108	-	0.0622	4.8730	5.1720
2008	2.3764	0.0599	2.4363	4.8108	-	0.0622	4.8730	4.7300
2007	2.6000	0.0656	2.6656	5.3400	0.0600	0.0700	5.4700	5.0460
2006	2.8000	0.0792	2.8792	5.9920	0.0790	0.0700	6.1410	5.1910
2005	2.9000	0.0954	2.9954	5.9920	0.0790	0.0700	6.1410	5.5040

Source:

Pinellas County Tax Collector

County School Board							
Local School Operating	Total School Board	Emerg. Medical Services	Pinellas Planning Council	Juvenile Welfare Board	Southwest Florida Water Management District	Pinellas Anclote River Basin	Total
2.7480	8.0600	0.9158	0.0160	0.8981	0.3818	-	18.4663
2.7480	8.3020	0.9158	0.0125	0.8981	0.3928	-	18.9636
2.7480	8.3850	0.8506	0.0125	0.8337	0.3928	-	18.2940
2.9980	8.3400	0.5832	0.0125	0.7915	0.3770	0.2600	17.9886
2.9980	8.3460	0.5832	0.0125	0.7915	0.3866	0.3200	17.8716
2.8890	8.0610	0.5832	0.0170	0.7915	0.3866	0.3600	17.5148
3.0010	7.7310	0.5832	0.0170	0.7384	0.3866	0.3701	17.1356
3.1640	8.2100	0.6300	0.0195	0.7963	0.4220	0.4000	18.6134
3.1990	8.3900	0.6600	0.0218	0.8117	0.4220	0.4000	19.7257
2.6180	8.1220	0.6600	0.0220	0.8117	0.4220	0.4000	19.5741

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

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Don Cesar Resort Hotel	$ 49,194,252	1	2.38%	$ 48,120,070	1	2.53%
Nicklaus, H Gregg Tre	22,900,000	2	1.11%	25,500,000	3	1.34%
RIA - Sandpiper Inc	16,390,000	3	0.79%			
RIA - Breckenridge, Inc.	16,250,000	4	0.79%			
B R E Mariner Dolphin Village LLC	15,817,000	5	0.77%			
St. Pete Partners LLC	13,216,120	6	0.64%			
Grand Plaza Resorts Inc	12,029,036	7	0.58%			
RIA - Tradewinds, Inc.	10,170,160	8	0.49%			
Dolphin Holdings, LTD	9,850,000	9	0.48%	8,900,000	9	0.52%
Reagan, Brownlee	9,300,000	10	0.45%			
Resort Inns of America, Inc.				38,500,000	2	2.02%
Kevin D. Hughes				14,500,000	5	0.76%
Resort Industries, Inc.				15,200,000	4	0.80%
Tony Land Associates LLC				12,163,400	6	0.64%
National Realty Holdings, Inc.				11,600,000	7	0.61%
IGIC Dolphin Village				11,320,800	8	0.59%
Alden Enterprises, Inc.				8,422,700	10	0.44%
Total Principal Taxpayers	175,116,568		8.49%	194,226,970		10.20%
All Other Taxpayers	1,888,325,786		91.51%	1,709,672,490		89.80%
Total	$2,063,442,354		100.00%	$ 1,903,899,460		100.00%

Source:

Pinellas County Property Appraiser's Office

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

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2014	$ 5,895,048	$ 5,694,314	96.59%
2013	6,686,372	6,474,606	96.83%
2012	5,836,092	5,641,473	96.67%
2011	5,835,612	5,659,946	96.99%
2010	5,824,746	5,655,614	97.10%
2009	6,254,168	6,057,622	96.86%
2008	6,881,762	6,662,973	96.82%
2007	7,436,148	7,205,756	96.90%
2006	6,564,338	6,361,917	96.92%
2005	5,702,940	5,514,840	96.70%

Note:

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

Source:

Pinellas County Property Appraiser

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Schedules of Debt Capacity Information

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

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

City of St. Pete Beach, Florida
Schedule 11
Direct and Overlapping Governmental Activities Debt
As of September 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Pinellas County School Board Capital Leases (2)	$ 5,611,232	3.37%	$ 189,285
Pinellas County Bonds (2)	8,713,566	3.65%	318,122
Pinellas County School Board (Overlapping) (2)	19,075,000	3.37%	643,462
Total OverlappingDebt	33,399,798		1,150,868
City direct debt	4,876,430	100.00%	4,876,430
Total direct and overlapping governmental activities debt	$ 38,276,228		$ 6,027,298
Total direct and overlapping governmental activities debt per capita (2) (3)			$ 636

Notes:

(1) The City's share is calculated based on the ratio of the 2013 City Taxable Value of $ 2,063,442,354 to the County's Taxable Value of $ 56,092,698,300 and the School Board Taxable Value of $60,805,419,052.

(2) The City of St. Pete Beach is not responsible for the debt of the County or School Board.

(3) 2014 permanent St. Pete Beach population at 9,471.

Source:

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

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

	Governmental Activities				Business-Type	
Fiscal Year	General Obligation Bonds 1993	Revenue Bond Series 2001A	Revenue Bond 2006A	Capital Leases Payable	State Revolving Loan 1992	State Revolving Loan 2003
2014	$ -	$ -	$ 1,570,000	$ 302,122	$ 576,600	$ 152,070
2013	-	-	1,915,000	-	1,133,436	166,549
2012	160,000	-	2,250,000	-	1,671,186	180,596
2011	315,000	285,000	2,570,000	-	2,190,474	194,225
2010	460,000	560,000	2,875,000	444,186	2,691,948	207,448
2009	600,000	820,000	3,170,000	214,561	3,176,220	220,276
2008	730,000	1,065,000	3,455,000	490,269	3,643,880	232,722
2007	855,000	1,300,000	3,725,000	663,950	4,095,498	244,796
2006	975,000	1,525,000	-	829,920	4,531,626	256,511
2005	1,090,000	1,740,000	-	228,222	4,952,795	267,876

Activities			General Bonded Debt			Total
State Revolving Loan 2005	Capital Leases Payable	Total Primary Government	Percentage of Actual Taxable Value of Property	Per Capita	Percentage of Personal Income	Primary Government Debt Per Capita
$ 2,275,638	$ -	$ 4,876,430	0.000%	$ -	0.00%	$ 515
2,435,220	-	5,650,205	0.000%	-	0.00%	604
2,590,716	-	6,852,498	0.008%	17	0.04%	736
2,752,362	32,837	8,339,898	0.015%	31	0.07%	829
2,919,867	64,128	10,222,579	0.020%	46	0.09%	1,020
3,083,084	93,955	11,378,102	0.023%	59	0.12%	1,124
2,976,163	-	12,593,040	0.026%	72	0.15%	1,236
2,753,865	-	13,638,115	0.031%	85	0.22%	1,352
1,529,010	-	9,647,073	0.043%	97	0.27%	962
73,117	-	8,352,010	0.057%	109	0.28%	836

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

Year	Ad valorem Taxes	General Obligation Bonds 1993			Reclaimed Water Service Charges	Less: Operating Expenses	Plus: Sinking Fund - Sale of U.S. Treasury Zero Coupon Bonds	Net Available Revenue	State Revolving Loan,	
		Principal	Interest	Coverage					Principal	Interest
2014	$ -	$ -	$ -	-	$ 842,702	$ 444,710	$ 500,000	$ 897,992	$ 556,836	$ 40,265
2013	168,400	160,000	8,400	1.00	775,886	488,690	500,000	787,196	537,750	59,351
2012	171,357	155,000	16,357	1.00	781,555	582,818	500,000	698,737	519,287	77,814
2011	169,150	145,000	24,150	1.00	683,605	501,695	500,000	681,910	501,474	95,627
2010	171,500	140,000	31,500	1.00	591,590	432,211	500,000	659,379	484,272	112,829
2009	168,325	130,000	38,325	1.00	525,084	524,699	500,000	500,385	467,660	129,441
2008	170,383	125,000	44,575	1.00	545,836	399,199	500,000	646,637	451,618	145,482
2007	171,383	120,000	50,575	1.00	548,495	416,599	500,000	631,896	436,128	160,973
2006	172,133	115,000	57,133	1.00	551,893	421,297	500,000	630,596	421,169	175,933
2005	172,413	110,000	62,413	1.00	539,341	408,253	500,000	631,088	406,723	190,378

Note:

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

1992 Coverage	Sewer Service Charges	Less: Operating Expenses	Net Available Revenue	State Revolving Loan 2003 and 2005 Principal	Interest	Coverage	Infrastructure Sales Tax	Revenue Bonds Series 2001A and Series 2006A Principal	Interest	Coverage
1.50	$ 5,048,037	$ 3,523,158	$ 1,524,879	$ 174,061	$ 67,222	6.32	$ 858,293	$ 345,000	$ 95,750	1.95
1.32	4,679,616	3,370,293	1,309,323	169,543	72,012	5.42	804,221	335,000	109,150	1.81
1.17	4,737,866	3,467,986	1,269,880	175,273	76,354	5.05	761,136	605,000	122,729	1.05
1.14	4,596,119	2,775,656	1,820,463	180,728	81,170	6.95	719,060	580,000	149,980	0.99
1.10	4,541,287	3,187,248	1,354,039	176,301	85,776	5.17	805,652	555,000	180,450	1.10
0.84	3,719,270	3,230,610	488,660	175,370	86,708	1.86	808,949	530,000	204,475	1.10
1.08	3,222,774	3,349,795	(127,021)	178,518	83,807	None	920,711	505,000	223,084	1.26
1.06	2,944,746	3,890,969	(946,223)	201,181	60,897	None	947,581	415,000	201,857	1.54
1.06	2,846,516	2,945,427	(98,911)	11,365	8,084	None	979,980	215,000	78,788	3.34
1.06	2,755,062	2,888,438	(133,376)	11,026	9,423	None	927,344	210,000	87,825	3.11

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Schedules of Demographic and Economic Information

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

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

Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2014	9,471	$ 451,037,433	$ 47,623	55.9	104,104	5.7%
2013	9,357	435,587,064	46,552	57.5	101,337	6.0%
2012	9,307	397,883,557	42,751	56.8	101,818	9.8%
2011	10,063	449,393,454	44,658	56.8	104,001	10.8%
2010	10,026	493,880,760	49,260	56.8	102,672	12.1%
2009	10,121	491,050,678	48,518	56.4	103,302	11.1%
2008	10,192	479,941,280	47,090	55.9	104,717	7.1%
2007	10,085	384,087,225	38,085	44.1	113,651	4.3%
2006	10,032	357,209,424	35,607	44.2	113,651	3.4%
2005	9,989	394,695,357	39,513	44.0	108,930	3.8%

Sources:

(1) Pinellas County Bureau of Economic Development

(2) Pinellas County Schools - elementary through high school for Pinellas' County School District.

(3) U.S. Department of Labor - Bureau of Labor Statistics - Pinellas County

City of St. Pete Beach, Florida
Schedule 15
Principal Employers, St. Pete Beach
Current Year and Eight Years Ago (1)

	2014		2006	
Employer	Employees	Rank	Employees	Rank
Tradewinds Island Resorts	800	1	637	1
The Don Cesar Beach Resort	550	2	513	2
Sirata Beach Resort	300	3	239	3
Publix Super Markets	200	4	129	8
Castel Hotel	150	5	-	-
Grand Plaza Hotel	100	6	137	6
Hurricane Lounge, Inc	100	7	100	9
Guy Harvey Outpost	99	8	-	-
City of St. Pete Beach	88	9	140	5
Beachcomber Beach Resort & Htl	85	10	75	10
Sandpiper Hotel & Suites	-	-	153	4
Grace Healthcare of St. Petersburg	-	-	134	7
	2,472		2,257	

Source:

Pinellas County Economic Development Department.

(1) The informaiton pertaining to the principal employers for ten years ago is not available. The earliest information is for 2006.

Schedules of Operating Information

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

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

	Full-time Equivalent Employees as of September 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function / Program										
General government										
City Manager	3.0	3.0	2.5	2.5	3.0	3.0	4.0	5.0	5.0	4.0
City Clerk	2.9	3.1	3.1	3.1	3.6	3.5	4.5	4.5	4.5	5.0
Community Development	7.0	6.0	6.0	6.0	6.0	7.0	9.0	10.0	3.0	4.0
Finance	4.0	4.0	4.0	4.0	3.0	3.0	4.0	4.0	4.0	4.0
Library	7.4	6.5	6.5	6.5	6.0	7.0	7.0	-	-	-
Parking Enforcement	2.0	2.0	2.0	2.0	-	-	-	-	-	-
Information Technology	1.0	1.8	1.8	1.8	2.8	3.0	3.0	3.0	3.0	3.0
Police	-	-	33.0	33.0	36.0	37.0	44.0	44.0	44.0	43.0
Fire	29.8	29.8	29.8	29.8	29.8	30.0	32.0	32.0	32.0	32.0
Public Services	17.0	18.3	28.9	30.1	31.9	33.2	36.5	16.0	24.0	24.0
Recreation	13.8	11.4	-	-	-	-	-	-	-	-
Leisure Services	-	-	-	-	-	-	-	24.0	20.0	21.0
	87.9	85.9	117.6	118.8	122.1	126.7	144.0	142.5	139.5	140.0

Source:

Human Resource Office

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

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

Function / Program	2014	2013	2012	2011	2010	2009
Police						
Calls for Service	7,023*	23,469	12,891	11,790	16,038	19,672
Felony Arrests	147	141	103	102	145	190
Traffic Enforcement	1,629	3,235	1,085	2,081	2,118	2,760
Parking Violations	2,612	3,190	2,520	3,314	3,778	3,559
Fire						
Medical	1,880	1,910	1,793	1,844	1,946	2,033
Structure Response	59	41	116	93	97	95
Auto Crash	120	41	120	128	118	143
Water Rescue	30	18	36	35	38	38
Public Works						
Street Resurfacing (miles)	0.95 miles	0 miles	1.18 miles	0.3 miles	0 miles	0 miles
Recreation						
Summer Camp	328	138	191	143	166	170
Classes Offered	53	49	37	28	65	119
Program Participants	58,390	46,890	38,217	4,202	3,009	2,608
Rentals	250	318	361	226	283	329
Library						
Materials Borrowed	154,360	153,213	172,082	173,937	138,946	160,874
Reference Questions	15,685	15,706	14,745	9,276	6,539	1,172
Sewer						
Average Daily Flow	2.95 mgd	2.63 mgd	3 mgd	2.49 mgd	2.59 mgd	2.61 mgd
Miles of Sewer Lines	41.5	41.5	41.5	41.5	41.5	41.5
Reclaimed Water						
New Connections	0	0	14	19	3	8
Average daily consumption	1.64 mgd	2.1 mgd	2.4 mgd	2.6 mgd	2.8 mgd	1.8 mgd

Source:

Various Government Departments

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

2008	2007	2006	2005
26,853	29,428	27,980	25,545
235	222	208	138
4,614	4,253	3,783	3,055
3,862	5,800	5,170	6,380
1,951	2,182	2,126	2,041
95	141	151	231
134	209	198	77
30	28	45	48
0 miles	0 miles	1 mile	1.1 miles
172	65	63	103
72	55	13	9
4,616	3,646	2,168	1,668
298	203	84	156
124,537	129,690	134,077	125,823
1,709	4,703	5,036	4,810
2.62 mgd	2.61 mgd	2.83 mgd	2.86 mgd
41.5	41.5	41.5	41.5
18	16	26	42
2.57 mgd	2.59 mgd	2.99 mgd	2.93 mgd

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

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

Source:

Various City Departments

2009	2008	2007	2006	2005
1	1	1	1	1
2	2	2	2	2
1	1	1	1	1
176,031	134,077	125,823	124,336	121,258
0	390	390	390	390
45.73	45.73	45.73	45.73	45.73
34.7	34.7	34.7	34.7	34.7
39.8	39.8	39.8	39.8	39.8
7	7	5	5	5
6	6	5	5	5
2	2	2	2	2
5	5	5	5	5
2	2	2	2	2
9	9	9	9	9
3	3	3	3	3
3	3	3	3	3

l by Pinellas County

37	37	37	37	37
17	17	17	17	17
2.6	2.6	2.8	2.8	3.0
40	40	40	40	40
1	1	1	1	1

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Other Reports

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

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John B. Houser, CPA
Peter C. Schatzel, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Pete Beach, Florida (the City) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 3, 2015.

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

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

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

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

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

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

Wells, Houser & Schatzel, P.A.

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

April 3, 2015

WELLS, HOUSER & SCHATZEL, P.A.
CPA AND CONSULTING FIRM

John B. Houser, CPA
Peter C. Schatzel, CPA
Peter B. Wells, CPA

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report of the Financial Statements
We have audited the financial statements of the City of St. Pete Beach, Florida, as of and for the year ended September 30, 2014, and have issued our report thereon dated April 3, 2015.

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

Other Reports and Schedules
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated April 3, 2015, should be considered in conjunction with this management letter.

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

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

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

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

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Annual Financial Report
Rules of the Auditor General Section 10.554 (1)(i) 5.b., requires that we determine whether the annual financial report for the City of St. Pete Beach, Florida, for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

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

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

The Rules of the Auditor General Section 10.554 (1)(i) 3., requires that we address violations or noncompliance with laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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

Wells, Houser & Schatzel, P.A.

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

April 3, 2015

WELLS, HOUSER & SCHATZEL, P.A.
CPA AND CONSULTING FIRM

John B. Houser, CPA
Peter C. Schatzel, CPA
Peter B. Wells, CPA

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

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

We have examined the City of St. Pete Beach, Florida's (the City's) compliance with the requirements of Section 218.415, Florida Statutes during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City of St. Pete Beach, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

Wells, Houser & Schatzel, P.A.

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

April 3, 2015

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