

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



**For the Fiscal Year Ended
September 30, 2023**

Prepared by:
City of St. Pete Beach Finance Department

Table of Contents

Introductory Section

Table of Contents	i - ii
Principal City Officials	1
Letter of Transmittal.....	2 - 7
Organizational Chart.....	8
Certificate of Achievement for Excellence in Financial Reporting	9

Financial Section

Independent Auditors' Report.....	10 - 12
Management's Discussion and Analysis.....	13 - 26
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	28
Statement of Activities.....	29
Fund Financial Statements	
Balance Sheet—Governmental Funds	30
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	31
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds.....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	34
Budget and Actual – ARPA	35
Statement of Net Position – Proprietary Funds.....	36
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	37
Statement of Cash Flows – Proprietary Funds	38
Statement of Fiduciary Net Position – Pension Trust Funds.....	39
Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....	40
Notes to Financial Statements	41 - 77
Required Supplementary Information	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	78
Schedules of Changes in Net Pension Liability and Related Ratios – Police Plan	79
Schedules of Changes in Net Pension Liability and Related Ratios – Firefighters' Plan	80
Schedules of Changes in Net Pension Liability and Related Ratios – General Employees' Plan.....	81
Schedule of Contributions – Police Plan.....	82
Schedule of Contributions – Firefighters' Plan.....	83
Schedule of Contributions – General Employees' Plan	84
Schedules of Investment Returns	85

Combining Nonmajor Governmental Funds Financial Statements and Other Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	87
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	88
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Capital Improvement Projects	89
Building.....	90
Multimodal.....	91
Resiliency.....	92
Fleet.....	93
Schedule of Revenues and Expenditures – Emergency Medical Services.....	94

Statistical Section

Schedule 1	Net Position by Component – Last Ten Fiscal Years.....	96
Schedule 2	Changes in Net Position – Last Ten Fiscal Years.....	97 - 98
Schedule 3	Fund Balances – Governmental Funds – Last Ten Fiscal Years	99
Schedule 4	Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	100
Schedule 5	Tax Revenues by Source – Governmental Funds – Last Ten Fiscal Years	101
Schedule 6	Estimated Actual Value, Assessed Value, and Taxable Value of Property - Last Ten Fiscal Years	102
Schedule 7	Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	103
Schedule 8	Principal Property Taxpayers – Current Year and Nine Years Ago.....	104
Schedule 9	Property Tax Levies and Collections – Last Ten Fiscal Years.....	105
Schedule 10	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	106
Schedule 11	Direct and Overlapping Governmental Activities Debt	107
Schedule 12	Pledged Revenue Coverage – Last Ten Fiscal Years	108
Schedule 13	Demographic and Economic Statistics – Last Ten Calendar Years	109
Schedule 14	Principal Employers – Current Year and Nine Years Ago.....	110
Schedule 15	Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years	111
Schedule 16	Operating Indicators by Function– Last Ten Fiscal Years	112
Schedule 17	Capital Asset Statistics by Function – Last Ten Fiscal Years	113

Other Reports

Independent Auditors’ Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with <i>Government Auditing Standards</i>	114 - 115
Independent Auditors’ Management Letter Required by Office of the Auditor General	116 - 118
Independent Accountants’ Examination Report.....	119
Management’s Response to Comments.....	120 - 121

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

City officials in place as of September 30, 2023

Mayor and City Commission:

Mayor – Adrian Petrila

District 1 – Christopher Graus

District 2 – Mark Grill

District 3 – Ward Friszolowski

District 4 – Chris Marone

City Officials:

Interim City Manager – Wayne Saunders

City Clerk – Amber LaRowe

City Attorney – Andrew Dickman

Interim Finance Director – Sheila Dalton

Chief Operating Officer – Jennifer McMahon

Community Development Director – Michelle Gonzalez

Public Works Director – Michael Clarke

Fire Chief – Jim Kilpatrick

Library Director – Betcinda Kettells



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

June 20, 2024

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

The Annual Comprehensive Financial Report (ACFR) of the City of St. Pete Beach for the fiscal year ended September 30, 2023 is hereby submitted. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. The ACFR represents the official report of the City's financial position and operations to the City Commission, citizens, rating agencies, bond holders and other interested parties. Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with management. Management believes the data as presented are accurate in all material respects; that the report is presented in a manner which fairly illustrates the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain a complete understanding of the City's financial activities have been included.

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

Pursuant to the City Charter, Florida Statutes Chapters 11.45 and 218, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida, an audit of the accounts and financial statements of the City of St. Pete Beach has been completed by the City's independent certified public accountants, James Moore & Co, P.L., whose opinion is included in the financial section of this report. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of St. Pete Beach's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP.

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

ST. PETE BEACH GOVERNMENT

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

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

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

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

BUDGETARY INFORMATION

The annual budget serves as the foundation for the City's financial planning and control. Department directors are required to submit their budget requests to the City Manager, who then uses these requests as the starting point for developing a proposed budget. The City Manager is required by the City Charter to present the proposed budget to the City Commission. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may transfer any unencumbered appropriation or portion thereof between classifications of expenditures within a department. The City Commission may, by ordinance, make additional appropriations or transfer any unencumbered appropriation from any department or from reserves to another department. Budget-to-actual comparisons are provided in the basic financial statements for the General Fund and ARPA Fund. budget-to-actual comparisons are presented for the Capital, Building, Multimodal, Resiliency, and Fleet funds as supplementary information.

LOCAL ECONOMY

St. Pete Beach is located at the southern end of Pinellas County, just west of St. Petersburg and immediately south of Treasure Island. The City has a land area of approximately two and one quarter square miles and a year-round resident population of 9,064. St. Pete Beach is frequently recognized as a top beach destination and received a Travelers' Choice award in 2021 from TripAdvisor as the top-ranked beach in the United States. The City's beaches, hotels, and historic resources attract tourists and visitors from all over the world. The City is heavily concentrated with resorts, hotels, and other accommodations to support the tourist population.

Florida voters approved an amendment to Save Our Homes legislation in January 2008, limiting property taxes by increasing property value exemptions and providing portability of exemption provisions. The City of St. Pete Beach managed the impact of property tax limitations by steadily increasing its millage rate, peaking in fiscal year ("FY") 2013 to coincide with a historically low property tax base. The City has since rebuilt from the economic recession and housing market collapse by gradually increasing staffing levels and services, with a millage rate of 3.15 in place since FY 2015. Starting in FY 2024, the millage rate was reduced from 3.15 to 3.093. Since bottoming in FY 2012, property values have increased by an average annual rate of 7.6%.

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

In 2016, the City of St. Pete Beach declared a development moratorium due to the status of its sanitary sewer infrastructure. The wastewater collection system was surcharged and required significant rehabilitation to establish sufficient capacity. The City completed a State Revolving Fund loan agreement in FY 2020 in the amount of \$12.95 million to fund \$15.6 million of improvements required to lift the moratorium. Construction was completed in FY 2022 to install approximately 15,000 linear feet of sanitary sewer force main and four new lift stations along the Gulf Blvd. and Gulf Winds Drive/Boca Ciega Drive corridor.

LONG TERM FINANCIAL PLANNING

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

In order to ensure that sufficient funds will be available, management begins the CIP process by calculating working capital projections and evaluating the impact of current spending on fund balance. When available funds are insufficient to support an identified project, new revenue must be generated or the project will be deferred to a later year. The most recent CIP was adopted for FY 2024 - FY 2028 with projects totaling \$58 million. Projects are supported by the following sources:

- **Capital Fund:** Funding is derived primarily from two sources: Penny for Pinellas tax revenue and transfers in from the General Fund.

- **Resiliency Fund:** This is a new fund effective FY 2023, intended to help position the City for long-term infrastructure improvements related to sea level rise. It includes 50% of the FY 2023 estimated increase in property tax revenue growth as a transfer from the General Fund.
- **Enterprise Funds:** The Wastewater, Reclaimed Water, and Stormwater Funds are established to recover their cost of operations, including associated capital improvements. Rates or fees are managed at sufficient levels to fund projects financed by enterprise funds.
- **Debt Proceeds:** Recent projects supported by the issuance of debt include Pass-a-Grille Way roadway reconstruction (phases I and II), Blind Pass Road reconstruction, and sanitary sewer capacity improvements.
- **Interlocal Agreement:** The Gulf Blvd. electric undergrounding project includes funding derived from an agreement between Pinellas County and the Barrier Islands Government Council to fund improvements on or adjacent to Gulf Blvd. Funds are generated at the County level from the Penny for Pinellas local option sales tax and allocated to local communities in proportion to their Gulf Blvd. linear mileage.
- **Grants:** Grants are sought to aide in the funding of projects and are often used as a match for capital improvement projects. Grant-funded projects are pursued only if grant funding is secured.

MAJOR INITIATIVES

Management began a strategic planning process in September 2019 via workshop sessions with City staff, elected officials, residents, and business owners. The outcome was to compile a working document – “Vision 2030” – which represents a matrix of the City’s perceived strengths, weaknesses, opportunities, and threats. The City Commission adopted the strategic plan in FY 2021. The plan was subsequently updated in FY 2023 to add an additional key element. The priorities of the strategic plan include the following:

-  Coastal resiliency
-  Sustainability
-  Community and neighborhoods
-  Economic development
-  Internal operations
-  Transportation

Implementation of the strategic plan is underway, including the following accomplishments:

-  Economic Development:
 - Three (3) Shared Parking Agreements
 - Began the undergrounding of Gulf Blvd
 - FDOT Bayway Medians completed.
 - Organize Beach Clean-ups with Keep Pinellas Beautiful
 - Added (2) Mobi Mats (beach access) at Upham and 22nd Ave.
 - Added Beach Manager position.
 - Implemented at Business Site Improvement Program in April 2022 with partnership of the TBBCOC.
 - Parklet Program has one approved parklet that will be installed in 2023.
 - Added trees and landscaping at city facilities.
 - Implemented a parks impact fee.

- Completed sanitary sewer project.

Internal Operations

- Pay Compensation Study is underway.
- Employee of the quarter program has been established.
- Joined pooled health insurance.
- Received grants for pump station 1, Community Center seawall, Boca Ciega Dr improvements and Fire Station 23.

Community and Neighborhoods:

- Install 10-foot sidewalk on 73rd Ave.
- Added kayak/boat launch in the Belle Vista neighborhood park.
- Replaced playground in Horan Park.
- Installed outdoor fitness equipment in Lido Park.
- Created and implemented a walk with a firefighter program.

Transportation:

- Began a complete streets study for the downtown core.
- Mapped all ADA deficiencies.
- Gulf Blvd Safety Study is underway as part of the City's Vision Zero goal.
- Off-Street parking study was completed and adopted by commission.
- Completed Sunset Way, west end of Corey and Fisherman's Park.

Resiliency & Sustainability

- Adding additional EV chargers in the City of St. Pete Beach.
- Update the landscaping ordinance to increase the number of shade trees.
- Created a storm drain adoption program.
- Began undergrounding the overhead electrical and communications lines on Gulf Blvd.
- Working with Duke Energy and Communications Providers on undergrounding the overhead electrical and communications lines in residential neighborhoods.
- Public/Private partnership to install a living shoreline seawall in the Don Cesar neighborhood.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Pete Beach, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the 27th consecutive year the City of St. Pete Beach has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Management believes the current ACFR continues to meet the Certificate of Achievement Program's requirements. It will be submitted to the GFOA to determine its eligibility for another certificate. Recognition by GFOA, as evidenced by this award, is verification of the Finance Department's dedication to producing documents that effectively communicate the City's financial condition.

ACKNOWLEDGMENTS

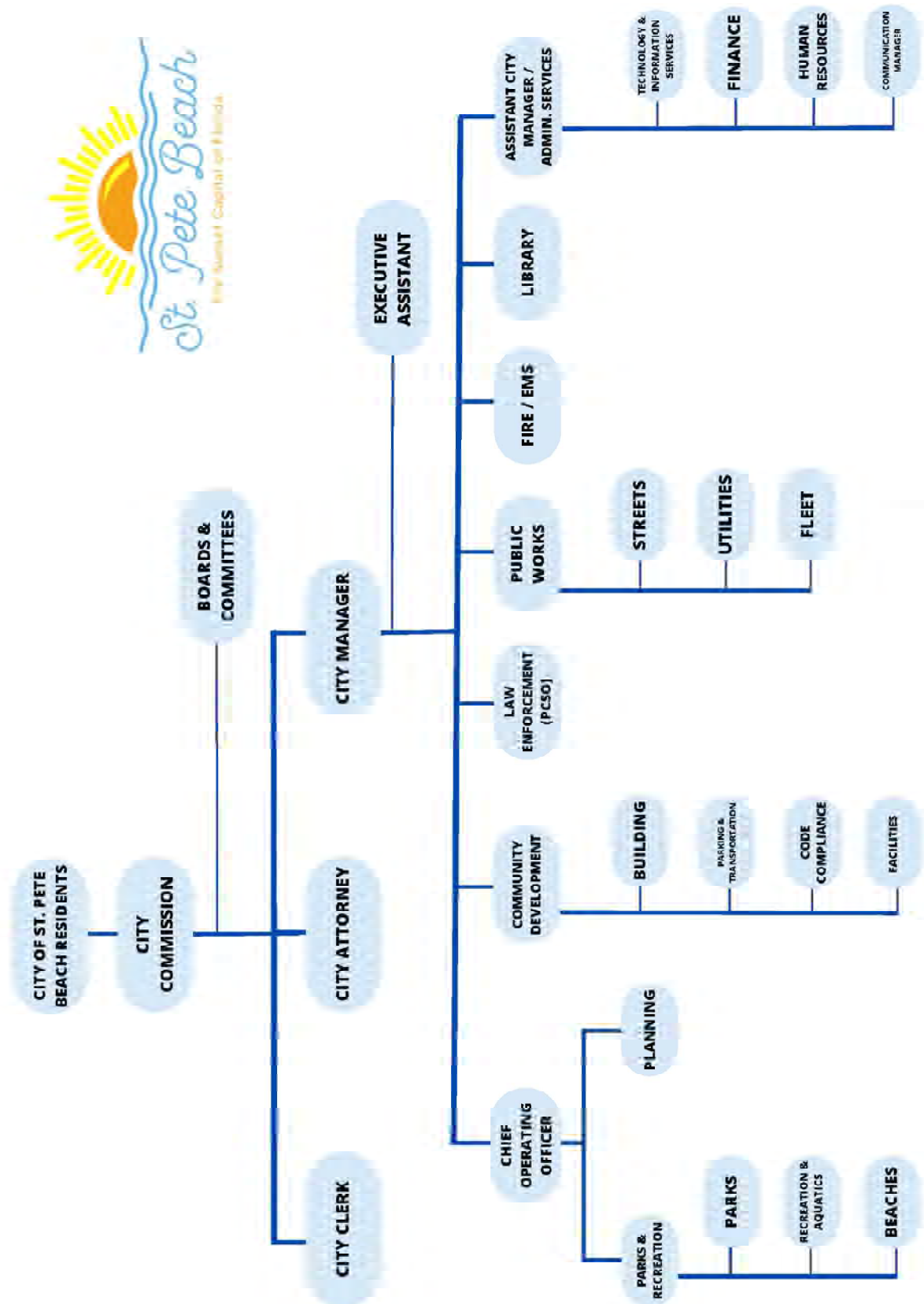
Preparation of the ACFR relies on the diligent and professional efforts of everyone in the Finance Division. The year-end closing process is demanding and time intensive, particularly for the Accounting Manager,

Sheila Dalton. Ms. Dalton deserves special recognition for her outstanding contributions to the audit process and to this document. The City's independent auditors, James Moore & Co., P.L., also contributed invaluable to the process by testing data integrity and internal controls. Finally, thank you to the St. Pete Beach City Commission for the overall direction and support provided to management.

Respectfully Submitted,

Wayne Saunders

Wayne Saunders
City Manager





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of St. Pete Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

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

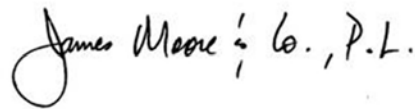
Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include but does not include the basic financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Daytona Beach, Florida
June 20, 2024

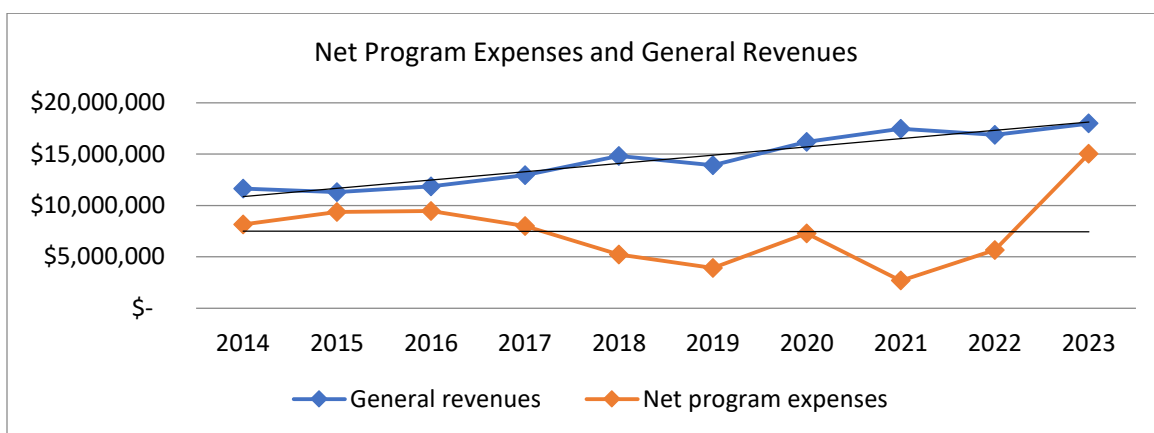


**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**

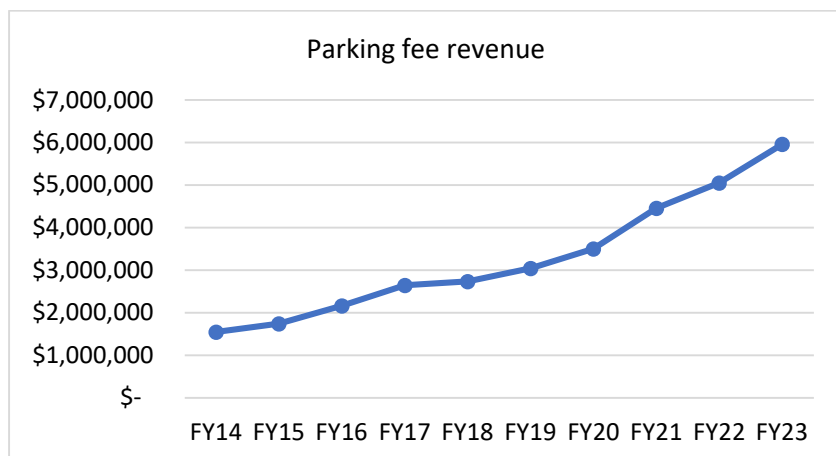
Management’s discussion and analysis (MD&A) is designed to focus on significant financial issues and provide an overview of the City of St. Pete Beach’s financial activity for the fiscal year ended September 30, 2023. The MD&A is designed to focus on the current year’s activities, resulting changes, and currently known facts. It should be read in conjunction with the transmittal letter (beginning on page 2), basic financial statements (beginning on page 28), and notes to the financial statements (beginning on page 41).

FINANCIAL HIGHLIGHTS

The City’s strong general revenue base comprised of taxes, fees, and intergovernmental sources surpassed the net cost of government services, as illustrated below. The difference between the two lines in the chart represents the annual change in net position. To the extent the lines diverge, as has been the trend over the last ten years, the City accumulates more resources for future spending and capital investment. The net effect was a \$6 million increase in net position.



The City reported the highest general revenues on record, at \$21.05 million. Property values increased by 12.9% over the prior year, while sales tax receipts benefited from higher prices on most retail goods. The City’s other taxes, consisting of half-cent sales, local option, utility, gas, and casualty & fire insurance premium taxes and franchise fees, all reported the highest total balance on record, including a 10.6% increase over prior year totals. Meanwhile, the City’s award-winning beaches continued to attract more visitors. Parking revenue outperformed and has now increased 285% over the last ten years, driven by higher fees, tourism activity, and new payment processing and citation issuing technologies.



**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements:

The government-wide financial statements provide a broad overview of the City's finances, in a manner similar to the private sector. The statements can be found on pages 28-29 of this document and include two different reports: the statement of net position and the statement of activities.

The **Statement of Net Position** presents information on *all* of the City's assets and liabilities as of September 30, 2023. The difference between assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources) is known in governmental accounting as net position. Analysis of net position requires evaluation of unrestricted and restricted net position as well as net investment in capital assets. The latter category represents the net capital assets being used by the City to provide goods and services to the community. As such, these assets are not readily available for spending without first being converted to financial resources. Restricted net position represents resources controlled by state statutes, enabling legislation, debt covenants, or other external requirements. The remaining balance is unrestricted net position, which represents the accumulated resources available to the City for meeting its future obligations.

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

Fund Financial Statements:

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

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

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

CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)

Budgetary comparison statements are provided for the General Fund and ARPA Fund to demonstrate compliance with the legally adopted budget. Budgetary comparison schedules are provided as supplementary information for the Capital, Multimodal, Building, Resiliency, and Fleet funds. Governmental fund financial statements begin on page 30.

The City's **Proprietary Funds** include three enterprise funds: Wastewater, Reclaimed Water, and Stormwater. These funds report the same functions and use the same basis of accounting as the business-type activities presented in the government-wide financial statements. Proprietary fund statements are located on page 37.

Fiduciary Funds are those which are unavailable to support the City's operations and are held in a trustee or agency capacity. The City's fiduciary funds include three pension trusts, beginning on page 39: Police, Firefighters, and General Employees.

Notes to the Financial Statements:

Notes to the financial statements provide additional information that is essential to gaining a full understanding of the data provided in the government-wide and fund financial statements. The notes begin on page 41 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following items contributed favorably to the change in net position:

General revenue: The City maintains a strong base of general revenues, which were bolstered by property values and sales tax. Property taxable values increased by 14.2%, which, when coupled with an unchanged millage rate of 3.1500, generated approximately \$1.4 million in new revenue. Other sales tax related activity was largely consistent with collections in the prior year, as depicted below:

Sales taxes:	<u>FY 2022</u>	<u>FY 2023</u>	<u>Change</u>
Local option	1,386,497	1,427,896	3.0%
Half-cent	765,166	751,501	-1.8%
Intergovernmental:			
Municipal revenue sharing	<u>273,431</u>	<u>276,151</u>	<u>1.0%</u>
	<u>\$ 2,425,094</u>	<u>\$ 2,455,548</u>	<u>1.3%</u>

-  **General government charges for service:** Parking revenue increased by over \$900,000 compared to prior year. Building permit surcharge and plan review fees exceeded \$1.5 million, an increase of 26.1% over prior year, driven by certain large commercial projects.

The following items contributed unfavorably to the change in net position:

-  **General government expenses:** General government expenses totaled \$9.4 million, an increase of \$4 million, or 74.5%, over the prior year. Pension expense increased by approximately \$1.2 million over prior year, fueled by interest on the net pension liability and amortization of deferred outflows resulting from the accumulated differences between projected and actual earnings on pension plan investments. Legal division expenses increased by \$144,000 due to a higher volume and magnitude of legal matters during fiscal year 2023.

CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)

 **Public safety expenses:** Contractual expenses for the Pinellas County Sheriff's Office increased by over \$300,000 primarily due to additional services from Pinellas County Sheriff's office deputies for beach patrol, as well as increases in EMS Department expenses due to higher personnel costs.

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

STATEMENT OF NET POSITION	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 40,073,841	\$ 32,601,822	\$ 4,330,347	\$ 5,838,474	\$ 44,404,188	\$ 38,440,296
Capital assets, net	76,049,458	75,009,013	47,440,705	47,379,035	123,490,163	122,388,048
Total assets	<u>116,123,299</u>	<u>107,610,835</u>	<u>51,771,052</u>	<u>53,217,509</u>	<u>167,894,351</u>	<u>160,828,344</u>
Deferred outflows related to pensions	4,135,202	7,048,051	103,169	609,161	4,238,371	7,657,212
Deferred outflows related to OPEB	92,776	116,040	6,820	8,892	99,596	124,932
Total deferred outflows	<u>4,227,978</u>	<u>7,164,091</u>	<u>109,989</u>	<u>618,053</u>	<u>4,337,967</u>	<u>7,782,144</u>
Total assets and deferred outflows	<u>120,351,277</u>	<u>114,774,926</u>	<u>51,881,041</u>	<u>53,835,562</u>	<u>172,232,318</u>	<u>168,610,488</u>
Current and other liabilities	2,294,059	2,262,471	875,586	1,296,498	3,169,645	3,558,969
Long-term liabilities outstanding	36,042,432	36,744,095	19,114,483	21,149,102	55,156,915	57,893,197
Total liabilities	<u>38,336,491</u>	<u>39,006,566</u>	<u>19,990,069</u>	<u>22,445,600</u>	<u>58,326,560</u>	<u>61,452,166</u>
Deferred inflows related to pensions	128,972	268,900	-	-	128,972	268,900
Deferred inflows related to OPEB	206,138	243,743	15,153	18,679	221,291	262,422
Deferred inflows from lease resources	1,109,036	201,159	-	-	1,109,036	201,159
Total deferred inflows	<u>1,444,146</u>	<u>713,802</u>	<u>15,153</u>	<u>18,679</u>	<u>1,459,299</u>	<u>732,481</u>
Total liabilities and deferred inflows	<u>39,780,637</u>	<u>39,720,368</u>	<u>20,005,222</u>	<u>22,464,279</u>	<u>59,785,859</u>	<u>62,184,647</u>
Net position:						
Invested in capital assets	64,019,983	63,600,446	28,871,213	27,627,567	92,891,196	91,228,013
Restricted	3,897,785	3,684,802	363,122	880,864	4,260,907	4,565,666
Unrestricted	12,652,872	7,769,310	2,641,484	2,862,852	15,294,356	10,632,162
Total net position	<u>\$ 80,570,640</u>	<u>\$ 75,054,558</u>	<u>\$ 31,875,819</u>	<u>\$ 31,371,283</u>	<u>\$ 112,446,459</u>	<u>\$ 106,425,841</u>

CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)

STATEMENT OF ACTIVITIES	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 9,968,811	\$ 11,102,510	\$ 10,034,602	\$ 9,916,015	\$ 20,003,413	\$ 21,018,525
Operating grants & contributions	24,840	126,799	-	-	24,840	126,799
Capital grants & contributions	2,392,499	5,335,610	-	-	2,392,499	5,335,610
General revenues:						
Property taxes	12,403,545	10,990,637	-	-	12,403,545	10,990,637
Sales taxes	2,179,397	2,151,663	-	-	2,179,397	2,151,663
Franchise fees and utility taxes	3,966,895	3,700,674	-	-	3,966,895	3,700,674
Other taxes	553,710	427,408	-	-	553,710	427,408
Intergovernmental revenues	341,236	348,272	-	-	341,236	348,272
Interest earnings	1,355,131	160,979	158,399	32,217	1,513,530	193,196
Miscellaneous	98,417	165,187	75	-	98,492	165,187
Total revenues	<u>33,284,481</u>	<u>34,509,739</u>	<u>10,193,076</u>	<u>9,948,232</u>	<u>43,477,557</u>	<u>44,457,971</u>
Expenses:						
General government	\$ 9,438,973	\$ 5,409,041	\$ -	\$ -	\$ 9,438,973	\$ 5,409,041
Public safety	8,524,667	8,976,999	-	-	8,524,667	8,976,999
Public works	3,952,858	4,078,617	-	-	3,952,858	4,078,617
Culture and recreation	5,017,316	4,564,275	-	-	5,017,316	4,564,275
Wastewater	-	-	7,504,648	6,429,399	7,504,648	6,429,399
Reclaimed water	-	-	1,496,766	1,138,263	1,496,766	1,138,263
Stormwater	-	-	687,126	891,691	687,126	891,691
Interest on long-term debt	834,585	653,466	-	-	834,585	653,466
Total expenses	<u>27,768,399</u>	<u>23,682,398</u>	<u>9,688,540</u>	<u>8,459,353</u>	<u>37,456,939</u>	<u>32,141,751</u>
Increase (decrease) in net position before transfers and special items:	<u>5,516,082</u>	<u>10,827,341</u>	<u>504,536</u>	<u>1,488,879</u>	<u>6,020,618</u>	<u>12,316,220</u>
Total transfers and special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position:	<u>5,516,082</u>	<u>10,827,341</u>	<u>504,536</u>	<u>1,488,879</u>	<u>6,020,618</u>	<u>12,316,220</u>
Net position: October 1	75,054,558	64,227,217	31,371,283	29,882,404	106,425,841	94,109,621
Net position: September 30	<u>\$ 80,570,640</u>	<u>\$ 75,054,558</u>	<u>\$ 31,875,819</u>	<u>\$ 31,371,283</u>	<u>\$ 112,446,459</u>	<u>\$ 106,425,841</u>

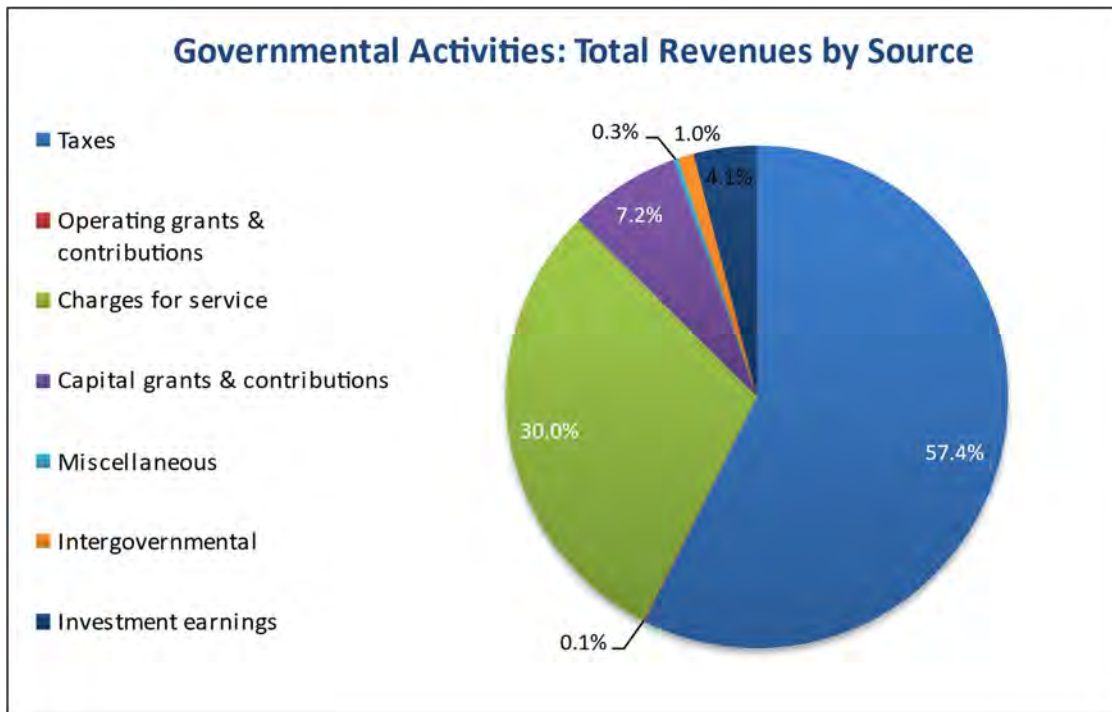
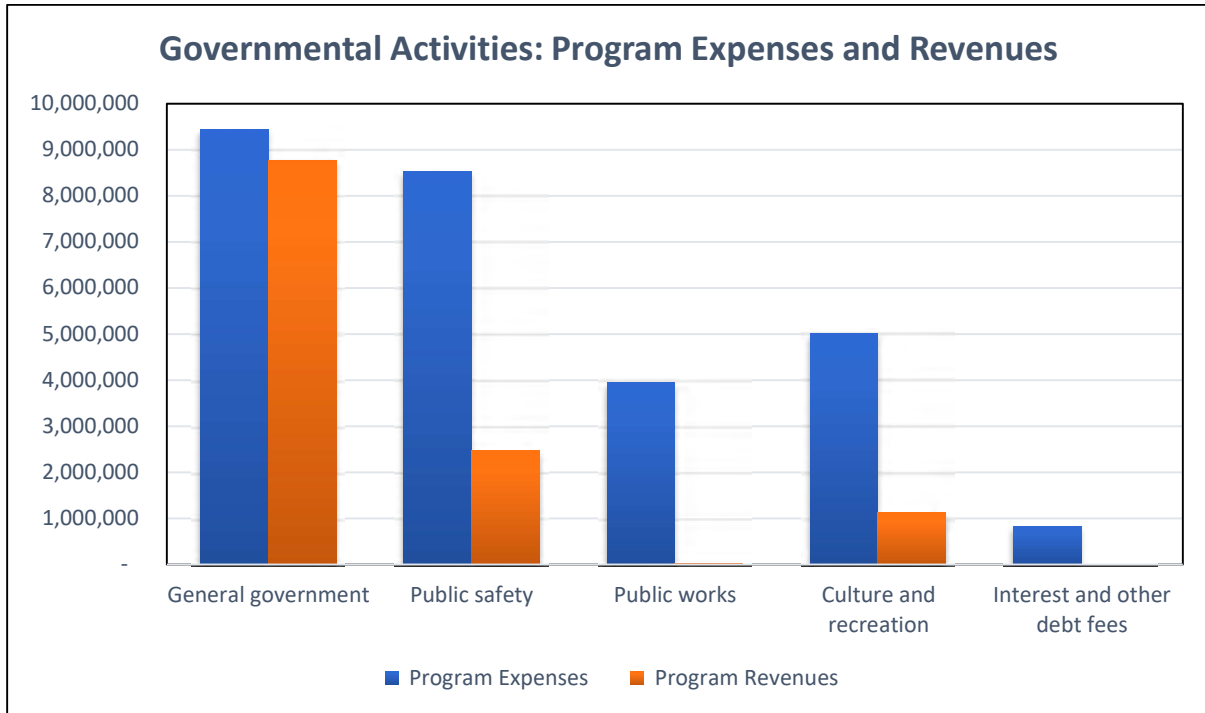
Governmental Activities:

Many of the contributing factors described on pages 16 and 17 were reported in governmental activities. Unlike the City's business-type activities, governmental activities are not necessarily expected to cover their cost of operations. General revenues (e.g., taxes, franchise fees, intergovernmental sources, etc.) are intended to support traditional public services that typically generate only limited revenue. General revenues totaled \$20.9 million, far more than net governmental activity expenses, supported by property and sales taxes highlighted on page 17. As a result, governmental activities increased the City's net position by approximately \$5.5 million – down approximately 49% from the prior year primarily due to pension plan losses. Pension expense increased by approximately \$1.2 million in governmental activities over the prior year.

Governmental activities

Net program expenses	\$ (15,382,249)
Plus general revenues	<u>\$ 20,898,331</u>
Change in net position	<u>\$ 5,516,082</u>

**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**



**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**

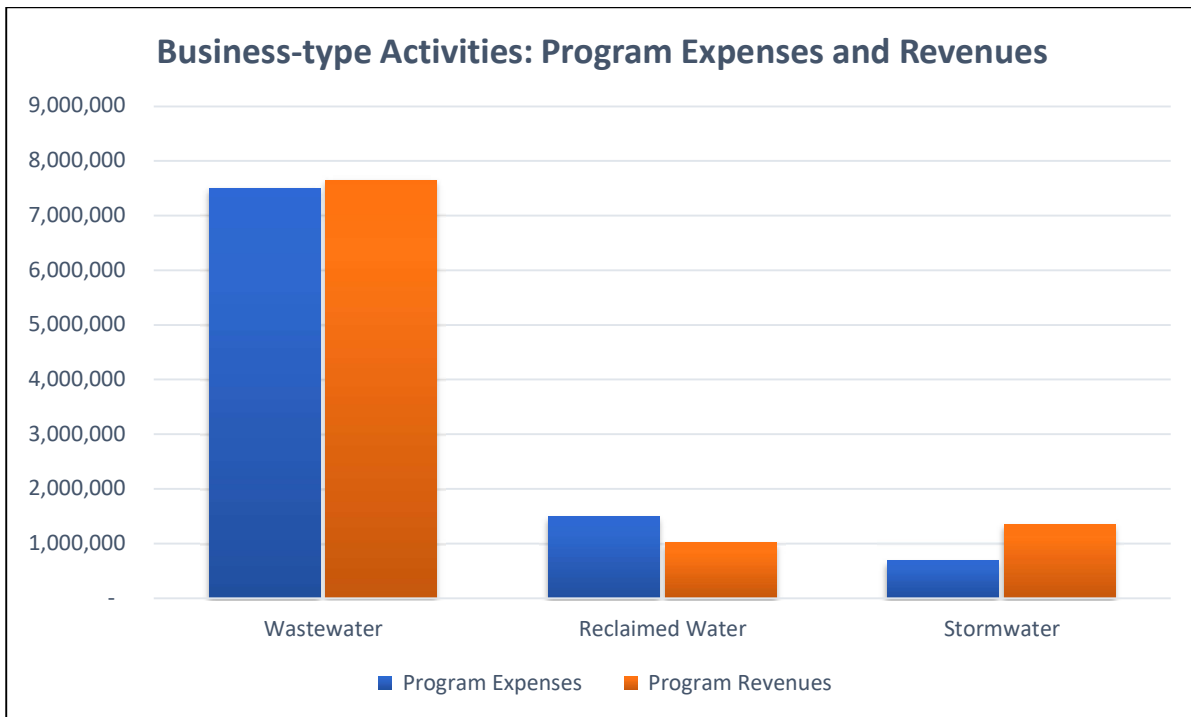
Business-type Activities:

The fees and charges for the City's wastewater, reclaimed water, and stormwater programs are established at levels intended to recover the cost of recurring operations and provide adequate capital for infrastructure improvements. Collectively, business-type activities increased the City's net position by \$505,000, including nearly \$160,000 contribution from general revenues related to interest earnings.

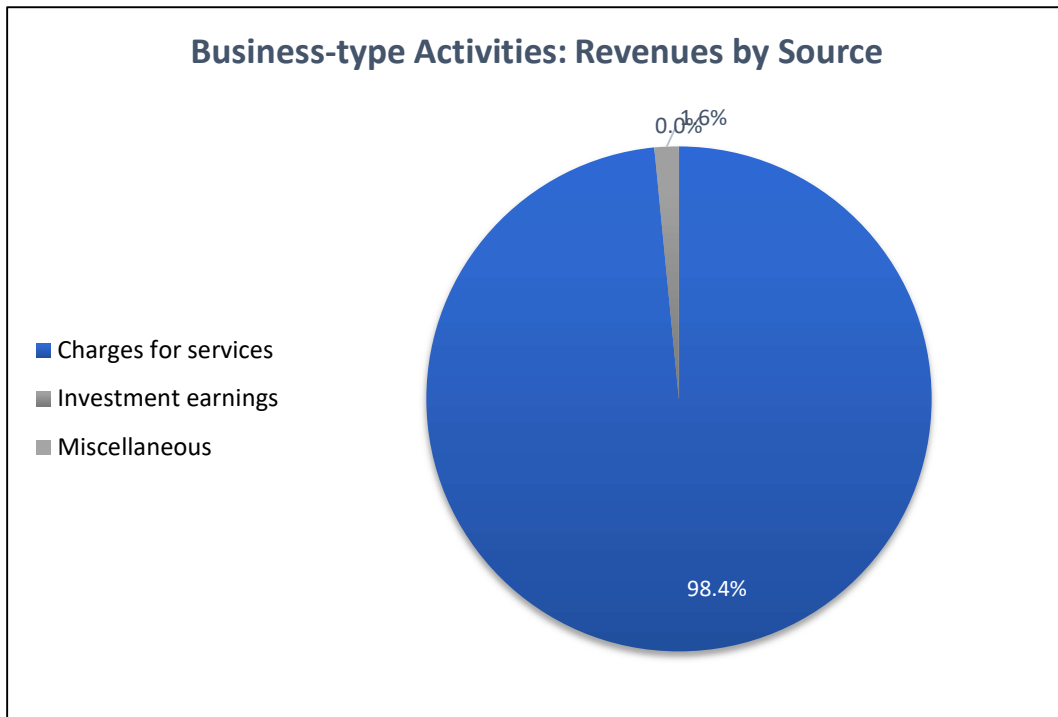
However, the reclaimed water program expenses exceeded related program revenues by \$474,000, and net revenue was \$751,000 lower than prior year in the wastewater and stormwater programs. An adjustment to pension expense resulted in a reduction totaling \$547,000 of reported personnel services costs across all business-type activities. Meanwhile charges for service increased only 1.2% compared to prior year, with no rate or fee increases in effect.

Business-type activities

Net program revenues	\$ 346,062
Plus general revenues	<u>\$ 158,474</u>
Change in net position	<u>\$ 504,536</u>



**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**



FUND STATEMENT FINANCIAL ANALYSIS

Governmental Funds:

General Fund

Management's goal is to generate sufficient excess revenue in the General Fund to support the capital improvement program via transfers to the Capital Fund. Excess revenue totaled \$8.5 million despite an 11.2% expenditure increase over prior year, due to factors highlighted previously reported in taxes (i.e., property taxes and sales taxes), permits and related fees, and charges for services (primarily parking revenue).

The most significant expenditure growth was reported in the charter officers, administrative services, and community development departments. Charter officer expenses increased 18.8% primarily related to higher legal services costs in the current year. Administrative services costs increased 21.2% resulting from higher information technology costs primarily relating to software licenses and subscriptions. Community development expenses increased 21% due to higher costs relating to micro-transit services.

Capital Fund

Fund balance increased by \$2.6 million in the Capital Fund. Even though expenditures exceeded revenues by \$3.1 million, the positive change in fund balance was a result of an annual \$4.7 million transfer from the General Fund to the Capital Fund. Ordinance 2023-01 was adopted on February 13, 2023, re-appropriating available balances to FY 2023 for future expenditure.

**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**

Non-major Funds

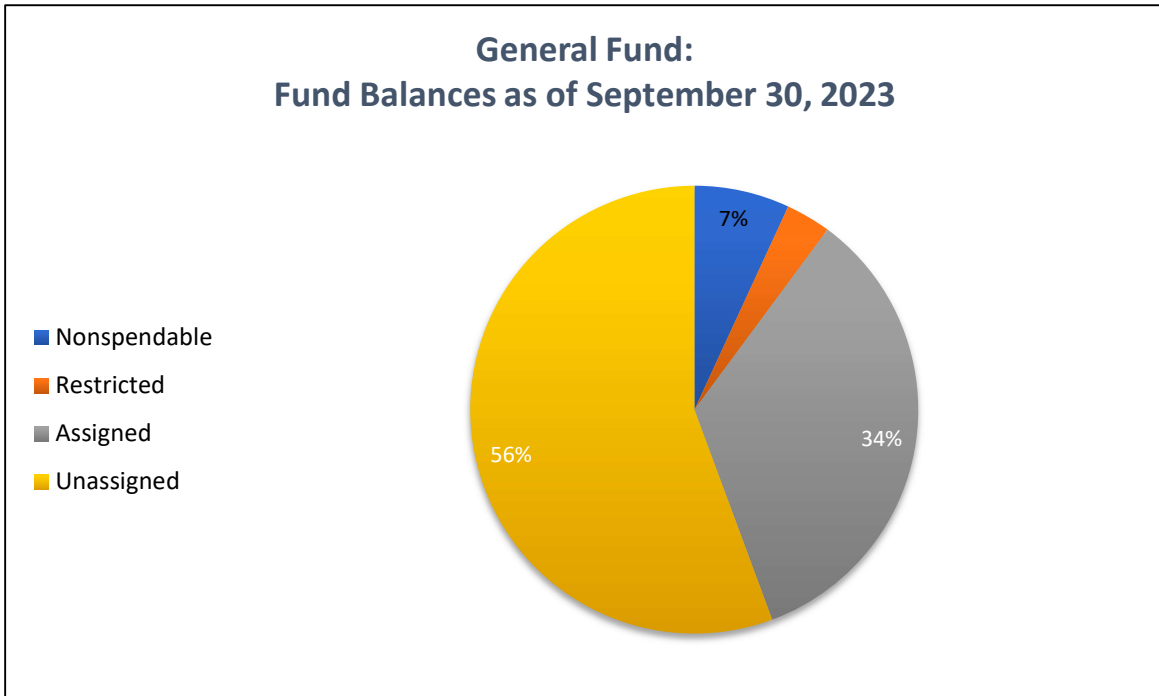
The Building Fund reported a 40.9% increase in revenue and a 14.7% increase in expenditures, resulting in an increase in fund balance of \$429,000. Permit revenue is often subject to large fluctuations depending on the timing of commercial activity. Other non-major funds, namely the Multimodal Fund, Resiliency Fund, and the Capital Projects Funds, received transfers in from the General Fund totaling \$1.3 million intended to fund the cost of operations and capital projects.

Governmental Funds	Multimodal	Building	Fleet	Resiliency	Police Confiscation	Total Non- major
Revenues	\$ 31,593	\$ 1,777,558	\$ 53,372	\$ -	\$ -	\$ 1,862,523
Less expenditures	\$ (193,801)	\$ (1,348,133)	\$ -	\$ 150,332	\$ -	\$ (1,391,602)
Plus other financing sources	\$ 110,000	\$ -	\$ 373,321	\$ 786,500	\$ -	\$ 1,269,821
Fund balance increase	\$ (52,208)	\$ 429,425	\$ 426,693	\$ 936,832	\$ -	\$ 1,740,742

Fund balance is a commonly used measure of a government's available resources and liquidity. Designations are applied to various components of fund balance to describe the extent to which resources may be limited, as further described in Note A. The balances below reflect the limitations applicable to the City's total governmental fund resources as of September 30, 2023.

- **Non-spendable** fund balance items include prepaid accounts that are inherently not easily convertible into financial resources. The City's non-spendable fund balance was \$1,226,106.
- **Restricted** fund balance includes accounts and designations upon which restrictions have been externally imposed, totaling \$3,897,785.
- **Assigned** fund balance represents management's intended use of specific resources and reflects the City's fund balance policy as described in Note A. Assigned balance also includes reserves for future budget periods. The total balance was \$22,107,967.
- **Unassigned** balance in the General Fund also reflects the City's fund balance policy and was reported at \$9,746,648, which is above the target goal of an amount equivalent to two months of General Fund operating expenditures.

**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**



Proprietary Funds:

Net revenue generated by the City's business-type activities represents the net effect of operating income earned by the City's proprietary funds and non-operating items such as investment earnings and interest expense on outstanding debt. The Wastewater and Stormwater Funds reported operating income while the reclaimed water program reported a loss as described previously. Proprietary funds collectively increased the City's net position by \$ 504,536.

Proprietary Funds	
Operating income	\$ 495,256
Plus non-operating revenues	\$ 158,399
Less non-operating expenses	\$ (149,119)
Change in net position	<u>\$ 504,536</u>

Wastewater Fund

Net position increased by \$195,000 due primarily to a decrease in the net pension liability of \$546,000, or 68%. The net pension liability is actuarially determined and impacted by results of investment activity and other demographic factors. There was no new debt issued in fiscal year 2023 in the Wastewater Fund, and repayment of existing debt totaled \$950,000, along with interest expense of \$100,000, which contributed to a 71.3% decrease in working capital from prior year to current year.

Reclaimed Water Fund

The Reclaimed Water Fund reported a decrease of 73.4% in fund net position. A new program was developed in fiscal year 2022 to increase the City's response time to reclaimed water lateral breaks. The

**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**

targeted maintenance program continued in FY 2023. A \$1 million advance was made in fiscal year 2023 from the General Fund to the Reclaimed Water Fund in order to prioritize the reclaimed water lateral replacement program.

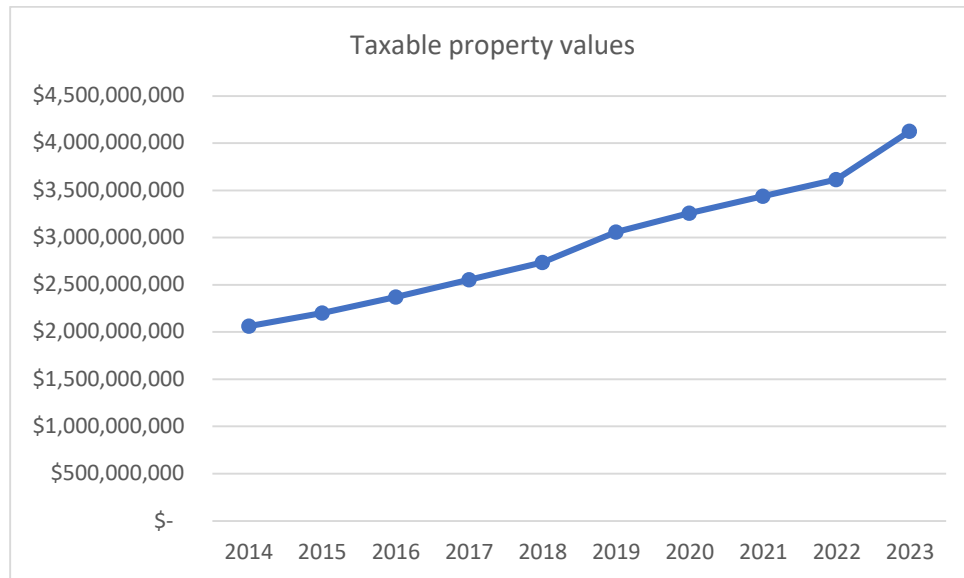
Stormwater Fund

The Stormwater Fund reported an increase in working capital by 35.5%. The major contributing factor was positive operating income of \$721,000. However, \$198,000 of operating income pertained to a favorable adjustment to pension expense in the current year.

	Wastewater		Reclaimed		Stormwater	
	9/30/2023	9/30/2022	9/30/2023	9/30/2022	9/30/2023	9/30/2022
Working capital balances						
Current assets	2,002,285	3,617,461	1,371,232	706,170	1,956,830	1,514,843
Less: current liabilities	(1,494,082)	(1,848,015)	(1,207,192)	(88,958)	(246,537)	(252,254)
Working capital	\$ 508,203	\$ 1,769,446	\$ 164,040	\$ 617,212	\$ 1,710,293	\$ 1,262,589
Annual change	-71.3%		-73.4%		35.5%	

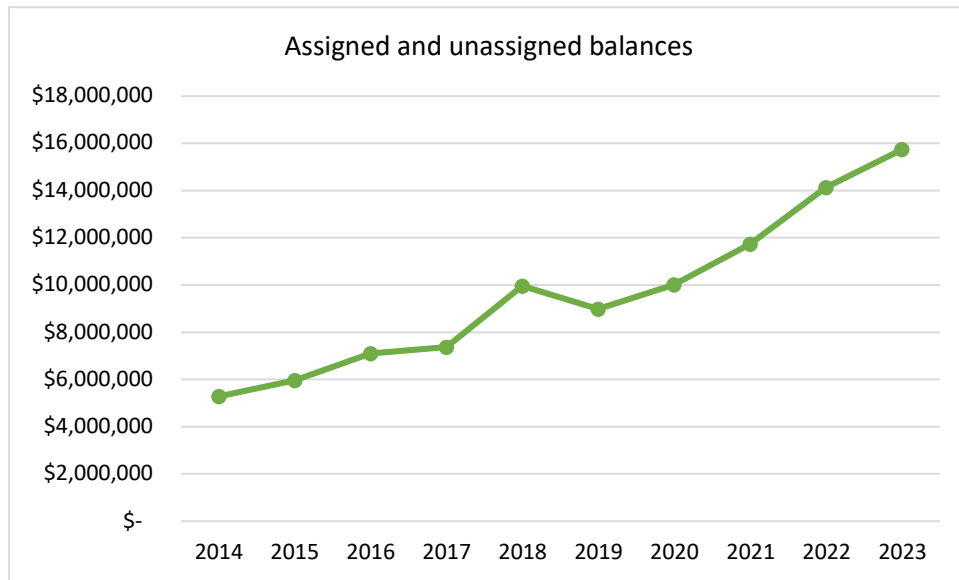
GENERAL FUND BUDGETARY HIGHLIGHTS

Fund balance increased by \$2.57 million driven by many of the factors discussed previously, including property tax revenue, sales tax revenue, and parking activity. Taxable values have continued to grow steadily since FY 2013.



The status of the General Fund provided an opportunity to re-evaluate fund balances and establish a formal fund balance policy, which is reflected on the financial statements and further described in Note A. The following chart illustrates the tremendous increase in assigned and unassigned balances over the last ten years.

**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**



Revisions from adopted to final budget:

The original General Fund budget contained expenditures by department totaling \$20,643,335, plus capital outlay of \$646,800 and debt service of \$577,390, for a combined total expenditures of \$21,867,525. The original budget was increased by \$689,000 via Ordinance 2023-01. Increases from original budget included the following:

- Prior year encumbrances: \$347,000
- Code enforcement software: \$15,000
- Comp plan updates: \$42,000
- PAG Way streetlights \$76,000
- Shell alleys: \$72,000
- Sidewalk/ADA improvements: \$47,000

Significant revenue budgetary variances:

The General Fund reported no negative revenue variances. Original and final budget revenues totaled \$27,379,721, compared to total actual revenues of \$29,648,354. The largest contributor to this positive variance was charges for service revenue, which exceeded the budget estimate by \$1.2 million primarily due to parking revenue, which was budgeted at \$4.7 million but collected actual revenues of \$6.0 million. This resulted from higher than anticipated visitor activity at the City's beaches and shopping areas

**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**

CAPITAL ASSETS

There was approximately \$3.7 million of infrastructure and improvement project costs incurred in the Capital Fund, as well as \$1.8 million of infrastructure improvements made in the Wastewater Fund. Infrastructure projects include facility upgrades, roadway repaving, drainage improvements, force main improvements, and pump station upgrades. Note C includes more information on the City's capital assets and activity for FY 2023.

CAPITAL ASSETS, NET	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land, land rights and improvements	\$ 4,904,700	\$ 4,836,311	\$ 310,117	\$ 310,117	\$ 5,214,817	\$ 5,146,428
Buildings and other improvements	11,411,263	11,748,352	653,541	678,533	12,064,804	12,426,885
Infrastructure	52,131,613	45,755,892	45,796,566	45,594,378	97,928,179	91,350,270
Furniture, machinery and equipment	4,518,045	3,507,593	384,064	483,912	4,902,109	3,991,505
Capital projects in process	3,083,837	9,160,865	296,417	312,095	3,380,254	9,472,960
Total	<u>\$ 76,049,458</u>	<u>\$ 75,009,013</u>	<u>\$ 47,440,705</u>	<u>\$ 47,379,035</u>	<u>\$ 123,490,163</u>	<u>\$ 122,388,048</u>

DEBT ADMINISTRATION

Note F includes a detailed listing of long-term liabilities. Following is a summary of the City's outstanding debt as of September 30, 2023 compared to the prior year.

CITY OF ST. PETE BEACH'S OUTSTANDING DEBT						
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ 16,375,888	\$ 17,064,712	\$ 5,274,827	\$ 5,725,703	\$ 21,650,715	\$ 22,790,415
State revolving loans	-	-	13,294,665	13,826,184	13,294,665	13,826,184
Leases	1,070,275	308,567	-	-	1,070,275	308,567
Total	<u>\$ 17,446,163</u>	<u>\$ 17,373,279</u>	<u>\$ 18,569,492</u>	<u>\$ 19,551,887</u>	<u>\$ 36,015,655</u>	<u>\$ 36,925,166</u>

Next Year's Budget, Rates, and Economic Factors

St. Pete Beach property values experienced strong growth, increasing 16% effective FY 2024. The City reduced its ad valorem tax rate from 3.1500 to 3.0913 mills effective FY 2024, which is projected to generate \$14.3 million in ad valorem revenue, an increase of \$1.74 million. Parking and investment revenues are anticipated to have continued growth in fiscal year 2024, albeit at reduced growth rates. In preparation of the fiscal year 2024, budget, the City is in its fourth year of its strategic planning process, making continued progress towards all five key elements of the plan: Economic Development, Internal Operations, Community and Neighborhoods, Transportation, and Resiliency. Early in fiscal year 2023, the City began the process of updating the strategic plan, including adding a sixth element: Sustainability.

General Fund contributions to the City's Capital Improvement Program for the upcoming budget total \$6 million. Major projects budgeted for next year include:

- Seawall rehabilitation
- Fire Station 22 reconstruction
- Streets rehabilitation
- Facilities renovation
- Stormwater improvements

**CITY OF ST. PETE BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023 (UNAUDITED)**

Requests for information

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

BASIC FINANCIAL STATEMENTS

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

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 35,897,717	\$ 3,212,303	\$ 39,110,020
Receivables, net	2,291,803	1,634,551	3,926,354
Internal balances	1,000,000	(1,000,000)	-
Due from other governments	338,215	-	338,215
Inventories	-	28,522	28,522
Prepays	226,106	4,403	230,509
Restricted assets:			
Cash and investments	320,000	450,568	770,568
Capital assets:			
Non-depreciable capital assets	7,988,537	606,534	8,595,071
Other capital assets, net of depreciation	68,060,921	46,834,171	114,895,092
Total assets	<u>\$ 116,123,299</u>	<u>\$ 51,771,052</u>	<u>\$ 167,894,351</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	\$ 4,135,202	\$ 103,169	\$ 4,238,371
Deferred outflows related to OPEB	92,776	6,820	99,596
Total deferred outflows	<u>\$ 4,227,978</u>	<u>\$ 109,989</u>	<u>\$ 4,337,967</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,611,915	\$ 788,140	\$ 2,400,055
Customer deposits	231,972	-	231,972
Unearned revenue	102,212	-	102,212
Accrued interest payable	307,760	87,446	395,206
Due to fiduciary funds	40,200	-	40,200
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	715,032	1,058,375	1,773,407
Leases	312,272	-	312,272
Compensated absences	336,700	13,850	350,550
Due in more than one year:			
Bonds and notes payable	15,660,856	17,511,117	33,171,973
Leases	758,003	-	758,003
Compensated absences	181,300	6,223	187,523
Total OPEB liability	391,769	28,798	420,567
Net pension liability	17,686,500	496,120	18,182,620
Total liabilities	<u>\$ 38,336,491</u>	<u>\$ 19,990,069</u>	<u>\$ 58,326,560</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 128,972	\$ -	\$ 128,972
Deferred inflows related to OPEB	206,138	15,153	221,291
Deferred inflows related to lease receivable	1,109,036	-	1,109,036
Total deferred inflows	<u>\$ 1,444,146</u>	<u>\$ 15,153</u>	<u>\$ 1,459,299</u>
NET POSITION			
Net investment in capital assets	\$ 64,019,983	\$ 28,871,213	\$ 92,891,196
Restricted for:			
Library	150,000	-	150,000
Pension obligation	416,802	-	416,802
Debt service	320,000	363,122	683,122
Building department	2,794,665	-	2,794,665
Law enforcement	5,404	-	5,404
Multimodal improvements	210,914	-	210,914
Unrestricted	12,652,872	2,641,484	15,294,356
Total net position	<u>\$ 80,570,640</u>	<u>\$ 31,875,819</u>	<u>\$ 112,446,459</u>

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

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 9,405,978	\$ 8,754,666	\$ 24,765	\$ -	\$ (626,547)	\$ -	\$ (626,547)
Public safety	8,534,393	76,030	-	2,392,499	(6,065,864)	-	(6,065,864)
Public works	3,958,798	14,257	-	-	(3,944,541)	-	(3,944,541)
Culture and recreation	5,034,645	1,123,858	75	-	(3,910,712)	-	(3,910,712)
Interest on long-term debt	834,585	-	-	-	(834,585)	-	(834,585)
Total governmental activities	<u>27,768,399</u>	<u>9,968,811</u>	<u>24,840</u>	<u>2,392,499</u>	<u>(15,382,249)</u>	<u>-</u>	<u>(15,382,249)</u>
Business-type activities:							
Wastewater	7,504,648	7,653,134	-	-	-	148,486	148,486
Reclaimed water	1,496,766	1,022,794	-	-	-	(473,972)	(473,972)
Stormwater	687,126	1,358,674	-	-	-	671,548	671,548
Total business-type activities	<u>9,688,540</u>	<u>10,034,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,062</u>	<u>346,062</u>
Total primary government	<u>\$ 37,456,939</u>	<u>\$ 20,003,413</u>	<u>\$ 24,840</u>	<u>\$ 2,392,499</u>	<u>(15,382,249)</u>	<u>346,062</u>	<u>(15,036,187)</u>
General revenues:							
Property taxes					12,403,545	-	12,403,545
Sales taxes					2,179,397	-	2,179,397
Utility taxes					2,613,529	-	2,613,529
Other taxes					553,710	-	553,710
Franchise fees					1,353,366	-	1,353,366
Other intergovernmental revenues not restricted for specific program					341,236	-	341,236
Investment earnings					1,355,131	158,399	1,513,530
Miscellaneous revenues					98,417	75	98,492
Total general revenues					<u>20,898,331</u>	<u>158,474</u>	<u>21,056,805</u>
Change in net position					5,516,082	504,536	6,020,618
Net position - beginning of year					75,054,558	31,371,283	106,425,841
Net position - end of year					<u>\$ 80,570,640</u>	<u>\$ 31,875,819</u>	<u>\$ 112,446,459</u>

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

CITY OF ST. PETE BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	Capital Improvement Projects	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 16,179,120	\$ 10,147,716	\$ 4,774,782	\$ 5,116,099	\$ 36,217,717
Receivables, net	809,278	16,454	-	-	825,732
Due from other governments	408,878	241,740	-	-	650,618
Lease receivable	1,153,668	-	-	-	1,153,668
Advances to other funds	1,000,000	-	-	-	1,000,000
Prepaid items	207,408	11,500	-	7,198	226,106
Total assets	\$ 19,758,352	\$ 10,417,410	\$ 4,774,782	\$ 5,123,297	\$ 40,073,841
LIABILITIES					
Accounts payable and accrued liabilities	\$ 911,575	\$ 582,790	\$ -	\$ 117,550	\$ 1,611,915
Customer deposits	78,649	-	-	153,323	231,972
Unearned revenue	102,212	-	-	-	102,212
Due to other funds	40,200	-	-	-	40,200
Total liabilities	1,132,636	582,790	-	270,873	1,986,299
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to lease receivable	1,109,036	-	-	-	1,109,036
Total deferred inflows	1,109,036	-	-	-	1,109,036
FUND BALANCES					
Nonspendable:					
Prepaid items	207,408	11,500	-	7,198	226,106
Advances to other funds	1,000,000	-	-	-	1,000,000
Library	150,000	-	-	-	150,000
Pension obligation	416,802	-	-	-	416,802
Debt service	-	320,000	-	-	320,000
Building department	-	-	-	2,794,665	2,794,665
Law enforcement	-	-	-	5,404	5,404
Transportation improvements	-	-	-	210,914	210,914
Assigned to:					
Capital improvement projects	-	9,503,120	4,774,782	636,168	14,914,070
Vehicle replacement	-	-	-	1,198,075	1,198,075
Subsequent year's budget	509,177	-	-	-	509,177
Coastal vulnerabilities	5,486,645	-	-	-	5,486,645
Unassigned	9,746,648	-	-	-	9,746,648
Total fund balances	17,516,680	9,834,620	4,774,782	4,852,424	36,978,506
Total liabilities and fund balances	\$ 19,758,352	\$ 10,417,410	\$ 4,774,782	\$ 5,123,297	\$ 40,073,841

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

CITY OF ST. PETE BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Fund balances - total governmental funds \$ 36,978,506

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

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

Total governmental capital assets	111,055,397	
Less: accumulated depreciation	<u>(35,005,939)</u>	76,049,458

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(17,686,500)	
Deferred outflows related to pensions	4,135,202	
Deferred inflows related to pensions	<u>(128,972)</u>	(13,680,270)

On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

Total OPEB liability	(391,769)	
Deferred outflows related to OPEB	92,776	
Deferred inflows related to OPEB	<u>(206,138)</u>	(505,131)

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Bonds and notes payable	(16,375,888)	
Leases payable	(1,070,275)	
Accrued interest payable	(307,760)	
Compensated absences	<u>(518,000)</u>	(18,271,923)

Net position of governmental activities		<u><u>\$ 80,570,640</u></u>
--	--	-----------------------------

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

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Capital Improvement Projects	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 16,322,285	\$ 1,427,896	\$ -	\$ -	\$ 17,750,181
Permits and fees	2,334,824	-	-	1,574,787	3,909,611
Intergovernmental	3,009,747	-	-	-	3,009,747
Charges for services	7,161,782	-	-	-	7,161,782
Investment income	722,870	290,854	54,854	286,553	1,355,131
Miscellaneous	96,846	-	-	1,183	98,029
Total revenues	<u>29,648,354</u>	<u>1,718,750</u>	<u>54,854</u>	<u>1,862,523</u>	<u>33,284,481</u>
Expenditures					
Current:					
General government	5,708,477	-	6,277	1,311,020	7,025,774
Public safety	8,244,973	-	-	-	8,244,973
Public works	2,162,612	19,501	-	-	2,182,113
Culture and recreation	4,065,924	-	-	150,332	4,216,256
Capital outlay	368,102	3,722,094	-	230,914	4,321,110
Debt service:					
Principal retirement	383,825	597,686	-	-	981,511
Interest and fiscal charges	168,566	489,179	-	-	657,745
Total expenditures	<u>21,102,479</u>	<u>4,828,460</u>	<u>6,277</u>	<u>1,692,266</u>	<u>27,629,482</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,545,875</u>	<u>(3,109,710)</u>	<u>48,577</u>	<u>170,257</u>	<u>5,654,999</u>
Other financing sources (uses)					
Issuance of debt	-	1,054,395	-	-	1,054,395
Transfers in	-	4,700,400	-	1,269,821	5,970,221
Transfers out	(5,970,221)	-	-	-	(5,970,221)
Total other financing sources (uses)	<u>(5,970,221)</u>	<u>5,754,795</u>	<u>-</u>	<u>1,269,821</u>	<u>1,054,395</u>
Net change in fund balances	<u>2,575,654</u>	<u>2,645,085</u>	<u>48,577</u>	<u>1,440,078</u>	<u>6,709,394</u>
Fund balances, beginning of year	14,941,026	7,189,535	4,726,205	3,412,346	30,269,112
Fund balances, end of year	<u>\$ 17,516,680</u>	<u>\$ 9,834,620</u>	<u>\$ 4,774,782</u>	<u>\$ 4,852,424</u>	<u>\$ 36,978,506</u>

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

CITY OF ST. PETE BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds **\$ 6,709,394**

Differences in amounts reported for governmental activities in the statement of activities are:

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

Capital outlay expenditures	4,321,110
Depreciation expense	(3,280,665)

Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:

Principal repayment of general long-term debt	981,511
Issuance of governmental long-term debt	(1,054,395)

Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the Statement of Activities are amounts required to be amortized.

Change in net pension liability and deferred inflows/outflows related to pensions	(1,918,806)
---	-------------

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:

Change in accrued interest on long-term debt	(176,840)
Change in compensated absences liability	(93,377)
Change in total OPEB liability	28,150

Change in net position of governmental activities	\$ 5,516,082
--	---------------------

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

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 16,125,786	\$ 16,125,786	\$ 16,322,285	\$ 196,499
Permits and fees	2,270,665	2,270,665	2,334,824	64,159
Intergovernmental	2,894,200	2,894,200	3,009,747	115,547
Charges for services	5,939,170	5,939,170	7,161,782	1,222,612
Investment income	124,900	124,900	722,870	597,970
Miscellaneous	25,000	25,000	96,846	71,846
Total revenues	<u>27,379,721</u>	<u>27,379,721</u>	<u>29,648,354</u>	<u>2,268,633</u>
EXPENDITURES				
Current:				
General Government:				
Charter Officers department:				
Elected Officials division	138,769	138,769	112,099	26,670
City Clerk division	353,350	353,350	315,752	37,598
Legal division	520,000	520,000	585,902	(65,902)
City Manager division:				
Manager's Office	698,445	717,003	652,549	64,454
Planning	508,875	568,289	383,238	185,051
Facilities	744,720	747,432	548,383	199,049
Total City Manager division:	<u>1,952,040</u>	<u>2,032,724</u>	<u>1,584,170</u>	<u>448,554</u>
Total Charter Officers department:	<u>2,964,159</u>	<u>3,044,843</u>	<u>2,597,923</u>	<u>446,920</u>
Administrative Services department:				
Finance division	848,625	899,315	779,918	119,397
Information technology division	603,000	623,315	630,295	(6,980)
Total Administrative Services department:	<u>1,451,625</u>	<u>1,522,630</u>	<u>1,410,213</u>	<u>112,417</u>
Community Development department:				
Transportation division	1,854,000	1,889,236	1,975,401	(86,165)
Code Enforcement division	253,050	285,093	254,131	30,962
Total Community Development department:	<u>2,107,050</u>	<u>2,174,329</u>	<u>2,229,532</u>	<u>(55,203)</u>
Non-departmental	19,715	119,715	19,192	100,523
Total General Government:	<u>6,542,549</u>	<u>6,861,517</u>	<u>6,256,860</u>	<u>604,657</u>
Public Safety:				
Law Enforcement department	3,096,581	3,096,581	3,104,616	(8,035)
Fire department:				
Fire Supression division	2,796,025	2,832,574	2,813,742	18,832
EMS division	2,263,700	2,268,147	2,326,615	(58,468)
Total Fire department	<u>5,059,725</u>	<u>5,100,721</u>	<u>5,140,357</u>	<u>(39,636)</u>
Total Public Safety	<u>8,156,306</u>	<u>8,197,302</u>	<u>8,244,973</u>	<u>(47,671)</u>
Public Works:				
Public Works department:				
Administration division	653,420	587,882	820,536	(232,654)
Streets division	1,021,850	1,273,862	793,693	480,169
Total Public Works department	<u>1,675,270</u>	<u>1,861,744</u>	<u>1,614,229</u>	<u>247,515</u>
Total Public Works	<u>1,675,270</u>	<u>1,861,744</u>	<u>1,614,229</u>	<u>247,515</u>
Culture and Recreation:				
Library department	787,245	787,920	745,362	42,558
Parks and Recreation department:				
Parks division	1,359,250	1,376,895	1,317,254	59,641
Beaches division	502,600	503,950	405,623	98,327
Recreation division	1,620,115	1,629,640	1,597,685	31,955
Total Parks and Recreation department	<u>3,481,965</u>	<u>3,510,485</u>	<u>3,320,562</u>	<u>189,923</u>
Total Culture and Recreation	<u>4,269,210</u>	<u>4,298,405</u>	<u>4,065,924</u>	<u>232,481</u>
Capital outlay	646,800	710,326	368,102	342,224
Debt service:				
Principal retirement	408,824	458,665	383,825	74,840
Interest and fiscal charges	168,566	168,566	168,566	-
Total expenditures	<u>21,867,525</u>	<u>22,556,525</u>	<u>21,102,479</u>	<u>1,454,046</u>
Excess of revenues over expenditures	<u>5,512,196</u>	<u>4,823,196</u>	<u>8,545,875</u>	<u>3,722,679</u>
Other financing sources (uses)				
Transfers out	-	(7,970,221)	(5,970,221)	2,000,000
Total other financing sources (uses)	<u>-</u>	<u>(7,970,221)</u>	<u>(5,970,221)</u>	<u>2,000,000</u>
Net change in fund balances	<u>5,512,196</u>	<u>(3,147,025)</u>	<u>2,575,654</u>	<u>5,722,679</u>
Fund balances, beginning of year	14,941,026	14,941,026	14,941,026	-
Fund balances, end of year	<u>\$ 20,453,222</u>	<u>\$ 11,794,001</u>	<u>\$ 17,516,680</u>	<u>\$ 5,722,679</u>

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

CITY OF ST. PETE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ARPA
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income	\$ -	\$ -	\$ 54,854	\$ 54,854
Total revenues	<u>-</u>	<u>-</u>	<u>54,854</u>	<u>54,854</u>
EXPENDITURES				
Current:				
General government:	19,000	19,000	6,277	12,723
Capital outlay	<u>4,701,684</u>	<u>4,707,000</u>	<u>-</u>	<u>4,707,000</u>
Total expenditures	<u>4,720,684</u>	<u>4,726,000</u>	<u>6,277</u>	<u>4,719,723</u>
Net change in fund balances	<u>(4,720,684)</u>	<u>(4,726,000)</u>	<u>48,577</u>	<u>4,774,577</u>
Fund balances, beginning of year	4,726,205	4,726,205	4,726,205	-
Fund balances, end of year	<u>\$ 5,521</u>	<u>\$ 205</u>	<u>\$ 4,774,782</u>	<u>\$ 4,774,577</u>

See accompanying notes to financial statements.

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds			
	Wastewater	Reclaimed Water	Stormwater	Total
ASSETS				
Cash and investments	\$ 231,574	\$ 1,217,149	\$ 1,763,580	\$ 3,212,303
Accounts receivable, net	1,446,030	153,521	35,000	1,634,551
Inventories	28,522	-	-	28,522
Prepaid items	1,159	562	2,682	4,403
Restricted current assets				
Cash and investments	295,000	-	155,568	450,568
Total current assets	<u>2,002,285</u>	<u>1,371,232</u>	<u>1,956,830</u>	<u>5,330,347</u>
Noncurrent assets:				
Capital assets:				
Land	310,117	-	-	310,117
Building and improvements	749,747	-	-	749,747
Infrastructure	44,515,268	13,260,558	5,828,978	63,604,804
Machinery and equipment	1,027,397	68,512	67,146	1,163,055
Intangibles	48,930	-	112,698	161,628
Construction in progress	256,742	-	39,675	296,417
Accumulated depreciation	(10,752,192)	(7,238,592)	(854,279)	(18,845,063)
Total capital assets, net	<u>36,156,009</u>	<u>6,090,478</u>	<u>5,194,218</u>	<u>47,440,705</u>
Total noncurrent assets	<u>36,156,009</u>	<u>6,090,478</u>	<u>5,194,218</u>	<u>47,440,705</u>
Total assets	<u>\$ 38,158,294</u>	<u>\$ 7,461,710</u>	<u>\$ 7,151,048</u>	<u>\$ 52,771,052</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	\$ 53,472	\$ 12,301	\$ 37,396	\$ 103,169
Deferred outflows related to OPEB	3,405	711	2,704	6,820
Total deferred outflows	<u>\$ 56,877</u>	<u>\$ 13,012</u>	<u>\$ 40,100</u>	<u>\$ 109,989</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 571,018	\$ 207,010	\$ 10,112	\$ 788,140
Advances from other funds	-	1,000,000	-	1,000,000
Compensated absences	6,996	182	6,672	13,850
Payable from restricted assets:				
Current maturities on long-term debt	848,375	-	210,000	1,058,375
Accrued interest payable	67,693	-	19,753	87,446
Total current liabilities	<u>1,494,082</u>	<u>1,207,192</u>	<u>246,537</u>	<u>2,947,811</u>
Noncurrent liabilities:				
Bonds and notes payable, net	16,114,117	-	1,397,000	17,511,117
Compensated absences	3,143	82	2,998	6,223
Total OPEB liability	14,376	3,003	11,419	28,798
Net pension liability	257,136	59,153	179,831	496,120
Total noncurrent liabilities	<u>16,388,772</u>	<u>62,238</u>	<u>1,591,248</u>	<u>18,042,258</u>
Total liabilities	<u>\$ 17,882,854</u>	<u>\$ 1,269,430</u>	<u>\$ 1,837,785</u>	<u>\$ 20,990,069</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	\$ 7,564	\$ 1,580	\$ 6,009	\$ 15,153
Total deferred inflows	<u>\$ 7,564</u>	<u>\$ 1,580</u>	<u>\$ 6,009</u>	<u>\$ 15,153</u>
NET POSITION				
Net investment in capital assets	\$ 19,193,517	\$ 6,090,478	\$ 3,587,218	\$ 28,871,213
Restricted for debt service	227,307	-	135,815	363,122
Unrestricted	903,929	113,234	1,624,321	2,641,484
Total net position	<u>\$ 20,324,753</u>	<u>\$ 6,203,712</u>	<u>\$ 5,347,354</u>	<u>\$ 31,875,819</u>

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

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds			
	Wastewater	Reclaimed Water	Stormwater	Total
Operating revenues				
Charges for services	\$ 7,653,134	\$ 1,022,794	\$ 1,358,674	\$ 10,034,602
Other revenues	75	-	-	75
Total operating revenues	<u>7,653,209</u>	<u>1,022,794</u>	<u>1,358,674</u>	<u>10,034,677</u>
Operating expenses				
Personnel services	160,687	11,610	110,258	282,555
Contractual and other services	5,752,134	1,050,606	320,530	7,123,270
Depreciation	<u>1,492,136</u>	<u>434,550</u>	<u>206,910</u>	<u>2,133,596</u>
Total operating expenses	<u>7,404,957</u>	<u>1,496,766</u>	<u>637,698</u>	<u>9,539,421</u>
Operating income	<u>248,252</u>	<u>(473,972)</u>	<u>720,976</u>	<u>495,256</u>
Nonoperating revenues (expenses)				
Interest earnings	46,276	59,118	53,005	158,399
Interest and amortization expense	<u>(99,691)</u>	<u>-</u>	<u>(49,428)</u>	<u>(149,119)</u>
Total nonoperating revenues (expenses)	<u>(53,415)</u>	<u>59,118</u>	<u>3,577</u>	<u>9,280</u>
Income (loss) before contributions and transfers	<u>194,837</u>	<u>(414,854)</u>	<u>724,553</u>	<u>504,536</u>
Change in net position	<u>194,837</u>	<u>(414,854)</u>	<u>724,553</u>	<u>504,536</u>
Net position, beginning of year	20,129,916	6,618,566	4,622,801	31,371,283
Net position, end of year	<u>\$ 20,324,753</u>	<u>\$ 6,203,712</u>	<u>\$ 5,347,354</u>	<u>\$ 31,875,819</u>

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

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds			
	Wastewater	Reclaimed Water	Stormwater	Total
Cash flows from operating activities				
Cash received from customers	\$ 7,928,188	\$ 1,023,448	\$ 1,356,826	\$ 10,308,462
Cash paid to employees	(443,407)	(79,928)	(306,906)	(830,241)
Cash paid to suppliers	(6,261,940)	(926,492)	(326,032)	(7,514,464)
Net cash provided by (used in) operating activities	<u>1,222,841</u>	<u>17,028</u>	<u>723,888</u>	<u>1,963,757</u>
Cash flows from noncapital financing activities				
Interfund loans	-	1,000,000	-	1,000,000
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(1,715,641)	(404,368)	(75,257)	(2,195,266)
Capital grants	-	-	20,122	20,122
Principal payments of long-term debt	(778,392)	-	(204,000)	(982,392)
Interest paid	(109,216)	-	(51,935)	(161,151)
Net cash provided by (used in) capital and related financing activities	<u>(2,603,249)</u>	<u>(404,368)</u>	<u>(311,070)</u>	<u>(3,318,687)</u>
Cash flows from investing activities				
Interest received	46,276	59,118	53,005	158,399
Purchases of investments	975,963	-	219,254	1,195,217
Net cash provided by (used in) investing activities	<u>1,022,239</u>	<u>59,118</u>	<u>272,259</u>	<u>1,353,616</u>
Net change in cash and cash equivalents	<u>(358,169)</u>	<u>671,778</u>	<u>685,077</u>	<u>998,686</u>
Cash and cash equivalents, beginning of year	819,341	177,043	1,234,071	2,230,455
Cash and cash equivalents, end of year	<u>\$ 461,172</u>	<u>\$ 848,821</u>	<u>\$ 1,919,148</u>	<u>\$ 3,229,141</u>
Cash and cash equivalents classsified as:				
Unrestricted	\$ 231,574	\$ 1,217,149	\$ 1,763,580	\$ 3,212,303
Restricted	295,000	-	155,568	450,568
Investments	(65,402)	(368,328)	-	(433,730)
Total cash and cash equivalents	<u>\$ 461,172</u>	<u>\$ 848,821</u>	<u>\$ 1,919,148</u>	<u>\$ 3,229,141</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 248,252	\$ (473,972)	\$ 720,976	\$ 495,256
Adjustments to reconcile net operating income to net cash provided by (used in) operating activities:				
Depreciation	1,492,136	434,550	206,910	2,133,596
Changes in assets and liabilities:				
Accounts receivable	(182,576)	654	(1,848)	(183,770)
Due from other governments	457,555	-	-	457,555
Prepaid items	6,062	6,062	5,562	17,686
Accounts payable and accrued liabilities	(515,868)	118,052	(11,064)	(408,880)
Compensated absences	99	264	2,459	2,822
Net pension liability	(283,389)	(65,192)	(198,192)	(546,773)
Total OPEB liability	570	(3,390)	(915)	(3,735)
Net cash provided by (used in) operating activities	<u>\$ 1,222,841</u>	<u>\$ 17,028</u>	<u>\$ 723,888</u>	<u>\$ 1,963,757</u>

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

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Pension Trust Funds
ASSETS	
Cash and cash equivalents with trustee	\$ 1,418,762
Receivables	
Due from general fund	40,200
Interest and dividends receivable	22,921
Total receivables	<u>63,121</u>
Investments, at fair value	
Government agency obligations	739,246
Asset-backed securities and collateralized obligations	94,099
Corporate bonds	425,978
Foreign stocks and bonds	49,902
Fixed-income mutual funds	15,436,708
Equities - common stock	12,109,819
Equities - mutual funds	13,194,334
Equities - foreign stock	236,917
Real estate funds	1,651,442
Total investments	<u>43,938,445</u>
Total assets	<u><u>\$ 45,420,328</u></u>
LIABILITIES	
Accounts payable	\$ 34,542
Prepaid contributions - City	4,345
Total liabilities	<u><u>\$ 38,887</u></u>
NET POSITION	
Restricted for pensions	<u><u>\$ 45,381,441</u></u>

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

CITY OF ST. PETE BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 1,373,575
Plan members	292,428
State - insurance premium taxes	426,975
Total contributions	<u>2,092,978</u>
Investment earnings	
Net appreciation (depreciation) in fair value of investments	3,471,454
Interest and dividends	1,392,323
Total investment earnings	<u>4,863,777</u>
Less: investment expense	<u>(106,656)</u>
Net investment income (loss)	<u>4,757,121</u>
Total additions	<u>6,850,099</u>
Deductions	
Benefit payments and refunds	4,095,530
Administrative expenses	179,488
Total deductions	<u>4,275,018</u>
Change in net position	<u>2,575,081</u>
Net position restricted for pensions, beginning of year	42,806,360
Net position restricted for pensions, end of year	<u><u>\$ 45,381,441</u></u>

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial reporting entity

The City of St. Pete Beach, Florida (the City) was incorporated in 1957 as a political subdivision of the State of Florida under a Council-Manager form of Government. The City is a municipal corporation with a five (5) member elected Board of Commissioners. The Board of Commissioners is governed by the City Charter and by state and local laws and regulations. The Board of Commissioners is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager.

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

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

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

Government-wide and Fund Financial Statements

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A – CONTINUED

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A – CONTINUED

Governmental Funds

The City reports three major governmental funds:

- General Fund – The General Fund is the primary operating fund of the City, accounting for all financial resources of the City except those that are required legally or by generally accepted accounting principles to be accounted for in other funds.
- American Rescue Plan Act (ARPA) – Capital projects fund used to account for revenue received under the American Rescue Plan Act for expenditures allowed under the program.
- Capital Improvement Projects Fund – Capital projects fund used to account for intergovernmental revenue that is restricted for infrastructure improvements and public safety vehicle acquisitions. This fund often includes significant, non-recurring financing sources such as transfers, grants, and other cost sharing arrangements corresponding to specific capital projects.

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

Proprietary Funds

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

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A – CONTINUED

Fiduciary Funds

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

Budgetary Accounting

Annual budgets are adopted by fund and department for the following funds: General, Multimodal, Building, Resiliency, Fleet, American Rescue Plan Act (ARPA), Capital Improvement, Wastewater, Reclaimed Water, and Stormwater. The City’s only legally adopted major governmental funds are the General, ARPA and Capital funds. For the purpose of financial reporting, the Multimodal, Building, Resiliency, and Fleet Funds are reflected in non-major fund totals. Non-major funds also include the Police Confiscation fund, which is not legally adopted. Budgetary comparison statements are presented in the basic financial statements for the General Fund and ARPA fund. Budgetary comparison schedules are presented as supplementary information for the Capital Improvement Projects, Building, Resiliency, Multimodal, and Fleet funds.

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

Balance Sheet / Statement of Net Position Disclosures

Definition of cash equivalents

The City considers all highly liquid investments, and those with a maturity of three months or less when purchased, to be cash equivalents. As reported on the financial statements, “cash and investments” include cash on hand, demand deposits, money market deposits, certificates of deposit, direct obligations of the U.S. Treasury, and balances in local government investment pools.. Note B includes additional information regarding the City’s cash and investment balances.

Valuation basis

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

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A – CONTINUED

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets.
- Level 2 inputs are not based on quotes but are observable for the asset in active markets at commonly quoted intervals. The City uses monthly and quarterly reports provided by asset managers and custodians to determine level 2 valuations.
- Level 3 inputs are unobservable and determined by assumptions or estimates.

In instances where inputs used to measure fair value fall into different levels in the above hierarchy, measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments that are measured at fair value using the net asset value per share (NAV) – or its equivalent – are not classified in the fair value hierarchy as a practical expedient and are instead reported at amortized cost. Demand deposits, money market deposits, and certificates of deposit are likewise valued on an amortized cost basis. Investment assets held in the City's Pension Trust Funds are recorded at fair value. Note B discloses the inputs used to determine fair value of the pension funds' investments.

Inventories and prepaid items

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

Capital asset accounting policies

Capital assets, which include land and land rights, buildings and other land improvements, furniture, machinery and equipment, infrastructure and intangible assets are reported in the applicable governmental or business-type activity in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. These assets are capitalized at historical cost or estimated historical cost if actual cost information is not available. Additions, improvements and other capital outlays that significantly extend the useful life of the asset are also capitalized.

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A – CONTINUED

As used in this section, the term depreciation includes amortization of intangible assets, which is computed on a straight-line basis. Depreciation is provided for in amounts sufficient to charge the cost of depreciable assets to operations over their estimated useful lives. Depreciation is not provided for construction in progress. The estimated useful lives of the assets are as follows:

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

Deferred Outflows and Inflows

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

Net Position/Fund Balance

Net Position:

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

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

Fund Balance:

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

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A – CONTINUED

Restricted consists of amounts that have constraints placed on them either externally by third parties (e.g., creditors, grantors, and contributors) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. Commitments may only be adopted, amended, and rescinded via Ordinance by the City Commission.

The City's fund balance policy is reflected in *assigned* and *unassigned* balances. Assigned balances represent resources accumulated for particular purposes but that do not meet the criteria to be classified as restricted or committed. The City's fund balance policy establishes a goal range of assigned balance equivalent to 26-35% of General Fund operating expenditures. The assigned resources are intended to mitigate the City's financial vulnerabilities, including the following potential exposures:

- Extreme weather events (e.g., hurricanes, localized flooding, sea level rise, etc.)
- Financial requirements of other operating funds, particularly Wastewater
- Funding sources for future capital projects (e.g., resiliency improvements, sub-aqueous infrastructure, etc.)

Unassigned balance, if positive, can only be fund in the General Fund. It represents the residual amount of fund balance not contained in the other classifications. The City's fund balance policy includes a goal of unassigned balance equivalent to two months of General Fund operating expenditures.

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

Governmental Funds	Enterprise Funds
Restricted	Restricted
Committed	Unrestricted
Assigned	
Unassigned	

Property tax policy

Property taxes are levied on October 1 of each year, on property values assessed on January 1 of the same year, and are due and payable on March 31 of the following year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are not subject to discount. Delinquent taxes on real property bear interest at 18% per year. All unpaid taxes are delinquent on April 1 following the year in which they are assessed. On or about May 31 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made to the certificate holder after a period of two years. Unsold certificates are held by Pinellas County.

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A – CONTINUED

Compensated absence policy

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

Leases policy

Leases receivable—When engaged in long-term leasing activity as the lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the Consumer Price Index (CPI) in effect at fiscal year end as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B. DETAILED NOTE DISCLOSURES

Assets:

Cash and Investments

As of September 30, 2023, the City of St. Pete Beach held the following cash and investment account balances:

Investment Type	Fair Value	Percentage	Average Life	Credit Rating	Level
Cash	\$ 17,102,411	42.9%	N/A	NR	n/a
Certificates of Deposits	7,278,239	18.3%	N/A	NR	n/a
Treasury Bonds	8,627,472	21.6%	less than 1 year	N/A	Level 2
FL Palm	2,224,977	5.6%	44 days	AAAm	n/a
Florida Prime- SBA	2,366,526	5.9%	35 days	AAAm	n/a
FL CLASS	2,280,963	5.7%	47 days	AAAm	n/a
	<u>\$ 39,880,588</u>	<u>100.0%</u>			

U.S. Treasuries were valued based on active market quoted prices from the City’s custodian bank as of September 30, 2023. Demand deposits and certificates of deposit were covered by Federal Depository Insurance and held at Florida Qualified Public Depository (“QPD”) financial institutions for collateralization. The City’s investments with FL Palm, Florida Prime, and Florida CLASS are reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value. The credit ratings are determine by S&P Global Ratings.

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

Authorized investments:

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B – CONTINUED

Interest rate risk: Fixed income securities expose the City to the risk of prevailing interest rate changes. The City's investment policy seeks to control for this risk by establishing a maximum maturity of five years. Management further addresses the risk by laddering investments to mature at regular intervals, providing for frequent reinvestment opportunities. Management's practice is to hold all securities to maturity, so that any fair value losses are not realized.

Concentration risk: Concentration risk refers to the risk of loss resulting from over-exposures to a specific security or asset class. The City's investment policy addresses concentration risk by requiring diversification, limiting investments in securities that have higher credit risks, investing in securities with varying maturities, and continuously maintaining a portion of the portfolio in liquid funds.

Credit risk: Credit risk is the risk that a security or portfolio will lose value due to a real or perceived change in the ability of the issuer to fulfill its obligations. To mitigate the credit risk of individual securities, management invests only in the highest quality, generally limited to direct obligations of the U.S. Treasury. The City holds all demand deposit account and certificate of deposit account balances with collateralized qualified public depositories. The City maintains balances only in local government investment pools and money market funds with the highest credit quality ratings.

Custodial risk: Custodial risk refers to the possibility of the City being unable to recover funds from another party in the event of failure. The City's investment policy addresses this risk by requiring a third-party custodial safekeeping agreement that properly segregates securities on behalf of the City. All individual securities are held in the name of the City of St. Pete Beach.

Police Officers' Retirement System (Police Pension):

As of September 30, 2023, the Police Pension held the following investment balances:

		Weighted Average Maturity (years)	Credit Rating Range (Moody's)	Fair Value Level
Police	Fair Value			
Fixed income mutual funds	\$ 9,297,044	N/A	N/A	1
Mutual Funds - Equities	6,229,393	N/A	NR	1
Total	<u>\$ 15,526,437</u>			

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

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B – CONTINUED

- Not more than 5% of the Police Pension assets shall be invested in the common stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and the value of bonds by any single corporation shall not exceed 5% of the total Police Pension assets.
- Real Estate and Real Estate Investment Trusts shall not to exceed 15% of the total Police Pension assets.
- Investments in corporate common stock and convertible bonds shall not exceed 75% of the Police Pension assets at fair value.
- Foreign securities shall not exceed 25% of the assets of the Police Pension.

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

Firefighters' Retirement System (Fire Pension):

As of September 30, 2023, the Firefighters' Pension held the following investment balances:

Fire	Fair Value	Weighted Average Maturity (years)	Credit Rating Range (Moody's)	Fair Value Level
Fixed-income mutual funds	\$ 4,734,134	N/A	N/A	1
Mutual Funds - Equities	10,778,082	N/A	NR	1
Real Estate	1,651,442	N/A	NR	1
Total	<u>\$ 17,163,658</u>			

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

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

- Not more than 5% of the Firefighters' Pension assets shall be invested in the common stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and the value of bonds by any single corporation shall not exceed 5% of the total Firefighters' Pension assets.
- Real Estate and Real Estate Investment Trusts shall not to exceed 15% of the total Firefighters' Pension assets.
- Investments in corporate common stock and convertible bonds shall not exceed 75% of the Firefighters' Pension assets at fair value.
- Foreign securities shall not exceed 25% of the assets of the Firefighters' Pension

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B – CONTINUED

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

General Employees' Retirement System (General Pension):

As of September 30, 2023, the General Pension held the following investment balances:

General	Fair Value	Weighted Average Maturity (years)	Credit Rating Range (S&P)	Fair Value Level
U.S. General & Agency Obligations	\$ 739,246	N/A	Aaa to A1	2
Asset backed securities and collateralized	94,099	N/A	Aaa to Baa1	2
Foreign bonds notes & debentures	49,902	N/A	Aaa to Baa1	2
Fixed-income mutual funds	1,405,530	N/A	N/A	1
Corporate Bonds	425,978	N/A	Aa1 to Baa3	2
Equities - common stock	1,331,737	N/A	N/A	1
Equities - foreign stock	236,917	N/A	N/A	1
Equities - mutual funds	6,964,941	N/A	NR	1
Total	<u>\$ 11,248,350</u>			

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

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

- Not more than 5% of the General Pension assets shall be invested in the common stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company, and the value of bonds by any single corporation shall not exceed 5% of the total General Pension assets.
- Real Estate and Real Estate Investment Trusts shall not to exceed 15% of the total General Pension assets.
- Investments in corporate common stock and convertible bonds shall not exceed 75% of the General Pension assets at fair value.
- Foreign securities shall not exceed 25% of the assets of the General Pension.

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B – CONTINUED

Receivable balances

Utility billing:

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

- General Fund water utility service tax, included in "Receivables, net": \$55,843
- Wastewater Fund service charges, included in "Accounts receivable, net": \$1,338,048
- Reclaimed Water service charges, included in "Accounts receivable, net": \$167,196

Allowance for doubtful accounts

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

- General Fund water utility service tax: \$3,276
- Wastewater Fund charges for service: \$84,190
- Reclaimed Water Fund charges for service: \$13,675

Leases Receivable

The City has ongoing lease agreements with third parties related to rentals of Paradise Grille and Merry Pier. The two leases were entered into with 5-year terms.

A summary of the City's activity surrounding leases receivable as of and for the year ending September 30, 2023 is as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>
Leases Receivable	\$ 1,153,668	\$ 1,153,668
Deferred Inflows Related to Leases	1,109,036	1,109,036

Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE C. CAPITAL ASSETS

Governmental activities:	Balance 09/30/22	Increases	Decreases	Balance 09/30/23
Capital assets not being depreciated:				
Land	\$ 4,836,311	\$ 68,389	\$ -	\$ 4,904,700
Construction in progress	9,160,865	2,262,083	(8,339,111)	3,083,837
Total assets not being depreciated	13,997,176	2,330,472	(8,339,111)	7,988,537
Capital assets being depreciated:				
Building & Improvements	22,001,870	322,075	-	22,323,945
Machinery and equipment	8,207,651	1,490,961	(80,093)	9,618,519
Intangibles	131,386	140,886	-	272,272
Infrastructure	62,476,297	8,375,827	-	70,852,124
Total assets being depreciated	92,817,204	10,329,749	(80,093)	103,066,860
Less accumulated depreciation for:				
Buildings and Improvements	(10,253,518)	(659,164)	-	(10,912,682)
Machinery and equipment	(4,814,618)	(605,683)	80,093	(5,340,208)
Infrastructure	(16,720,405)	(2,000,106)	-	(18,720,511)
Intangibles	(16,826)	(15,712)	-	(32,538)
Total accumulated depreciation	(31,805,367)	(3,280,665)	80,093	(35,005,939)
Total capital assets being depreciated, net	61,011,837	7,049,084	-	68,060,921
Governmental activities capital assets, net	\$ 75,009,013	\$ 9,379,556	\$ (8,339,111)	\$ 76,049,458
Business-type activities:	Balance 09/30/22	Increases	Decreases	Balance 09/30/23
Capital assets not being depreciated:				
Land	\$ 310,117	\$ -	\$ -	\$ 310,117
Construction in progress	312,095	211,312	(226,990)	296,417
Total assets not being depreciated	622,212	211,312	(226,990)	606,534
Capital assets being depreciated:				
Building & Improvements	749,747	-	-	749,747
Machinery and equipment	1,191,885	-	(28,830)	1,163,055
Intangibles	161,628	-	-	161,628
Infrastructure	61,393,861	2,210,943	-	63,604,804
Total assets being depreciated	63,497,121	2,210,943	(28,830)	65,679,234
Less accumulated depreciation for:				
Building & Improvements	(71,214)	(24,992)	-	(96,206)
Machinery and equipment	(846,998)	(84,411)	28,830	(902,579)
Infrastructure	(15,799,482)	(2,008,756)	-	(17,808,238)
Intangibles	(22,603)	(15,437)	-	(38,040)
Total accumulated depreciation	(16,740,297)	(2,133,596)	28,830	(18,845,063)
Total capital assets being depreciated, net	46,756,824	77,347	-	46,834,171
Business-type activities capital assets, net	\$ 47,379,036	\$ 288,659	\$ (226,990)	\$ 47,440,705

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE C – CONTINUED

Depreciation expense was charged as follows:

Governmental activities:

General government	\$	104,223
Community development		291,936
Recreation		690,650
Library		127,751
Parking enforcement		32,776
Public safety		256,644
Public services		1,776,685
	\$	<u>3,280,665</u>

Business-type activities:

Wastewater	\$	1,492,136
Reclaimed Water		434,550
Stormwater		206,910
	\$	<u>2,133,596</u>

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D. PENSION

Defined Benefit Plans:

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

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

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

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

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

Significant Accounting Policies

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

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

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

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

Membership of the Plans: Membership of each plan consisted of the following at October 1, 2022:

	Police Pension	Firefighters' Pension	General Pension
Inactive plan members or beneficiaries currently receiving benefits	28	31	75
Inactive plan members entitled to but not yet receiving benefits	2	11	57
Active plan members	0	32	19
Total	30	74	151

Benefits Provided:

Police Pension

- As a result of the Police Department being merged into the Pinellas County Sheriff's Department, Plan members can elect to remain in the Police Pension or enter into Florida Retirement System.
- A freeze on all accrued benefits was implemented as of January 31, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Such members will accrue benefits in accordance with the Plan provisions in effect prior to January 31, 2013: members hired before 10-1-1981 will receive 3.2% of average final compensation for service to 10-1-1981 plus 4% of average final compensation for service from 10-1-1981 to 1-13-2013 and for members hired after 10-1-1981 will receive 3.2% of average final compensation for service up to 1-31-2013.
- For all Plan members that had not completed 10 years of credited service by January 31, 2013, the normal retirement date will be the earlier of attaining age 60 and the completion of 10 years of credited service or the completion of 30 years of credited service regardless of age.
- Early retirement is the earlier of age 50 and 10 years of credited service and 20 years of credited service regardless of age for frozen benefits. There is no early retirement for those that don't have frozen benefits, except that if a member had 10 years of credited service on January 31, 2013 then prior retirement criteria applies to both benefits. The amount is equal to the accrued benefit, reduced 3% per year.
- A member is 10% vested after 1 year of credited service plus 10% per year thereafter up to 100% after 10 years if they have frozen benefits and 100% after 10 years of credited service for all other participants. A member will receive the vested portion of their accrued benefit payable at the otherwise normal retirement date.
- Members are eligible for total and permanent disability benefits after 10 years of credited service (for non-service incurred) or from the date of hire (for service-incurred). The benefits are accrued to the date of disability but not less than 50% of average final compensation for service-incurred disability.
- Pre-retirement death benefits for vested individuals is equal to the value of accrued benefits payable on a monthly basis to the beneficiary for 10 years. For non-vested members, benefits include a refund of contributions without interest.
- Retirees receive a 3% per year cost of living adjustment (COLA) commencing 7 years after retirement (10 years after retirement if they retired prior to March 14, 2006) on any frozen benefits. There is no COLA for members without frozen benefits.

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

- Plan members will not be able to enter the Deferred Retirement Option Program (DROP) effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Participation is not to exceed 60 months and the member can elect a rate of return equal to 7.5% annual rate or actual net rate of investment return credited each fiscal quarter.
- Member contribution rates were lowered from 8.3% to 3% effective February 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date who will continue to make contributions at 8.3%.

Firefighters' Pension

- A freeze on all accrued benefits was implemented as of December 31, 2012 except for Plan members who have attained the earlier of age 55 or 25 years of credited service as of that date, regardless of age. Such members will accrue benefits on the frozen portion in accordance with the Plan provisions in effect prior to December 31, 2012, receiving 3.4% of their average final compensation times credited service.
- The normal retirement date for all Plan members that had not completed 10 years of credited service by January 1, 2013 such that the normal retirement date is the earlier of attaining age 55 or the completion of 30 years of credited service regardless of age. These members will receive 3.4% of their average final compensation times credited service.
- The maximum combined benefit is 100% of average final compensation. If a member's accrued benefit as of January 1, 2013 is greater than or equal to 75% of average final compensation, the benefit percentage may not be reduced.
- For members with frozen benefits, early retirement is the earlier of age 50 and 10 years of credited service or the completion of 20 years credited service, regardless of age. The benefit amount is the accrued benefit reduced by 3% for each year commencement of benefits precedes the normal retirement date. There is no early retirement for members without frozen benefits.
- A member becomes 100% vested after attaining 10 years of credited service and is 0% vested prior to attaining 10 years of credited service. The members will receive the vested portion of their accrued benefits payable at the otherwise normal retirement date. Pre-freeze members will continue to use the 10% per year vesting schedule.
- Members are eligible for total and permanent disability benefits after 10 years of credited service (for non-service incurred) or from the date of hire (for service-incurred). The benefits are accrued to the date of disability but not less than 42% of average final compensation for service-incurred disability.
- Pre-retirement death benefits for vested individuals is equal to the value of accrued benefits payable on a monthly basis to the beneficiary for 10 years. For non-vested members, member contributions are refunded.
- Retirees receive a 3% per year cost of living adjustment (COLA) commencing 7 years after retirement on any frozen benefits. There is no COLA for members without frozen benefits.
- Plan members will not be able to enter the Deferred Retirement Option Program (DROP) effective January 1, 2013 except for Plan members who have attained age 55 or 25 years of credited service as of that date. Participation is not to exceed 60 months and the member can elect a rate of return equal to 7.5% annual rate or the actual net rate of investment return credited each fiscal quarter.
- Member contribution rates were increased from 3% to 11.9% effective September 30, 2017, except for Plan members who have attained age 55 or 25 years of credited service as of February 1, 2013, who will continue to make contributions at 10.3%.

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

- Member contribution rates were increased from 11.9% to 12.1% effective September 30, 2018, except for Plan members who have attained age 55 or 25 years of credited service as of February 1, 2013, who will continue to make contributions at 10.3%.
- Member contribution rates were increased from 12.1% to 13.0% effective September 30, 2019, except for Plan members who have attained age 55 or 25 years of credited service as of February 1, 2013, who will continue to make contributions at 10.3%.
- Member contribution rates were increased from 13.0% to 13.5% effective September 30, 2020, except for Plan members who have attained age 55 or 25 years of credited service as of February 1, 2013, who will continue to make contributions at 10.3%.
- Member contribution rates were decreased from 13.90% to 11.0% effective September 30, 2021, except for Plan members who have attained age 55 or 25 years of credited service as of February 1, 2013, who will continue to make contributions at 10.3%.
- City-funded benefit accrual rate increased from 2.25% to 2.75% as of October 1, 2020.

General Pension

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

- 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%.
- The General pension plan was closed to management, administrative, professional and supervisory (MAPS) employees effective December 1, 2020. All MAPS employees participate in the City's defined contribution money purchase retirement plan.
- The General pension plan was closed to all remaining eligible employees effective October 1, 2021. All employees previously eligible for the General pension plan participate in the City's defined contribution money purchase retirement plan.

Net Pension Liability:

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

The City's pension liability recorded in the September 30, 2023 financial statements was measured as of September 30, 2023.

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

	Police Pension	Firefighters' Pension	General Pension
Projected salary increases	N/A	Service based	Service based
Inflation rate	2.5%	2.5%	2.3%
Discount rate	6.2%	7.4%	7.0%
Investment rate of return	6.2%	7.4%	7.0%
Mortality rate	PubS.H-2010 Combined Healthy Mortality Table, set forward one year Disabled Lives 80% PubG.H- 2010, 20% PubS.H- 2010	PubS.H-2010 (below median) Combined Healthy Mortality Table, set forward one year Disabled Lives 80% PubG.H-2010, 20% PubS.H-2010	Pub G.H-2010 (Below Median) (males-set back one year) Disabled Lives PubG.H-2010, set forward three years

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

Actuarial changes from the prior year:

General Pension: For measurement date 09/30/23, the investment rate of return and discount rate was lowered from 7.25% to 7.00% per year, net of investment related expenses. The City's General Pension plan was closed to new employees hired on or after December 1, 2021. Newly hired employees will, instead, participate in the City's defined contribution retirement plan.

General Pension Plan:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the Plans' adopted target asset allocation policy as of September 30, 2023 are summarized in the following table:

Asset Class	Police Pension Target Allocation	Police Pension Expected Return	Firefighters' Pension Target Allocation	Firefighters' Pension Expected Return	General Pension Target Allocation	General Pension Expected Return
Cash					1%	.70%
Domestic Equity	30%	7.5%	50%	7.5%	58%	5.58%
International Equity	10%	8.5%	13%	8.5%	8%	4.33%
Broad Market Fixed Income	60%	2.5%	30%	2.5%		
Fixed Income					24%	1.05%
Real Estate Funds			7%	4.5%	5%	3.88%
Emerging Markets					4%	5.92%

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

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

The discount rate used to measure the total pension liability was 6.2% for the Police Pension, 7.40% for the Firefighters' Pension and 7.00% for the General Pension. The projection of cash flows used to determine the discount rate assumed that plan member (employee) contributions will be made at the current contribution rate and that plan sponsor (employer) contributions will be made at rates equal to the difference between actuarially determined contribution rates and the plan member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability:

Police:

Net Pension Liability	
Total Pension Liability	\$ 19,394,243
Plan Fiduciary Net Position	<u>15,883,194</u>
Net Pension Liability	\$ 3,511,049
Plan Fiduciary Net Position	
As a Percentage of Total Pension Liability	81.90%

Firefighters:

Net Pension Liability	
Total Pension Liability	\$ 26,619,129
Plan Fiduciary Net Position	<u>17,707,568</u>
Net Pension Liability	\$ 8,911,561
Plan Fiduciary Net Position	
As a Percentage of Total Pension Liability	66.52%

General:

Net Pension Liability	
Total Pension Liability	\$ 17,550,688
Plan Fiduciary Net Position	<u>11,790,678</u>
Net Pension Liability	\$ 5,760,010
Plan Fiduciary Net Position	
As a Percentage of Total Pension Liability	67.18%

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

Change in Net Pension Liability: The change in the net pension liability for each pension plan for the year ended September 30, 2023 is as follows, with various differences noted in the ending plan fiduciary net position per the actuarial valuation versus the financial statements due to timing differences resulting from the accrual of income and expense items.

Police:

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Beginning Balance	\$ 4,477,208	\$ 3,722,191	\$ 1,303,357	
Total Pension Liability Factors:				
Service Cost	0	0	0	0
Interest	1,174,734	0	0	1,174,734
Changes in Benefit Terms	0	0	0	0
Experience Gains/Losses	(51,796)	0	51,796	0
Current Year Amortization	0	0	(51,796)	(51,796)
Changes of Assumptions	0	0	0	0
Current Year Amortization	0	0	0	0
Benefit Payments	(1,352,022)	0	0	0
Net Change	(229,084)	0	0	1,122,938
Plan Fiduciary Net Position:				
Contributions - Employer	85,022	0	0	0
Contributions – State	136,920	0	0	0
Projected Net Investment Income	902,699	0	0	(902,699)
Difference in Projected and Actual Earnings	1,007,288	0	1,007,288	0
Current Year Amortization	0	(971,446)	(673,016)	298,430
Benefit Payments	(1,352,022)	0	0	0
Administrative Expenses	(42,832)	0	0	42,832
Other	0	0	0	0
Net Change	737,075	(971,446)	334,272	(561,437)
Adjustment to beginning of year	0	0	0	0
Ending Balance	\$ 3,511,049	\$ 2,750,745	\$ 1,637,629	\$ 561,501

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

Firefighters:

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Beginning Balance	\$ 9,809,510	\$ 4,116,097	\$ 1,428,796	
Total Pension Liability Factors:				
Service Cost	465,511	0	0	465,511
Interest	1,905,789	0	0	1,905,789
Changes in Benefit Terms	(334,680)	0	0	(334,680)
Experience Gains/Losses	48,116	48,116	0	0
Current Year Amortization	0	(56,739)	(79,822)	(23,083)
Changes of Assumptions	0	0	0	0
Current Year Amortization	0	(144,478)	(60,106)	84,372
Benefit Payments	(1,508,004)	0	0	0
Net Change	<u>576,732</u>	<u>(153,101)</u>	<u>(139,928)</u>	<u>2,097,909</u>
Plan Fiduciary Net Position:				
Contributions - Employer	852,785	0	0	0
Contributions – State	290,055	0	0	0
Contributions – Employee	273,037	0	0	(273,037)
Projected Net Investment Income	1,195,203	0	0	(1,195,203)
Difference in Projected and Actual Earnings	442,473	0	442,473	0
Current Year Amortization	0	(943,172)	(509,991)	433,181
Benefit Payments	(1,508,004)	0	0	0
Administrative Expenses	(70,868)	0	0	70,868
Other	0	0	0	0
Net Change	<u>1,474,681</u>	<u>(943,172)</u>	<u>(67,518)</u>	<u>(964,191)</u>
Adjustment to beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	\$ 8,911,561	\$ 3,019,824	\$ 1,221,350	\$ 1,133,718

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

General:

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Beginning Balance	\$ 5,802,782	\$ 3,340,082	\$ 1,057,905	
Total Pension Liability Factors:				
Service Cost	33,933	0	0	33,933
Interest	1,206,858	0	0	1,206,858
Changes in Benefit Terms	0	0	0	0
Experience Gains/Losses	(83,233)	0	83,233	0
Current Year Amortization	0	(24,263)	(83,233)	(58,970)
Changes of Assumptions	398,497	398,497	0	0
Current Year Amortization	0	(618,796)	0	618,796
Benefit Payments	(1,235,503)	0	0	0
Net Change	320,552	(244,562)	0	1,800,617
Plan Fiduciary Net Position:				
Contributions - Employer	431,310	0	0	0
Contributions – Employee	19,390	0	0	(19,390)
Projected Net Investment Income	797,811	0	0	(797,811)
Difference in Projected and Actual Earnings	411,647	0	411,647	0
Current Year Amortization	0	(863,125)	(434,966)	428,159
Benefit Payments	(1,235,503)	0	0	0
Administrative Expenses	(61,331)	0	0	61,331
Other	0	0	0	0
Net Change	363,324	(863,125)	(23,319)	(327,711)
Adjustment to beginning of year	0	0	0	0
Ending Balance	\$ 5,760,010	\$ 2,232,395	\$ 1,034,586	\$ 1,472,906

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

Police Pension	1% Decrease (5.20%)	Current Discount Rate (6.20%)	1% Increase (7.20%)
Net Pension Liability	\$ 5,621,497	\$ 3,511,049	\$ 1,733,210
Firefighters' Pension	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net Pension Liability	\$ 12,288,474	\$ 8,911,561	\$ 6,127,734
General Pension	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 7,534,458	\$ 5,760,010	\$ 4,259,265

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

The City has reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions in the Statement of Net Position as of September 30, 2023 from the following sources:

Police:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	0	0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	1,113,116	0
Total	\$ 1,113,116	\$ 0

Firefighters:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	99,624	68,866
Changes of assumptions	287,628	60,106
Net difference between projected and actual earnings on pension plan investments	1,540,194	0
Total	\$ 1,927,446	\$ 128,972

General:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	0	0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	1,197,809	0
Total	\$ 1,197,809	\$ 0

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

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

Summary of Information	Police	Fire	General	Total
Summary of Deferred Outflow/Inflow Amort (excluding Contributions)				
2024	\$ 243,897	\$ 422,335	\$ 334,077	\$ 1,000,309
2025	355,220	551,839	296,713	1,203,772
2026	715,457	903,172	649,348	2,267,977
2027	(201,458)	(78,872)	(82,329)	(362,659)
2028	-	-	-	-
Thereafter	-	-	-	-
Total	<u>\$ 1,113,116</u>	<u>\$ 1,798,474</u>	<u>\$ 1,197,809</u>	<u>\$ 4,109,399</u>

Financial Statements: The financial statements for each of the pension funds as of and for the year ended September 30, 2023 are as follows:

Statement of Fiduciary Net Position

	Police	Fire	General
ASSETS			
Cash and cash equivalents with trustee	\$ 360,487	\$ 507,168	\$ 551,107
Receivables			
Due from general fund	-	40,200	-
Interest and dividends receivable	-	13,154	9,767
Total receivables	-	53,354	9,767
Investments, at fair value			
Government agency obligations	-	-	739,246
Asset-backed securities and collateralized obligations	-	-	94,099
Corporate bonds	-	-	425,978
Foreign stocks and bonds	-	-	49,902
Fixed-income mutual funds	9,297,044	4,734,134	1,405,530
Equities - common stock	-	10,778,082	1,331,737
Equities - mutual funds	6,229,393	-	6,964,941
Equities - foreign stock	-	-	236,917
Real estate funds	-	1,651,442	-
Total investments	15,526,437	17,163,658	11,248,350
Total assets	<u>\$ 15,886,924</u>	<u>\$ 17,724,180</u>	<u>\$ 11,809,224</u>
LIABILITIES			
Accounts payable	\$ 3,730	\$ 12,266	\$ 18,546
Prepaid contributions - City	-	4,345	-
Total liabilities	<u>\$ 3,730</u>	<u>\$ 16,611</u>	<u>\$ 18,546</u>
NET POSITION			
Restricted for pensions	<u>\$ 15,883,194</u>	<u>\$ 17,707,569</u>	<u>\$ 11,790,678</u>

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

Statement of Changes in Fiduciary Net Position

	Police	Fire	General
Additions			
Contributions:			
Employer	\$ 89,480	\$ 852,785	\$ 431,310
Plan members	-	273,037	19,391
State - insurance premium taxes	136,920	290,055	-
Total contributions	<u>226,400</u>	<u>1,415,877</u>	<u>450,701</u>
Investment earnings			
Net appreciation (depreciation) in fair value of investments	1,489,765	1,072,449	909,240
Interest and dividends	448,922	594,957	348,444
Total investment earnings	<u>1,938,687</u>	<u>1,667,406</u>	<u>1,257,684</u>
Less: investment expense	<u>(28,700)</u>	<u>(29,730)</u>	<u>(48,226)</u>
Net investment income (loss)	<u>1,909,987</u>	<u>1,637,676</u>	<u>1,209,458</u>
Total additions	<u>2,136,387</u>	<u>3,053,553</u>	<u>1,660,159</u>
Deductions			
Benefit payments and refunds	1,352,023	1,508,003	1,235,504
Administrative expenses	47,289	70,868	61,331
Total deductions	<u>1,399,312</u>	<u>1,578,871</u>	<u>1,296,835</u>
Change in net position	<u>737,075</u>	<u>1,474,682</u>	<u>363,324</u>
Net position restricted for pensions, beginning of year	15,146,119	16,232,887	11,427,354
Net position restricted for pensions, end of year	<u><u>\$ 15,883,194</u></u>	<u><u>\$ 17,707,569</u></u>	<u><u>\$ 11,790,678</u></u>

Defined Contribution Plans

Money Purchase Retirement Plan

Plan Description: The City implemented a defined contribution - money purchase - retirement plan (the “DC Plan”) during fiscal year 2005. Eligible participants consist of the city manager, department directors and other managerial, administrative, professional and supervisory personnel. The DC Plan provides retirement benefits to plan members and beneficiaries. All DC Plan provisions, including benefits, eligibility and vesting, are established by the City Commission and can only be amended with Commission approval.

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE D – CONTINUED

Funding Policy: Pursuant to the DC Plan agreement, the City contributes 15% of eligible wages for the city manager, 12% of eligible wages for department directors, and 10% of eligible wages for all other participants. The City's total contribution for the year ended September 30, 2023 was \$397,967.

Hybrid Money Purchase Retirement Plan

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

Funding Policy: The City makes a matching contribution to the Hybrid Plan as follows: general employees with less than 14 years of credited service as of October 1, 2012 can contribute up to 5% of their earnings each year and the City will match 50% of the contribution percentage up to 2.5% of the employee's contribution; general employees with more than 14 years of credited service as of the effective date can contribute up to 5% of earnings and the City will match 75% of the contribution percentage up to 3.75% of the employee's contribution. The City's total contribution for the year ended September 30, 2023 was \$7,742.

Both the DC Plan and Hybrid Plan are administered by ICMA Retirement Corporation. ICMA Retirement Corporation issues financial statements and reports as well as required supplementary information. This information can be obtained by writing MissionSquare Retirement at 777 North Capitol Street NE, Washington, D.C. 20002-4240 or by calling 800-669-7400.

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE E. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Other Post-Employment Benefits Plan

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

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

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

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

Plan Membership: At October 1, 2021, the date of the latest actuarial valuation, plan participation consisted of the following:

Active employees:	84
Inactive employees entitled to, but not yet receiving, benefits:	0
Inactive employees:	<u>7</u>
Total:	<u>91</u>

Total OPEB Liability: The City’s total OPEB liability of \$420,567 was measured as of September 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation:	3.00%
Salary increases:	4.00%
Discount rate:	4.77%
Healthcare cost trend rate:	4.50%
Retirees' share of benefit-related costs:	100.00%

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE E – CONTINUED

Actuarial changes from the prior year: The discount rate was increased from 4.77% to 4.87% to comply with GASB 75. The discount rate was based the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2023. The mortality assumption was changed from the PubS.H-20102 Mortality Table – Safety for firefighters and PubG.H-2010 Mortality Table – General for all others to PubS.H-2010 Safety with Mortality Improvement using Scale MP-2020 – for firefighters and PubG.H-2010 Mortality Table – General with Mortality Improvement using Scale MP-2020 for all others.

Changes in the OPEB liability for the fiscal year ended September 30, 2023, were as follows:

Fiscal Year Ending September 30,	<u>2023</u>
Total OPEB Liability	
Service cost	\$ 31,407
Interest	19,291
Assumption changes	(2,388)
Benefit payments - implicit rate subsidy	(64,400)
Net change in total OPEB liability	<u>(16,090)</u>
Total OPEB liability - beginning	436,657
Total OPEB liability - ending (a)	<u><u>\$ 420,567</u></u>

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

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

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

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

Discount Rate			
	<u>1% Increase</u>	<u>Valuation Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$397,826	\$420,567	\$445,235
Change	(5.41%)		5.87%

Health Care Trend			
	<u>1% Increase</u>	<u>Valuation Rate</u>	<u>1% Decrease</u>
Net OPEB Liability	\$456,146	\$420,567	\$389,620
Change	8.46%		(7.36%)

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE E – CONTINUED

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$32,516. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB expense from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected & Actual Experience	\$44,157	\$118,369
Changes of Assumptions and Other Inputs	55,439	102,921
Net Difference Between Projected & Actual Earnings on OPEB Plan Investments	<u>0</u>	<u>0</u>
Total	\$99,596	\$221,290

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

Summary of Deferred:	Outflows	Inflows	Total
2024	\$ 25,336	\$ (43,519)	\$ (18,183)
2025	25,336	(43,519)	(18,183)
2026	25,336	(43,519)	(18,183)
2027	12,285	(33,787)	(21,502)
2028	6,280	(29,462)	(23,182)
Thereafter	5,023	(27,484)	(22,461)
Total	<u>\$ 99,596</u>	<u>\$ (221,290)</u>	<u>\$ (121,694)</u>

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE F. LONG-TERM LIABILITIES

Long-term debt activity for the fiscal year ended September 30, 2023 was as follows:

	<u>9/30/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2023</u>	<u>Current</u>
Governmental					
Lease payable	308,567	1,054,395	(292,687)	1,070,275	312,272
Revenue Notes	17,064,712	-	(688,824)	16,375,888	715,032
Compensated Absences	424,624	481,431	(388,054)	518,000	336,700
Total Governmental:	<u>17,797,903</u>	<u>1,535,826</u>	<u>(1,369,565)</u>	<u>17,964,163</u>	<u>1,364,004</u>
Business-Type					
Revenue Notes	5,725,703	-	(450,876)	5,274,827	461,542
Loans from Other Governments	13,826,181	-	(531,516)	13,294,665	596,833
Compensated Absences	17,251	23,855	(21,033)	20,073	13,850
Total Business-Type:	<u>19,569,135</u>	<u>23,855</u>	<u>(1,003,425)</u>	<u>18,589,565</u>	<u>1,072,225</u>

Long-term debt for the governmental activities is comprised of the following as of September 30, 2023:

<u>Taxable Pension Obligation Notes 2019:</u> Revenue bonds in the amount of \$6,700,000 were issued during fiscal year 2020 for the principal purpose of eliminating the unfunded actuarial accrued liability of the St. Pete Beach Municipal Police Officers Pension. The outstanding notes mature in various amounts annually, ranging from \$362,354 to \$542,162 on November 30, 2034. Interest on the outstanding bonds accrues at a fixed rate of 2.92% and is payable semi-annually on May 30 and November 30. The bond principal and interest are secured by and payable from the non-ad valorem revenues.	\$5,580,888
<u>Capital Improvement Revenue Bonds, Series 2015:</u> Revenue bonds in the amount of \$13,000,000 were issued for the principal purpose of acquiring, constructing and equipping various capital improvements within the City. The outstanding bonds mature in various amounts annually, ranging from \$245,000 to \$720,000, through May 1, 2045. Interest on the outstanding bonds accrues at rates ranging from 2% to 5% and is payable semi-annually on May 1 and November 1. The bond principal and interest are secured by and payable from the Local Government Half-cent Sales Tax, the Guaranteed Entitlement Revenues portion of the State of Florida Revenue Sharing Trust Fund, Franchise Fees and Utility Service Tax revenues.	\$10,795,000
<u>Lease (2021):</u> The City leases a fire pumper under a lease-purchase agreement that expires June 2025 with an interest rate of 2.45%.	\$208,218
<u>Lease (2023):</u> The City leases a fire truck under a lease-purchase agreement that expires September 2027 with an interest rate of 1.91%.	\$862,057
<u>Total governmental activities:</u>	\$17,446,163

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE F – CONTINUED

Long-term debt for the business-type activities is comprised of the following as of September 30, 2023:

<u>State Revolving Loan (2005)</u> : The City entered into a revolving loan agreement with the State of Florida Department of Environmental Protection (DEP) on May 14, 2004, whereby DEP agreed to finance a new master lift station. The final amended agreement provided for a total amount of available loan proceeds of \$3,630,146. The total amount drawn on the loan, excluding capitalized interest and service fees, was \$3,515,929. The remaining balance of the loan is to be repaid in semi-annual installments of \$111,053, including interest at 2.60%, through September 15, 2026. The first payment was due March 15, 2007. The loan is secured by a lien on pledged revenues from the wastewater system after payment of operation and maintenance expenses.	\$636,914
<u>State Revolving Loan (2020)</u> : The City entered into a revolving loan agreement with the State of Florida Department of Environmental Protection (DEP) on March 31, 2020, whereby DEP agreed to finance the construction of wastewater pollution control facilities. The agreement provided for a total amount of available loan proceeds of \$12,970,747. The loan is to be repaid in semi-annual installments of \$662,969, including interest at .22%, through May 15, 2043. The first payment was due June 15, 2023. The loan is secured by a lien on pledged revenues from the wastewater system after payment of operation and maintenance expenses.	\$12,657,751
<u>Stormwater Improvement Assessment Bond, Series 2015</u> : An assessment bond in the amount of \$3,000,000 was issued for the principal purpose of financing costs of the acquisition, construction and equipping of various stormwater improvements. The bond matures semi-annually on May 1 and November 1, in various amounts ranging from \$84,000 to \$126,000, through May 1, 2030. Interest on the outstanding bond accrues at a rate of 2.95% and is payable semi-annually on May 1 and November 1. The bond principal and interest are secured by and payable from the annual assessments levied on the real property benefited by the City's Stormwater Utility System, and if necessary, other available non- Ad valorem revenues.	\$1,607,000
<u>Wastewater Utility System Refunding Revenue Bond Series 2020</u> : On October 30, 2020, the City executed \$4,157,000 in Wastewater Utility System Refunding Revenue bond, Series 2020. The proceeds are being used to finance the costs of the acquisition, construction and equipping of various capital improvements to the City's wastewater utility system. The proceeds are being used to advance refund all of the outstanding Wastewater utility system revenue bonds, series 2015, which mature on or after May 1, 2035. The bond matures annually on November 1, in various amounts ranging from \$242,297 to \$314,912 through November 1, 2035. Interest on the outstanding bond accrues at a rate of 1.89% and is paid annually on November 1. The Series 2020 refunding generated \$756,846 of net present value savings.	\$3,667,827
<u>Total business-type activities:</u>	\$18,569,492

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE F – CONTINUED

The annual requirements to amortize the long-term debt for governmental activities bonds payables as of September 30, 2023, are as follows:

	Principal	Interest	Total
2024	\$ 715,032	\$ 593,181	\$ 1,308,213
2025	741,567	565,646	1,307,213
2026	768,438	537,024	1,305,462
2027	790,657	514,306	1,304,963
2028	818,232	490,030	1,308,262
2029-2033	4,493,020	2,039,286	6,532,306
2034-2038	3,583,942	1,274,019	4,857,961
2039-2043	3,055,000	678,063	3,733,063
2044-2045	1,410,000	87,863	2,989,832
Total	<u>\$ 16,375,888</u>	<u>\$ 6,779,418</u>	<u>\$ 24,647,275</u>

The annual requirements to amortize the long-term debt for governmental activities lease payables as of September 30, 2023, are as follows:

	Principal	Interest	Total
2024	\$ 312,272	\$ 21,624	\$ 333,896
2025	318,820	15,076	333,896
2026	217,514	8,388	225,902
2027	221,669	4,234	225,903
Total	<u>\$ 1,070,275</u>	<u>\$ 49,322</u>	<u>\$ 1,119,597</u>

Included in capital assets are financed purchases for the fire pumper and fire truck as furniture, machinery, and equipment. The accumulated cost of leased property is \$1,704,395 with a book value of \$1,552,729 after accumulated depreciation of \$151,666. The fire truck was placed in service near fiscal year end for 2023 and has incurred minimal depreciation.

The annual requirements to amortize the notes and bonds payable for business-type activities as of September 30, 2023, are as follows:

	Principal	Interest	Total
2024	\$ 1,058,375	\$ 144,366	\$ 1,202,741
2025	1,334,993	127,367	1,462,360
2026	1,353,846	109,799	1,463,645
2027	1,148,383	93,250	1,241,633
2028	1,161,850	80,703	1,242,553
2029-2033	5,222,754	233,256	5,456,010
2034-2038	4,259,158	62,032	4,321,190
2039-2043	3,030,133	8,346	3,038,479
Total	<u>\$ 18,569,492</u>	<u>\$ 859,119</u>	<u>\$ 19,428,611</u>

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G. INTERFUND TRANSACTIONS

The General Fund loaned \$1,000,000 to the Reclaimed Water Fund in fiscal year 2023, based on the strength of the City's current financial position, for the purpose of prioritizing the reclaimed water lateral replacement program. There is no interest associated with this loan and payback will be over future years beginning after September 30, 2023. The balance as of September 30, 2023 is \$1,000,000 and is reflected as an internal balance on the statement of net position and as an advance to/from other funds in the fund financial statements.

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

	Transfers In	Transfers Out
General Fund	\$ -	\$ 5,970,221
Fleet Fund	373,321	-
Resiliency	786,500	-
Capital Improvements Projects	4,700,400	-
Multimodal	110,000	-
Reclaimed Water	-	-
	<u>\$ 5,970,221</u>	<u>\$ 5,970,221</u>

NOTE H. RECENT ACCOUNTING PRONOUNCEMENTS

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

- (a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The objective of GASB 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The effective date for implementation is fiscal years beginning after June 15, 2024, and all reporting periods thereafter.
- (c) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a

CITY OF ST. PETE BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE H – CONTINUED

government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE I. SUBSEQUENT EVENTS

The City has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 20, 2024, the date the financial statements were available to be issued. Subsequent to September 30, 2023, the City's firefighter pension plan has closed and new employees will be enrolled in the Florida Retirement System (FRS) plan.

CITY OF ST. PETE BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
SEPTEMBER 30, 2023
(UNAUDITED)

Fiscal Year Ending September 30,	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 31,407	\$ 41,332	\$ 38,834	\$ 31,664	\$ 36,540	\$ 38,317
Interest	19,291	11,636	10,713	23,137	23,745	20,934
Difference between actual and expected experience	-	(14,134)	-	(185,814)	-	124,279
Assumption changes	(2,388)	(47,232)	(8,659)	46,649	2,149	16,812
Benefit payments - implicit rate subsidy	(64,400)	(67,566)	(57,743)	(56,785)	(79,832)	(72,733)
Other changes	-	-	-	(4,051)	(170)	(96,619)
Net change in total OPEB liability	(16,090)	(75,964)	(16,855)	(145,200)	(17,568)	30,990
Total OPEB liability - beginning	436,657	512,621	529,476	674,676	692,244	661,254
Total OPEB liability - ending (a)	<u>\$ 420,567</u>	<u>\$ 436,657</u>	<u>\$ 512,621</u>	<u>\$ 529,476</u>	<u>\$ 674,676</u>	<u>\$ 692,244</u>
Covered employee payroll	\$ 5,186,287	\$ 5,186,287	\$ 4,665,479	\$ 4,665,479	\$ 4,282,059	\$ 4,282,059
Total OPEB liability as a percentage of covered payroll	8.11%	8.42%	10.99%	11.35%	15.76%	16.17%

Notes to Schedule:

Valuation Date	10/1/2021	10/1/2021	10/1/2019	10/1/2019	10/1/2018	10/1/2018
----------------	-----------	-----------	-----------	-----------	-----------	-----------

Changes of assumptions.

For measurement date 9/30/2023, the discount rate was increased from 4.77% to 4.87% to comply with GASB 75. The discount rate was based on S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2022. The mortality assumption was changed from PubS.H-20102 Mortality Table - Safety for firefighters and PubG.H-2010 Mortality Table - General for all others to PubS.H-2010 Safety with Mortality Improvement using Scale MP-2020 for firefighters and PubG.H-2010 Mortality Table-General with Mortality Improvement using Scale MP-2020 for all others. The following are the discount rates used in each period

Discount Rate	4.77%	4.77%	2.43%	2.14%	3.58%	3.64%
---------------	-------	-------	-------	-------	-------	-------

No assets are being accumulated in a trust to pay for OPEB benefits. Therefore, the City only reports a total OPEB liability.

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

**CITY OF ST. PETE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
SEPTEMBER 30, 2023
(UNAUDITED)**

Fiscal Year Ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,380	\$ 45,240
Interest	1,174,734	1,170,536	1,222,497	1,254,096	1,238,416	1,194,357	1,179,519	1,102,568	1,101,556	1,099,695
Difference between actual and expected experience	(51,796)	242,803	348	49,514	246,567	682,795	267,414	239,884	255,813	-
Assumption changes	-	-	1,519,746	(460,355)	-	-	-	1,161,657	-	-
Benefit payments, including refunds of contributions	(1,352,022)	(1,339,241)	(1,315,175)	(1,274,210)	(1,247,733)	(1,247,746)	(1,222,178)	(1,587,440)	(1,098,393)	(1,078,586)
Net change in total pension liability	(229,084)	74,098	1,427,416	(430,955)	237,250	629,406	224,755	916,669	274,356	66,349
Total pension liability - beginning	19,623,327	19,549,229	18,121,813	18,552,768	18,315,518	17,686,112	17,461,357	16,544,688	16,270,332	16,203,983
Total pension liability - ending (a)	<u>\$ 19,394,243</u>	<u>\$ 19,623,327</u>	<u>\$ 19,549,229</u>	<u>\$ 18,121,813</u>	<u>\$ 18,552,768</u>	<u>\$ 18,315,518</u>	<u>\$ 17,686,112</u>	<u>\$ 17,461,357</u>	<u>\$ 16,544,688</u>	<u>\$ 16,270,332</u>
Total Fiduciary Net Position										
Contributions - employer	\$ 85,022	\$ 96,468	\$ 395	\$ 6,000,000	\$ 614,925	\$ 553,743	\$ 472,080	\$ 494,855	\$ 444,748	\$ 577,960
Contributions - state	136,920	103,178	98,720	99,319	107,421	97,990	93,815	86,942	87,677	88,047
Contributions - employee	-	-	-	-	-	-	-	-	274	3,857
Net investment income	1,909,987	(3,398,253)	3,014,951	1,539,733	526,266	790,622	1,143,369	972,743	(133,318)	1,052,775
Benefit payments, including refunds of contributions	(1,352,022)	(1,339,241)	(1,315,175)	(1,274,210)	(1,247,733)	(1,247,746)	(1,222,178)	(1,587,440)	(1,098,393)	(1,078,586)
Administrative expense	(42,832)	(40,047)	(44,420)	(53,795)	(35,687)	(46,526)	(26,288)	(15,598)	(24,655)	(32,171)
Net change in plan fiduciary net position	737,075	(4,577,895)	1,754,471	6,311,047	(34,808)	148,083	460,798	(48,498)	(723,667)	611,882
Plan fiduciary net position - beginning	15,146,514	19,724,409	17,969,938	11,658,891	11,693,699	11,545,616	11,084,818	11,133,316	11,856,983	11,245,101
Plan fiduciary net position - ending (b)	<u>\$ 15,883,589</u>	<u>\$ 15,146,514</u>	<u>\$ 19,724,409</u>	<u>\$ 17,969,938</u>	<u>\$ 11,658,891</u>	<u>\$ 11,693,699</u>	<u>\$ 11,545,616</u>	<u>\$ 11,084,818</u>	<u>\$ 11,133,316</u>	<u>\$ 11,856,983</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,510,654</u>	<u>\$ 4,476,813</u>	<u>\$ (175,180)</u>	<u>\$ 151,875</u>	<u>\$ 6,893,877</u>	<u>\$ 6,621,819</u>	<u>\$ 6,140,496</u>	<u>\$ 6,376,539</u>	<u>\$ 5,411,372</u>	<u>\$ 4,413,349</u>
Plan fiduciary net position as a percentage of the total pension liability	81.90%	77.19%	100.90%	99.16%	62.84%	63.85%	65.28%	63.48%	67.29%	72.87%
Covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 9,453	\$ 124,414
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	57,245.02%	3,547.31%

NOTES:

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

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

For measurement date 9/30/21, the investment rate of return was lowered from 7.00% to 6.20% per year, net of investment related expenses.

In 2020 the City issued a Pension Obligation Bond.

**CITY OF ST. PETE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
SEPTEMBER 30, 2023
(UNAUDITED)**

Fiscal Year Ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 465,511	\$ 517,903	\$ 468,978	\$ 458,273	\$ 481,584	\$ 463,655	\$ 421,007	\$ 245,298	\$ 230,254	\$ 238,163
Interest	1,905,789	1,827,119	1,768,102	1,720,116	1,659,502	1,576,276	1,516,026	1,245,496	1,212,870	1,189,290
Change in excess State money	-	-	-	-	-	-	(251,482)	-	-	-
Changes of benefit terms	(334,680)	-	(2,436)	-	(1,397)	-	2,483,070	-	-	-
Difference between actual and expected experience	48,116	43,222	(172,163)	175,998	(226,945)	19,624	(251,797)	(786,356)	103,860	-
Assumption changes	-	479,381	-	(300,528)	135,391	129,145	167,748	1,212,697	-	-
Contributions - buy back	-	-	-	-	63,761	43,564	-	-	-	-
Benefit payments including refunds of contributions	(1,508,004)	(1,337,813)	(1,316,094)	(1,224,798)	(1,060,255)	(976,061)	(982,669)	(933,688)	(1,348,403)	(882,183)
Net change in total pension liability	576,732	1,529,812	746,387	829,061	1,051,641	1,256,203	3,101,903	983,447	198,581	545,270
Total pension liability - beginning	26,042,397	24,512,585	23,766,198	22,937,137	21,885,496	20,629,293	17,527,390	16,543,943	16,345,362	15,800,092
Total pension liability - ending (a)	<u>\$ 26,619,129</u>	<u>\$ 26,042,397</u>	<u>\$ 24,512,585</u>	<u>\$ 23,766,198</u>	<u>\$ 22,937,137</u>	<u>\$ 21,885,496</u>	<u>\$ 20,629,293</u>	<u>\$ 17,527,390</u>	<u>\$ 16,543,943</u>	<u>\$ 16,345,362</u>
Total Fiduciary Net Position										
Contributions - employer	\$ 852,785	\$ 926,368	\$ 811,509	\$ 719,591	\$ 782,210	\$ 737,476	\$ 675,894	\$ 690,612	\$ 413,656	\$ 632,678
Contributions - state	290,055	197,869	203,153	177,893	183,517	186,995	176,996	178,044	392,128	39,565
Contributions - employee	273,037	251,262	290,113	270,299	266,161	252,277	61,764	59,223	50,369	45,249
Contributions - buy back	-	-	-	-	63,761	43,564	-	-	-	-
Net investment income	1,637,676	(2,948,102)	2,816,274	1,645,839	742,409	1,257,530	1,080,346	962,019	(72,360)	999,549
Benefit payments, including refunds of contributions	(1,508,004)	(1,337,813)	(1,316,094)	(1,224,798)	(1,060,255)	(976,061)	(982,669)	(933,688)	(1,348,403)	(882,183)
Administrative expense	(70,868)	(62,862)	(56,229)	(64,161)	(29,627)	(34,157)	(50,943)	(21,656)	(19,804)	(16,611)
Net change in plan fiduciary net position	1,474,681	(2,973,278)	2,748,726	1,524,663	948,176	1,467,624	961,388	934,554	(584,414)	818,247
Plan fiduciary net position - beginning	16,232,526	19,205,804	16,457,078	14,932,415	13,984,239	12,516,615	11,555,227	10,620,673	11,205,087	10,386,840
Plan fiduciary net position - ending (b)	<u>\$ 17,707,207</u>	<u>\$ 16,232,526</u>	<u>\$ 19,205,804</u>	<u>\$ 16,457,078</u>	<u>\$ 14,932,415</u>	<u>\$ 13,984,239</u>	<u>\$ 12,516,615</u>	<u>\$ 11,555,227</u>	<u>\$ 10,620,673</u>	<u>\$ 11,205,087</u>
Net pension liability - ending (a) - (b)	<u>\$ 8,911,922</u>	<u>\$ 9,809,871</u>	<u>\$ 5,306,781</u>	<u>\$ 7,309,120</u>	<u>\$ 8,004,722</u>	<u>\$ 7,901,257</u>	<u>\$ 8,112,678</u>	<u>\$ 5,972,163</u>	<u>\$ 5,923,270</u>	<u>\$ 5,140,275</u>
Plan fiduciary net position as a percentage of the total pension liability	66.52%	62.33%	78.35%	69.25%	65.10%	63.90%	60.67%	65.93%	64.20%	68.55%
Covered payroll	\$ 2,398,172	\$ 2,265,281	\$ 2,152,295	\$ 2,085,303	\$ 2,206,645	\$ 2,190,372	\$ 1,938,036	\$ 1,787,358	\$ 1,572,198	\$ 1,371,924
Net pension liability as a percentage of covered payroll	371.61%	433.05%	246.56%	350.51%	362.76%	360.73%	418.60%	334.13%	376.75%	374.68%

NOTES:

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

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

Changes in benefit terms:

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

For measurement date 09/30/21, the following plan change has been made pursuant to Ordinance 21-10: The benefit accrual rate was increased January 1, 2013 from 1.25% to 3.40% for service earned after that date. The agreement between the Union and the City was that the baseline Member Contribution Rate would be 4.0% of Salary and the City would fund the cost of improving the benefit accrual rate from 1.25% to 2.25% among other benefit changes and the Members would have to cover the increase from 2.25% to 3.40% among other benefit changes. The change outline in our March 16,2021 Impact Statement is that the City is now willing to fund a 2.75% benefit accrual rate instead of a 2.25% benefit accrual rate starting October 1, 2020. The new Member Contribution Rate is effective October 1, 2021.

Changes in Assumptions:

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. For measurement date 9/30/22, amounts reported as changes of assumptions resulted from lowering the investment return from 7.50% to 7.40%, net of investment related expenses. For measurement date 9/30/20, amounts reported as changes of assumptions resulted from lowering the investment return from 7.55% to 7.50%, net of investment related expenses. For measurement date 9/30/2019, amounts reported as changes of assumptions resulted from lowering the investment return from 7.6% to 7.55% per year, net of investment related expenses.

**CITY OF ST. PETE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
SEPTEMBER 30, 2023
(UNAUDITED)**

Fiscal Year Ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 33,933	\$ 69,441	\$ 69,827	\$ 53,202	\$ 60,393	\$ 48,627	\$ 55,922	\$ 63,167	\$ 67,894	\$ 79,454
Interest	1,206,858	1,211,616	1,199,830	1,221,290	1,259,117	1,252,251	1,274,501	1,248,359	1,244,204	1,235,212
Difference between actual and expected experience	(83,233)	48,526	117,328	(133,700)	(601,889)	46,018	(511,151)	(570,758)	(2,077)	-
Assumption changes	398,497	440,598	-	(248,501)	-	250,564	-	989,394	-	-
Benefit payments including refunds of contributions	(1,235,503)	(1,250,962)	(1,207,960)	(1,182,130)	(1,247,455)	(1,133,112)	(1,072,544)	(1,268,722)	(1,234,650)	(1,139,505)
Net change in total pension liability	320,552	519,219	179,025	(289,839)	(529,834)	464,348	(253,272)	461,440	75,371	175,161
Total pension liability - beginning	17,230,136	16,710,917	16,531,892	16,821,731	17,351,565	16,887,217	17,140,489	16,679,049	16,603,678	16,428,517
Total pension liability - ending (a)	<u>\$ 17,550,688</u>	<u>\$ 17,230,136</u>	<u>\$ 16,710,917</u>	<u>\$ 16,531,892</u>	<u>\$ 16,821,731</u>	<u>\$ 17,351,565</u>	<u>\$ 16,887,217</u>	<u>\$ 17,140,489</u>	<u>\$ 16,679,049</u>	<u>\$ 16,603,678</u>
Total Fiduciary Net Position										
Contributions - employer	\$ 431,310	\$ 458,974	\$ 660,537	\$ 733,738	\$ 813,325	\$ 656,988	\$ 503,935	\$ 563,121	\$ 585,936	\$ 557,646
Contributions - employee	19,390	28,089	35,355	32,451	25,209	27,621	24,813	25,913	29,971	30,176
Net investment income	1,209,458	(2,576,788)	2,695,162	730,618	449,642	913,431	1,028,577	1,052,550	(6,633)	1,203,892
Benefit payments, including refunds of contributions	(1,235,503)	(1,250,962)	(1,207,960)	(1,182,130)	(1,247,455)	(1,133,112)	(1,072,544)	(1,268,722)	(1,234,650)	(1,139,505)
Administrative expense	(61,331)	(70,402)	(54,412)	(90,812)	(53,600)	(34,262)	(42,257)	(36,156)	(30,510)	(25,430)
Net change in plan fiduciary net position	363,324	(3,411,089)	2,128,682	223,865	(12,879)	430,666	442,524	336,706	(655,886)	626,779
Plan fiduciary net position - beginning	11,427,354	14,838,443	12,709,761	12,485,896	12,498,775	12,068,109	11,625,585	11,288,879	11,944,765	11,317,986
Plan fiduciary net position - ending (b)	<u>\$ 11,790,678</u>	<u>\$ 11,427,354</u>	<u>\$ 14,838,443</u>	<u>\$ 12,709,761</u>	<u>\$ 12,485,896</u>	<u>\$ 12,498,775</u>	<u>\$ 12,068,109</u>	<u>\$ 11,625,585</u>	<u>\$ 11,288,879</u>	<u>\$ 11,944,765</u>
Net pension liability - ending (a) - (b)	<u>\$ 5,760,010</u>	<u>\$ 5,802,782</u>	<u>\$ 1,872,474</u>	<u>\$ 3,822,131</u>	<u>\$ 4,335,835</u>	<u>\$ 4,852,790</u>	<u>\$ 4,819,108</u>	<u>\$ 5,514,904</u>	<u>\$ 5,390,170</u>	<u>\$ 4,658,913</u>
Plan fiduciary net position as a percentage of the total pension liability	67.18%	66.32%	88.79%	76.88%	74.22%	72.03%	71.46%	67.83%	67.68%	71.94%
Covered payroll	\$ 646,233	\$ 936,310	\$ 1,178,506	\$ 1,081,710	\$ 817,412	\$ 799,160	\$ 700,400	\$ 738,138	\$ 1,017,523	\$ 761,318
Net pension liability as a percentage of covered payroll	891.32%	619.75%	158.89%	353.34%	530.43%	607.24%	688.05%	747.14%	529.73%	611.95%

NOTES:

Changes of assumptions:

1. For measurement date 9/30/2022, the inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.
2. For measurement date 9/30/2022, the investment rate return was lowered from 7.50% to 7.25% per year compounded annually, net of investment related expenses.
3. For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics
4. For measurement date 9/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate return from 7.65% to 7.50%.
5. For measurement date 9/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

**CITY OF ST. PETE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2023
(UNAUDITED)**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll*	Contributions as Percentage of Employee Payroll
2023	\$ 226,400	\$ 221,942	4,458	N/A	N/A
2022	195,188	199,646	(4,458)	N/A	N/A
2021	65,616	99,115	(33,499)	N/A	N/A
2020	772,890	6,099,319	(5,326,429)	N/A	N/A
2019	722,346	722,346	-	N/A	N/A
2018	651,733	651,733	-	N/A	N/A
2017	564,940	565,895	(955)	N/A	N/A
2016	581,797	581,797	-	N/A	N/A
2015	530,921	532,425	(1,504)	9,453	5632.34%
2014	666,007	666,007	-	124,414	535.32%

Notes to Schedule:

Valuation Date: 10/1/2022

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Pay, New UAAL amortization bases will be amortized over 17 years
Mortality:	<i>Healthy Lives:</i> Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% Pub S.H-2010 for Disabled Retirees
Interest Rate	6.20% per year, compounded annually, net of investment-related expenses.
Retirement Age:	N/A
Salary Increases:	N/A
Payroll Growth:	None.
Cost-of-Living Adjustment:	3% per year following completion of 7 years of retirement on old benefit
Asset Valuation Method:	All assets are valued at fair value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five-year period

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

**CITY OF ST. PETE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2023
(UNAUDITED)**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2023	\$ 1,059,992	\$ 1,142,840	(82,848)	\$ 2,398,172	47.65%
2022	1,116,783	1,124,237	(7,454)	2,265,281	49.63%
2021	1,005,122	1,014,662	(9,540)	2,152,295	47.14%
2020	898,766	897,484	1,282	2,085,303	43.04%
2019	955,477	965,727	(10,250)	2,206,645	43.76%
2018	922,147	924,471	(2,324)	2,190,372	42.21%
2017	769,400	852,890	(83,490)	1,938,036	44.01%
2016	868,656	868,656	-	1,787,358	48.60%
2015	740,688	804,784	(64,096)	1,572,198	51.19%
2014	672,243	672,243	-	1,371,924	49.00%

Notes to Schedule:

Valuation Date: 10/1/2021 (AIS 03/16/2021)

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal												
Amortization Method	Level Percentage of Pay, Closed.												
Remaining Amortization Period:	30 Years (as of 10/01/2016).												
Mortality:	RP-2000 Combined Healthy (sex distinct), based on study of over 650 public safety funds. Disability mortality is set forward five years. <i>Healthy Lives:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB <i>Disabled Lives:</i> Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.												
Interest Rate:	7.40% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.												
Retirement Age:	For members eligible for normal retirement on 1/1/2013 or hired before: Earlier of age 56 or 26 years of service. For all others: earlier of age 60 with 10 years of services or 30 years of service.												
Early Retirement:	For members eligible for normal retirement on 1/1/2013, immediate subsidized benefit at rate of 5% per year. For all others: None.												
Salary Increases:	4.0% to 5.5% depending on years of service												
Payroll Growth:	Up to 1.38% per year												
Cost-of-Living Adjustment:	3% per year following completion of 7 years of retirement on old benefit. None after January 1, 2013.												
Asset Valuation Method:	Each year, the Actuarial Value of Assets is brought forward using the historical 4-year geometric average market value return. Over time, this may produce an insignificant bias above or below Market Value of Assets.												
Termination Rates:	See table below. Based on actuarial experience study issued January 18, 2017.												
	<table> <tr> <th>Service</th><th>% Terminating During the Year</th></tr> <tr> <td><1</td><td>15.00%</td></tr> <tr> <td>1-4</td><td>9.00%</td></tr> <tr> <td>5-9</td><td>4.00%</td></tr> <tr> <td>10-14</td><td>3.00%</td></tr> <tr> <td>10-14</td><td>2.00%</td></tr> </table>	Service	% Terminating During the Year	<1	15.00%	1-4	9.00%	5-9	4.00%	10-14	3.00%	10-14	2.00%
Service	% Terminating During the Year												
<1	15.00%												
1-4	9.00%												
5-9	4.00%												
10-14	3.00%												
10-14	2.00%												
Disability Rates	See table below. Based on actuarial experience study issued January 18, 2017.												
	<table> <tr> <th>Age</th><th>% Becoming Disabled During the Year</th></tr> <tr> <td>20</td><td>0.03%</td></tr> <tr> <td>30</td><td>0.04%</td></tr> <tr> <td>40</td><td>0.07%</td></tr> <tr> <td>50</td><td>0.18%</td></tr> </table>	Age	% Becoming Disabled During the Year	20	0.03%	30	0.04%	40	0.07%	50	0.18%		
Age	% Becoming Disabled During the Year												
20	0.03%												
30	0.04%												
40	0.07%												
50	0.18%												

**CITY OF ST. PETE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2023
(UNAUDITED)**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2023	\$ 304,376	\$ 431,310	(126,934)	\$ 646,233	66.74%
2022	451,938	458,974	(7,036)	936,310	49.02%
2021	652,747	660,537	(7,790)	1,178,506	56.05%
2020	731,236	733,738	(2,502)	1,081,710	67.83%
2019	813,325	813,325	-	817,412	99.50%
2018	638,879	656,988	(18,109)	799,160	82.21%
2017	464,066	503,935	(39,869)	700,400	71.95%
2016	563,121	563,121	-	738,138	76.29%
2015	585,936	585,936	-	1,017,523	57.58%
2014	548,356	557,646	(9,290)	761,318	73.25%

Notes to Schedule:

Valuation Date: 10/1/2021

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal
Amortization Method: New UAAL amortization bases are amortized over 30 years
Remaining Amortization Period: 30 Years (as of 10/01/2017).
Mortality: *Healthy Lives*
Female: PubG.H-2010 (Below Median) for Employees
Male: PubG.H-2010 (Below Median) for employees, set back one year.
Collar, Scale BB.
Disabled Lives
PubG.H-2010 for Disabled Retirees, set forward three years.
Interest Rate: 7.5% per year, compounded annually, net of investment-related expenses.
Retirement Age: Earlier of 1) age 60 with 10 years of service or 2) 30 years of service (earlier of 55 or 25 years if hired before 10/1/2012). No early retirement
Early Retirement: None.
Salary Increases: Based on a service-based table
Payroll Growth: None.
Cost-of-Living Adjustment: 3% per year following completion of 10 years of retirement on old benefit
Asset Valuation Method: Each year, the Actuarial Value of Assets is brought forward using the historical 4-year geometric average market value return. Over time, this may produce an insignificant bias above or below Market Value of Assets.
Termination Rates: See table below.
Disability Rates: See table below.
Other Information: Termination and Disability Rate Table:

Age	% Terminating % Becoming Disabled	
	During the Year	During the Year
20	28.4%	0.050%
25	27.4%	0.050%
30	24.8%	0.060%
35	19.5%	0.070%
40	13.5%	0.120%
45	7.9%	0.220%
50	2.8%	43.000%
55	1.0%	0.890%
60	0.8%	1.610%
65+	0.0%	2.800%

CITY OF ST. PETE BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
SEPTEMBER 30, 2023
(UNAUDITED)

Annual Money-Weighted Rate of Return, Net of Investment Expense			
Fiscal Year	Police Pension	Fire Pension	General Pension
2023	13.15%	10.17%	10.93%
2022	-17.83%	-15.43%	-17.80%
2021	17.36%	17.23%	21.62%
2020	9.94%	11.13%	5.98%
2019	4.76%	5.31%	3.65%
2018	7.24%	10.06%	7.70%
2017	10.75%	9.48%	9.05%
2016	9.22%	9.25%	9.72%
2015	-1.17%	-0.66%	-0.06%
2014	9.67%	9.74%	10.84%

SUPPORTING SCHEDULES

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

**CITY OF ST. PETE BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Special Revenue Funds				Capital Project Funds	Total Nonmajor Governmental Funds
	Multimodal	Building	Resiliency	Police Confiscation	Fleet	
ASSETS						
Cash and investments	\$ 251,664	\$ 3,011,988	\$ 648,968	\$ 5,404	\$ 1,198,075	\$ 5,116,099
Prepaid items	-	7,198	-	-	-	7,198
Total assets	<u>\$ 251,664</u>	<u>\$ 3,019,186</u>	<u>\$ 648,968</u>	<u>\$ 5,404</u>	<u>\$ 1,198,075</u>	<u>\$ 5,123,297</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 40,750	\$ 64,000	\$ 12,800	\$ -	\$ -	\$ 117,550
Customer deposits	-	153,323	-	-	-	153,323
Total liabilities	<u>40,750</u>	<u>217,323</u>	<u>12,800</u>	<u>-</u>	<u>-</u>	<u>270,873</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	-	7,198	-	-	-	7,198
Restricted for:						
Building department	-	2,794,665	-	-	-	2,794,665
Law enforcement	-	-	-	5,404	-	5,404
Transportation improvements	210,914	-	-	-	-	210,914
Repair and replacement reserve	-	-	-	-	-	-
Assigned to:						
Vehicle Replacements	-	-	-	-	1,198,075	1,198,075
Capital improvements	-	-	636,168	-	-	636,168
Total fund balances	<u>210,914</u>	<u>2,801,863</u>	<u>636,168</u>	<u>5,404</u>	<u>1,198,075</u>	<u>4,852,424</u>
Total liabilities and fund balances	<u>\$ 251,664</u>	<u>\$ 3,019,186</u>	<u>\$ 648,968</u>	<u>\$ 5,404</u>	<u>\$ 1,198,075</u>	<u>\$ 5,123,297</u>

See accompanying notes to financial statements.

CITY OF ST. PETE BEACH, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds				Capital Project Funds	Total Nonmajor Governmental Funds
	Multimodal	Building	Resiliency	Police Confiscation	Fleet	
REVENUES						
Permits and fees	\$ 9,257	\$ 1,565,530	\$ -	\$ -	\$ -	\$ 1,574,787
Investment income	22,336	210,845	-	-	53,372	286,553
Miscellaneous	-	1,183	-	-	-	1,183
Total revenues	31,593	1,777,558	-	-	53,372	1,862,523
EXPENDITURES						
Current:						
General government	54,217	1,256,803	-	-	-	1,311,020
Culture and recreation	-	-	150,332	-	-	150,332
Capital outlay	139,584	91,330	-	-	-	230,914
Total expenditures	193,801	1,348,133	150,332	-	-	1,692,266
Excess (deficiency) of revenues over expenditures	(162,208)	429,425	(150,332)	-	53,372	170,257
Other financing sources (uses)						
Transfers in	110,000	-	786,500	-	373,321	1,269,821
Total other financing sources (uses)	110,000	-	786,500	-	373,321	1,269,821
Net change in fund balances	(52,208)	429,425	636,168	-	426,693	1,440,078
Fund balances, beginning of year	263,122	2,372,438	-	5,404	771,382	3,412,346
Fund balances, end of year	<u>\$ 210,914</u>	<u>\$ 2,801,863</u>	<u>\$ 636,168</u>	<u>\$ 5,404</u>	<u>\$ 1,198,075</u>	<u>\$ 4,852,424</u>

See accompanying notes to financial statements.

CITY OF ST. PETE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,290,000	\$ 1,290,000	\$ 1,427,896	\$ 137,896
Intergovernmental	-	8,352,070	-	(8,352,070)
Investment income	21,500	21,500	290,854	269,354
Total revenues	1,311,500	9,663,570	1,718,750	(7,944,820)
EXPENDITURES				
Current:				
Public works:				
Administration	-	-	19,501	(19,501)
Total public works	-	-	19,501	(19,501)
Nondepartmental	50,000	31,206	-	31,206
Capital outlay	14,985,400	21,234,931	3,722,094	17,512,837
Debt service:				
Principal retirement	607,920	607,920	597,686	10,234
Interest and fiscal charges	479,126	479,126	489,179	(10,053)
Total expenditures	16,122,446	22,353,183	4,828,460	17,493,517
Excess (deficiency) of revenues over expenditures	(14,810,946)	(12,689,613)	(3,109,710)	9,548,697
Other financing sources (uses)				
Issuance of debt	-	-	1,054,395	1,054,395
Transfers in	-	4,700,400	4,700,400	-
Total other financing sources (uses)	-	4,700,400	5,754,795	1,054,395
Net change in fund balances	(14,810,946)	(7,989,213)	2,645,085	10,603,092
Fund balances, beginning of year	7,189,535	7,189,535	7,189,535	-
Fund balances, end of year	<u>\$ (7,621,411)</u>	<u>\$ (799,678)</u>	<u>\$ 9,834,620</u>	<u>\$ 10,603,092</u>

See accompanying notes to financial statements.

CITY OF ST. PETE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUILDING
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Permits and fees	\$ 2,311,000	\$ 2,311,000	\$ 1,565,530	\$ (745,470)
Investment income	12,800	12,800	210,845	198,045
Miscellaneous	-	-	1,183	1,183
Total revenues	<u>2,323,800</u>	<u>2,323,800</u>	<u>1,777,558</u>	<u>(546,242)</u>
EXPENDITURES				
Current:				
General government:	1,485,530	1,564,009	1,256,803	307,206
Capital outlay	<u>346,000</u>	<u>437,521</u>	<u>91,330</u>	<u>346,191</u>
Total expenditures	<u>1,831,530</u>	<u>2,001,530</u>	<u>1,348,133</u>	<u>653,397</u>
Net change in fund balances	<u>492,270</u>	<u>322,270</u>	<u>429,425</u>	<u>107,155</u>
Fund balances, beginning of year	2,372,438	2,372,438	2,372,438	-
Fund balances, end of year	<u><u>\$ 2,864,708</u></u>	<u><u>\$ 2,694,708</u></u>	<u><u>\$ 2,801,863</u></u>	<u><u>\$ 107,155</u></u>

See accompanying notes to financial statements.

CITY OF ST. PETE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MULTIMODAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Permits and fees	\$ 309,700	\$ 309,700	\$ 9,257	\$ (300,443)
Investment income	1,700	1,700	22,336	20,636
Total revenues	<u>311,400</u>	<u>311,400</u>	<u>31,593</u>	<u>(279,807)</u>
EXPENDITURES				
Current:				
Community development	-	-	54,217	(54,217)
Capital outlay	<u>585,000</u>	<u>720,000</u>	<u>139,584</u>	<u>580,416</u>
Total expenditures	<u>585,000</u>	<u>720,000</u>	<u>193,801</u>	<u>526,199</u>
Excess (deficiency) of revenues over expenditures	<u>(273,600)</u>	<u>(408,600)</u>	<u>(162,208)</u>	<u>246,392</u>
Other financing sources (uses)				
Transfers in	-	110,000	110,000	-
Total other financing sources (uses)	<u>-</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Net change in fund balances	<u>(273,600)</u>	<u>(298,600)</u>	<u>(52,208)</u>	<u>246,392</u>
Fund balances, beginning of year	263,122	263,122	263,122	-
Fund balances, end of year	<u><u>\$ (10,478)</u></u>	<u><u>\$ (35,478)</u></u>	<u><u>\$ 210,914</u></u>	<u><u>\$ 246,392</u></u>

See accompanying notes to financial statements.

CITY OF ST. PETE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RESILIENCY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 130,000	\$ 194,000	\$ -	\$ (194,000)
Total revenues	130,000	194,000	-	(194,000)
EXPENDITURES				
Current:				
Recreation	-	64,000	150,332	(86,332)
Capital outlay	350,000	350,000	-	350,000
Total expenditures	350,000	414,000	150,332	263,668
Excess (deficiency) of revenues over expenditures	(220,000)	(220,000)	(150,332)	69,668
Other financing sources (uses)				
Transfers in	-	786,500	786,500	-
Total other financing sources (uses)	-	786,500	786,500	-
Net change in fund balances	(220,000)	566,500	636,168	69,668
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ (220,000)</u>	<u>\$ 566,500</u>	<u>\$ 636,168</u>	<u>\$ 69,668</u>

See accompanying notes to financial statements.

CITY OF ST. PETE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FLEET
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	\$ 4,100	\$ 4,100	\$ 53,372	\$ 49,272
Total revenues	4,100	4,100	53,372	49,272
EXPENDITURES				
Capital outlay	238,650	273,650	-	273,650
Total expenditures	238,650	273,650	-	273,650
Excess (deficiency) of revenues over expenditures	(234,550)	(269,550)	53,372	322,922
Other financing sources (uses)				
Transfers in	-	373,321	373,321	-
Total other financing sources (uses)	-	373,321	373,321	-
Net change in fund balances	(234,550)	103,771	426,693	322,922
Fund balances, beginning of year	771,382	771,382	771,382	-
Fund balances, end of year	<u>\$ 536,832</u>	<u>\$ 875,153</u>	<u>\$ 1,198,075</u>	<u>\$ 322,922</u>

See accompanying notes to financial statements.

CITY OF ST. PETE BEACH, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
EMERGENCY MEDICAL SERVICES (EMS)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

REVENUES

EMS operating reimbursement	\$ 2,392,499
EMS capital reimbursement	5,000
Total revenues	<u>2,397,499</u>

EXPENDITURES

Current:

Salaries, wages, and employees benefits	2,243,639
Contract services	12,101
Insurance	14,410
Repairs and maintenance	25,898
Uniforms	8,296
Fuel	10,871
Other	11,400
Total expenditures	<u>2,326,615</u>

Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ 70,884</u></u>
--	-------------------------

See accompanying notes to financial statements.

Statistical Section

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

Contents

Financial Trends (*Schedules 1-5*)

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

Revenue Capacity (*Schedules 6-9*)

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

Debt Capacity (*Schedules 10-12*)

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

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

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

Operating Information (*Schedules 15-17*)

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

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities									
Net investment in capital assets	\$ 26,222,880	\$ 26,880,493	\$ 32,831,443	\$ 38,579,444	\$ 50,265,720	\$ 52,565,902	\$ 61,795,073	\$ 63,600,446	\$ 64,019,983
Restricted	683,376	3,005,075	2,819,838	8,474,445	1,395,435	1,907,602	3,074,937	3,684,802	3,897,785
Unrestricted	<u>(5,189,099)</u>	<u>(6,921,248)</u>	<u>(4,064,101)</u>	<u>(9,936,009)</u>	<u>(6,854,028)</u>	<u>(2,369,988)</u>	<u>(642,793)</u>	<u>7,769,310</u>	<u>11,652,872</u>
Total governmental activities net position	<u>21,717,157</u>	<u>22,964,320</u>	<u>31,587,180</u>	<u>37,117,880</u>	<u>44,807,127</u>	<u>52,103,516</u>	<u>64,227,217</u>	<u>75,054,558</u>	<u>79,570,640</u>
Business-type activities									
Net investment in capital assets	\$ 14,956,744	\$ 17,279,462	\$ 17,577,589	\$ 18,051,782	\$ 19,259,026	\$ 20,617,331	\$ 24,996,934	\$ 27,627,567	\$ 28,871,213
Restricted	260,195	172,025	219,928	2,191,481	2,195,150	2,202,347	743,776	880,864	363,122
Unrestricted	<u>2,105,940</u>	<u>2,110,454</u>	<u>(43,879)</u>	<u>95,743</u>	<u>3,464,160</u>	<u>4,998,389</u>	<u>4,141,694</u>	<u>2,862,852</u>	<u>3,641,484</u>
Total business-type activities net position	<u>17,322,879</u>	<u>19,561,941</u>	<u>17,753,638</u>	<u>20,339,006</u>	<u>24,918,336</u>	<u>27,818,067</u>	<u>29,882,404</u>	<u>31,371,283</u>	<u>32,875,819</u>
Total primary government									
Net investment in capital assets	\$ 41,179,624	\$ 44,159,955	\$ 50,409,032	\$ 56,631,226	\$ 69,524,746	\$ 73,183,233	\$ 86,792,007	\$ 91,228,013	\$ 92,891,196
Restricted	943,571	3,177,100	3,039,766	10,665,926	3,590,585	4,109,949	3,818,713	4,565,666	4,260,907
Unrestricted	<u>(3,083,159)</u>	<u>(4,810,794)</u>	<u>(4,107,980)</u>	<u>(9,840,266)</u>	<u>(3,389,868)</u>	<u>2,628,401</u>	<u>3,498,901</u>	<u>10,632,162</u>	<u>15,294,356</u>
Total primary government net position	<u>39,040,036</u>	<u>42,526,261</u>	<u>49,340,818</u>	<u>57,456,886</u>	<u>69,725,463</u>	<u>79,921,583</u>	<u>94,109,621</u>	<u>106,425,841</u>	<u>112,446,459</u>

Note:

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental activities:										
General government	\$ 2,655,993	\$ 3,041,062	\$ 3,321,599	\$ 5,049,394	\$ 3,356,645	\$ 4,032,184	\$ 4,345,118	\$ 4,495,399	\$ 5,409,041	\$ 9,457,421
Public safety	6,468,442	7,053,404	10,956,336	7,133,967	7,493,658	7,829,874	5,924,365	7,368,277	8,976,999	8,731,443
Public works	3,713,816	3,641,112	3,161,814	3,609,883	4,138,155	4,515,104	4,173,006	4,006,182	4,078,617	3,708,786
Culture and recreation	2,008,092	2,254,188	2,339,008	2,089,068	2,213,821	2,281,504	3,689,187	4,426,237	4,564,275	5,017,316
Interest and fees on long term-debt	109,061	227,514	471,029	507,083	508,910	490,244	672,342	677,184	653,466	834,585
Total governmental activities expenses	<u>14,955,404</u>	<u>16,217,280</u>	<u>20,249,786</u>	<u>18,389,395</u>	<u>17,711,189</u>	<u>19,148,910</u>	<u>18,804,018</u>	<u>20,973,279</u>	<u>23,682,398</u>	<u>27,749,551</u>
Business-type activities:										
Wastewater	\$ 3,893,752	\$ 4,222,963	\$ 5,000,215	\$ 3,913,435	\$ 5,430,492	\$ 5,005,765	\$ 4,803,321	\$ 6,182,325	\$ 6,429,399	\$ 7,504,648
Reclaimed water	709,244	761,196	831,244	841,137	755,705	764,551	786,299	1,020,562	1,138,263	1,496,766
Stormwater	243,292	320,452	391,015	451,741	519,746	634,679	779,748	669,953	891,691	687,126
Total business-type activities expenses	<u>4,846,288</u>	<u>5,304,611</u>	<u>6,222,474</u>	<u>5,206,313</u>	<u>6,705,943</u>	<u>6,404,995</u>	<u>6,369,368</u>	<u>7,872,840</u>	<u>8,459,353</u>	<u>9,688,540</u>
Total primary government expenses	<u>19,801,692</u>	<u>21,521,891</u>	<u>26,472,260</u>	<u>23,595,708</u>	<u>24,417,132</u>	<u>25,553,905</u>	<u>25,173,386</u>	<u>28,846,119</u>	<u>32,141,751</u>	<u>37,438,091</u>
Program revenues										
Governmental activities:										
Charges for service										
General government	\$ 2,625,268	\$ 2,890,515	\$ 3,046,295	\$ 3,844,693	\$ 4,119,518	\$ 4,406,722	\$ 5,336,652	\$ 7,025,351	\$ 7,662,168	\$ 8,754,666
Public safety	147,864	24,649	53,518	75,117	84,186	69,337	69,797	52,120	2,193,042	76,030
Public works	-	-	-	-	-	-	25,120	64,115	20,000	9,257
Culture and recreation	751,239	856,764	1,055,449	1,045,575	1,097,056	1,192,666	949,430	1,084,328	1,227,300	1,123,858
Operating grants and contributions	1,544,867	1,650,010	3,369,796	1,777,535	2,296,165	1,850,411	2,156,338	74,142	126,799	24,840
Capital grants and contributions	6,309	2,810	919,891	87,714	640,389	3,279,516	180,827	7,935,491	5,335,610	2,397,499
Total governmental activities program revenue	<u>5,075,547</u>	<u>5,424,748</u>	<u>8,444,949</u>	<u>6,830,634</u>	<u>8,237,314</u>	<u>10,798,652</u>	<u>8,718,164</u>	<u>16,235,547</u>	<u>16,564,919</u>	<u>12,386,150</u>
Business-type activities:										
Charges for service										
Wastewater	\$ 5,051,892	\$ 5,219,730	\$ 5,806,838	\$ 6,047,688	\$ 6,733,254	\$ 6,554,556	\$ 6,647,101	\$ 7,582,102	\$ 7,603,558	\$ 7,653,134
Reclaimed water	864,886	869,447	866,099	849,628	863,271	853,663	1,025,050	1,033,479	1,036,352	1,022,794
Stormwater	636,163	644,968	862,478	1,005,387	1,099,125	1,190,234	1,276,363	1,301,455	1,276,105	1,358,674
Operating grants and contributions	-	-	-	199,838	217,746	-	-	-	-	-
Capital grants and contributions	24,450	-	1,043,852	668,599	2,050,091	2,248,115	244,919	-	-	-
Total business-type activities program revenue	<u>6,577,391</u>	<u>6,734,145</u>	<u>8,579,267</u>	<u>8,771,140</u>	<u>10,963,487</u>	<u>10,846,568</u>	<u>9,193,433</u>	<u>9,917,036</u>	<u>9,916,015</u>	<u>10,034,602</u>
Total primary government program revenues	<u>11,652,938</u>	<u>12,158,893</u>	<u>17,024,216</u>	<u>15,601,774</u>	<u>19,200,801</u>	<u>21,645,220</u>	<u>17,911,597</u>	<u>26,152,583</u>	<u>26,480,934</u>	<u>22,420,752</u>
Net (expense)/revenue										
Governmental activities	\$ (9,879,857)	\$ (10,792,532)	\$ (11,804,837)	\$ (11,558,761)	\$ (9,473,875)	\$ (8,350,258)	\$ (10,085,854)	\$ (4,737,732)	\$ (7,117,479)	\$ (15,363,401)
Business-type activities	1,731,103	1,429,534	2,356,793	3,564,827	4,257,544	4,441,573	2,824,065	2,044,196	1,456,662	346,062
Total primary government net expense	<u>(8,148,754)</u>	<u>(9,362,998)</u>	<u>(9,448,044)</u>	<u>(7,993,934)</u>	<u>(5,216,331)</u>	<u>(3,908,685)</u>	<u>(7,261,789)</u>	<u>(2,693,536)</u>	<u>(5,660,817)</u>	<u>(15,017,339)</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 5,694,314	\$ 6,783,032	\$ 7,235,035	\$ 7,768,938	\$ 8,368,981	\$ 9,325,425	\$ 9,961,492	\$ 10,478,967	\$ 10,990,637	\$ 12,403,545
Sales taxes	1,398,239	1,490,896	1,605,830	1,591,169	1,661,937	1,739,563	1,647,760	1,898,748	2,151,663	2,179,397
Franchise fees and utility taxes	3,386,877	3,373,281	3,312,619	3,269,998	3,301,671	3,471,683	3,476,989	3,519,038	3,700,674	3,966,895
Other taxes	470,427	456,808	362,120	411,279	419,938	421,126	395,487	424,665	427,408	553,710
Intergovernmental revenue	269,354	272,972	273,574	1,467,061	1,471,523	465,776	1,646,001	405,940	348,272	341,236
Investment earnings	9,320	17,210	66,585	150,154	297,731	326,849	210,394	47,878	160,979	1,355,131
Miscellaneous	68,078	108,059	49,193	86,481	104,888	289,083	44,120	86,197	165,187	98,417
Transfers	80,896	57,909	147,044	5,436,541	1,710,479	-	-	-	-	(1,000,000)
Special items										
Red Tide	-	-	-	-	-	-	-	-	-	(18,848)
Transfer of operations	-	-	-	-	-	-	-	-	-	-
Legal settlement	-	(652,137)	-	-	349,523	-	-	-	-	-
Legal judgment	-	-	-	-	(2,165,195)	-	-	-	-	-
Total governmental activities	<u>11,377,505</u>	<u>11,908,030</u>	<u>13,052,000</u>	<u>20,181,621</u>	<u>15,521,476</u>	<u>16,039,505</u>	<u>17,382,243</u>	<u>16,861,433</u>	<u>17,944,820</u>	<u>19,879,483</u>
Business-type activities:										
Investment income	2,132	1,827	29,313	63,411	104,084	137,757	75,666	20,141	32,217	158,399
Miscellaneous	(330)	-	-	-	-	-	-	-	-	75
Transfers	(80,896)	(57,909)	(147,044)	(5,436,541)	(1,710,479)	-	-	-	-	1,000,000
Special item - change in assumptions - OPEB	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>(79,094)</u>	<u>(56,082)</u>	<u>(117,731)</u>	<u>(5,373,130)</u>	<u>(1,606,395)</u>	<u>137,757</u>	<u>75,666</u>	<u>20,141</u>	<u>32,217</u>	<u>1,158,474</u>
Total primary government	<u>\$ 11,298,411</u>	<u>\$ 11,851,948</u>	<u>\$ 12,934,269</u>	<u>\$ 14,808,491</u>	<u>\$ 13,915,081</u>	<u>\$ 16,177,262</u>	<u>\$ 17,457,909</u>	<u>\$ 16,881,574</u>	<u>\$ 17,977,037</u>	<u>\$ 21,037,957</u>
Total change in net position										
Governmental activities	\$ 1,497,648	\$ 1,115,498	\$ 1,247,163	\$ 8,622,860	\$ 6,047,601	\$ 7,689,247	\$ 7,296,389	\$ 12,123,701	\$ 10,827,341	\$ 4,516,082
Business-type activities	1,652,009	1,373,452	2,239,062	(1,808,303)	2,651,149	4,579,330	2,899,731	2,064,337	1,488,879	1,504,536
Total primary government	<u>\$ 3,149,657</u>	<u>\$ 2,488,950</u>	<u>\$ 3,486,225</u>	<u>\$ 6,814,557</u>	<u>\$ 8,698,750</u>	<u>\$ 12,268,577</u>	<u>\$ 10,196,120</u>	<u>\$ 14,188,038</u>	<u>\$ 12,316,220</u>	<u>\$ 6,020,618</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund:										
Nonspendable	\$ 211,956	\$ 211,818	\$ 208,978	\$ 142,170	\$ 77,211	\$ 200,709	\$ 58,507	\$ 92,226	\$ 158,842	\$ 207,408
Restricted	198,063	198,063	2,477,505	2,497,700	151,518	150,000	150,000	748,292	651,824	566,802
Committed	-	431,487	-	-	-	-	-	-	-	-
Assigned	483,073	611,860	1,041,737	863,452	2,198,154	1,363,300	770,914	8,334,244	10,965,967	5,486,645
Unassigned	<u>4,800,833</u>	<u>5,348,413</u>	<u>6,052,922</u>	<u>6,512,890</u>	<u>7,765,768</u>	<u>7,617,320</u>	<u>9,840,446</u>	<u>3,394,689</u>	<u>3,164,393</u>	<u>10,255,825</u>
Total General Fund	<u>5,693,925</u>	<u>6,801,641</u>	<u>9,781,142</u>	<u>10,016,212</u>	<u>10,192,651</u>	<u>9,331,329</u>	<u>10,819,867</u>	<u>12,569,451</u>	<u>14,941,026</u>	<u>16,516,680</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 343	\$ -	\$ 110,017	\$ 4,930	\$ 7,198	\$ 18,698
Restricted	216,017	12,885,834	12,193,093	16,850,788	11,665,073	2,685,001	1,757,602	2,924,937	3,032,978	3,330,983
Committed	-	494,378	-	-	-	-	-	-	-	-
Assigned	2,093,244	2,448,141	-	-	-	3,635,759	5,953,672	5,462,734	12,287,910	16,112,145
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>2,309,261</u>	<u>15,828,353</u>	<u>12,193,093</u>	<u>16,850,788</u>	<u>11,665,416</u>	<u>6,320,760</u>	<u>7,821,291</u>	<u>8,392,601</u>	<u>15,328,086</u>	<u>19,461,826</u>

Note:

2021 and later balances reflect the adoption of Resolution 2022-01, establishing a fund balance policy.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues by source:										
Taxes	\$ 10,908,517	\$ 12,052,487	\$ 12,557,697	\$ 13,041,384	\$ 13,752,527	\$ 14,957,797	\$ 15,481,728	\$ 16,321,418	\$ 17,270,382	\$ 19,103,547
Permits and fees	640,300	713,346	804,309	1,040,026	1,193,069	1,202,203	2,401,812	3,296,547	3,422,959	2,548,478
Intergovernmental	1,857,820	1,977,321	2,905,990	3,238,459	3,684,796	5,482,989	4,119,496	8,620,633	8,141,833	3,017,514
Charges for services	2,292,991	2,592,614	2,960,646	3,736,594	4,230,221	4,361,885	4,285,759	5,321,910	6,027,945	7,161,782
Investment income	9,320	17,210	31,396	150,154	297,731	326,849	210,394	47,878	160,979	1,355,131
Miscellaneous	694,489	561,817	2,476,911	820,324	1,114,725	1,160,584	114,080	56,460	195,466	98,029
Total revenues	\$ 16,403,437	\$ 17,914,795	\$ 21,736,949	\$ 22,026,941	\$ 24,273,069	\$ 27,492,307	\$ 26,613,269	\$ 33,664,846	\$ 35,219,564	\$ 33,284,481
Expenditures by function:										
General government	\$ 3,202,472	\$ 3,415,010	\$ 4,215,918	\$ 3,605,797	\$ 3,786,067	\$ 5,323,803	\$ 4,791,870	\$ 5,014,117	\$ 6,053,459	\$ 7,039,577
Public safety	6,154,403	6,272,784	6,680,246	7,491,435	7,634,470	7,581,988	12,942,901	7,279,296	7,934,384	8,235,119
Public works	2,798,998	2,790,557	2,739,822	2,840,780	3,333,091	3,472,251	2,220,766	2,262,816	1,981,714	1,932,101
Culture and recreation	1,074,734	1,139,551	1,122,687	1,221,966	1,281,613	1,392,726	2,910,629	3,297,073	3,669,959	4,198,927
Capital outlay	1,688,167	1,691,375	6,645,674	6,649,357	11,870,901	15,175,648	6,551,091	12,631,483	4,859,978	4,584,502
Debt service:										
Principal retirement	422,010	437,930	774,637	721,383	748,171	260,000	265,000	730,865	760,856	981,511
Interest and fiscal charges	106,855	241,985	360,768	548,338	522,496	491,869	641,943	678,302	652,154	657,745
Total expenditures	15,447,639	15,989,192	22,539,752	23,079,056	29,176,809	33,698,285	30,324,200	31,893,952	25,912,504	27,629,482
Excess (deficit) revenue over expenditures	\$ 955,798.00	\$ 1,925,603.00	\$ (802,803.00)	\$ (1,052,115.00)	\$ (4,903,740.00)	\$ (6,205,978.00)	\$ (3,710,931.00)	\$ 1,770,894.00	\$ 9,307,060.00	\$ 5,654,999.00
Other financing sources (uses)										
Proceeds from leasing activities	\$ 379,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Bond proceeds	-	13,048,318	-	-	-	-	6,700,000	-	-	-
Sale of surplus capital assets	4,400	23,615	-	-	-	-	-	-	-	-
Other financing sources	-	-	-	-	-	-	-	50,000	-	-
Transfers in	1,905,896	1,961,909	2,122,044	11,946,377	4,519,554	4,758,057	5,662,764	4,783,119	5,832,379	5,970,221
Transfers out	(1,825,000)	(1,904,000)	(1,975,000)	(6,509,836)	(2,809,075)	(4,758,057)	(5,662,764)	(4,783,119)	(5,832,379)	(6,970,221)
Special item - transfer of operations	-	(428,637)	-	-	-	-	-	-	-	-
Special item - legal settlement	-	-	-	-	349,523	-	-	-	-	-
Special item - legal judgment	-	-	-	-	(2,165,195)	-	-	-	-	-
Total other financing sources (uses)	464,428	12,701,205	147,044	5,436,541	(105,193)	-	6,700,000	550,000	-	(1,000,000)
Total net change in fund balances	1,420,226	14,626,808	(655,759)	4,384,426	(5,008,933)	(6,205,978)	2,989,069	2,320,894	9,307,060	4,654,999
Debt service as a percentage of non-capital expenditures	3.8%	4.8%	7.1%	7.7%	7.3%	4.1%	3.8%	7.3%	6.7%	7.1%

Notes:

- 1) Library expenditures are reflected in general government function effective 2019
- 2) Parking enforcement expenditures are reflected in general government function effective 2019
- 3) Beaches expenditures are reflected in culture and recreation function effective 2022

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Property Tax	\$ 5,694,314	\$ 6,783,032	\$ 7,235,035	\$ 7,768,938	\$ 8,368,981	\$ 9,325,425	\$ 9,961,492	\$ 10,478,967	\$ 10,990,637	\$ 12,403,545
Utility Service Tax	2,211,732	2,167,637	2,181,759	2,161,813	2,148,226	2,251,007	2,326,786	2,350,130	2,433,266	2,613,529
Franchise Fees	1,175,145	1,205,644	1,130,860	1,108,185	1,153,445	1,220,676	1,150,203	1,168,908	1,267,408	1,353,366
Local Option Sales Tax	858,293	923,839	971,639	997,929	1,045,701	1,111,847	1,053,728	1,202,448	1,386,497	1,427,896
Half Cent Sales Tax	539,946	567,057	634,191	593,240	616,236	627,716	594,032	696,300	765,166	751,501
Casualty & Fire Insurance Premium Tax	297,977	269,876	264,986	270,811	284,985	290,938	277,211	301,873	301,048	426,975
County Gas Tax	<u>131,110</u>	<u>135,402</u>	<u>139,227</u>	<u>140,468</u>	<u>134,953</u>	<u>130,188</u>	<u>118,276</u>	<u>122,792</u>	<u>126,360</u>	<u>126,735</u>
Total	<u>\$ 10,908,517</u>	<u>\$ 12,052,487</u>	<u>\$ 12,557,697</u>	<u>\$ 13,041,384</u>	<u>\$ 13,752,527</u>	<u>\$ 14,957,797</u>	<u>\$ 15,481,728</u>	<u>\$ 16,321,418</u>	<u>\$ 17,270,382</u>	<u>\$ 19,103,547</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tax roll	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Estimated actual value ¹	\$ 2,521,062,913	\$ 2,793,552,852	\$ 3,055,048,740	\$ 3,293,642,819	\$ 3,628,185,639	\$ 3,928,113,413	\$ 4,157,370,518	\$ 4,401,425,551	\$ 4,714,407,708	\$ 6,133,246,896
Assessed values:										
Residential property	1,793,883,055	1,920,699,855	2,050,677,526	2,193,984,291	2,336,668,474	2,492,563,814	2,626,622,072	2,786,676,120	2,998,034,100	3,419,705,466
Commercial property	393,536,407	397,961,637	432,117,910	471,088,007	513,243,211	676,175,722	743,396,747	768,015,690	735,893,448	827,806,718
Government property	25,463,444	29,848,399	31,260,231	35,932,573	36,792,796	39,965,145	43,198,296	45,862,430	48,873,426	51,676,331
Institutional property	19,456,265	20,159,599	21,380,662	22,784,996	23,233,393	24,428,720	23,821,676	25,843,363	28,121,678	28,015,475
Other real property	7,713,624	7,857,808	8,121,842	8,395,964	8,954,513	9,636,620	10,343,749	10,733,225	11,265,392	11,773,520
Personal property	61,230,630	63,539,771	70,313,910	70,207,385	69,072,139	72,915,002	76,766,625	74,570,475	77,049,719	83,499,405
Total assessed value	<u>2,301,283,425</u>	<u>2,440,067,069</u>	<u>2,613,872,081</u>	<u>2,802,393,216</u>	<u>2,987,964,526</u>	<u>3,315,685,023</u>	<u>3,524,149,165</u>	<u>3,711,701,303</u>	<u>3,899,237,763</u>	<u>4,422,476,915</u>
Less: property tax exemptions	(237,841,071)	(240,837,037)	(242,859,589)	(250,217,383)	(252,405,116)	(257,932,737)	(265,561,857)	(273,748,815)	(285,121,756)	(295,965,918)
Total taxable value	<u>2,063,442,354</u>	<u>2,199,230,032</u>	<u>2,371,012,492</u>	<u>2,552,175,833</u>	<u>2,735,559,410</u>	<u>3,057,752,286</u>	<u>3,258,587,308</u>	<u>3,437,952,488</u>	<u>3,614,116,007</u>	<u>4,126,510,997</u>
Total direct tax rate ²	2.8569	3.1500	3.1500	3.1500	3.1500	3.1500	3.1500	3.1500	3.1500	3.1500
Assessed value as a percentage of actual value	91.3%	87.3%	85.6%	85.1%	82.4%	84.4%	84.8%	84.3%	82.7%	72.1%
Taxable value as a percentage of actual value	81.8%	78.7%	77.6%	77.5%	75.4%	77.8%	78.4%	78.1%	76.7%	67.3%

Note:

(1) Estimated actual value is the "just value" of properties per Chapter 193.011, Florida Statutes, without exemptions.

(2) Total direct tax rate is the millage rate per \$1,000 of taxable value.

Source:

Pinellas County Property Appraiser

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

Fiscal Year	City of St. Pete Beach			Pinellas County			Pinellas County School Board			Emerg.	Pinellas	Juvenile	Southwest Florida Water Management	Total
	Operating Millage	Debt Millage	Total City	Operating Millage	Health Department	Total County	State Operating	Local Operating	Total School	Medical Services	Planning Council	Welfare Board	District	
2014	2.8569	0.0000	2.8569	5.2755	0.0622	5.3377	5.3120	2.7480	8.0600	0.9158	0.0160	0.8981	0.3818	18.4663
2015	3.1500	0.0000	3.1500	5.2755	0.0622	5.3377	5.0930	2.7480	7.8410	0.9158	0.0160	0.8981	0.3658	18.5244
2016	3.1500	0.0000	3.1500	5.2755	0.0622	5.3377	5.0930	2.7480	7.8410	0.9158	0.0160	0.8981	0.3488	18.5074
2017	3.1500	0.0000	3.1500	5.2755	0.0622	5.3377	4.5700	2.7480	7.3180	0.9158	0.0150	0.8981	0.3317	17.9663
2018	3.1500	0.0000	3.1500	5.2755	0.0835	5.3590	4.2610	2.7480	7.0090	0.9158	0.0150	0.8981	0.3131	17.6600
2019	3.1500	0.0000	3.1500	5.2755	0.0835	5.3590	3.8360	2.7480	6.5840	0.9158	0.0150	0.8981	0.2955	17.2174
2020	3.1500	0.0000	3.1500	5.2755	0.0835	5.3590	3.8360	2.7480	6.5840	0.9158	0.0150	0.8981	0.2801	17.2020
2021	3.1500	0.0000	3.1500	5.2755	0.0835	5.3590	3.6790	2.7480	6.4270	0.9158	0.0150	0.8981	0.2669	17.0318
2022	3.1500	0.0000	3.1500	5.1302	0.0790	5.2092	3.5770	2.7480	6.3250	0.9158	0.0150	0.8981	0.2535	16.7666
2023	3.1500	0.0000	3.1500	4.7398	0.0790	4.8188	3.2150	2.7480	5.9630	0.8775	0.0210	0.8508	0.2260	15.9071

Note:

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

Source:

Pinellas County Tax Collector

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

Taxpayer	2023			2014		
	Taxable Value	Rank	Percentage of Total Value	Taxable Value	Rank	Percentage of Total Value
CP St Pete LLC	165,000,000	1	4.0%			
HHR St Pete Beach LLC	105,237,699	2	2.6%			
SCG Beach Hospitality LLC	70,900,000	3	1.7%			
LCP S Postcard Inn LLC	68,500,000	4	1.7%			
Vacation Trust Inc Tre	49,791,557	5	1.2%			
PNC Bank NA Tre	40,665,378	6	1.0%			
Grand Plaza Hotel Owner LLC	38,600,124	7	0.9%			
5750 Gulf Blvd CR LLC	36,703,336	8	0.9%			
St Pete Beach Hospitality LLC	29,329,087	9	0.7%			
HHR Beach House LLC	23,897,500	10	0.6%			
Don Cesar Resort Hotel				49,194,252.00	1	2.38%
Nicklaus, H Gregg Tre				22,900,000.00	2	1.11%
RIA - Sandpiper, Inc.				16,390,000.00	3	0.79%
RIA - Breckenridge, Inc.				16,250,000.00	4	0.79%
B R E Mariner Dolphin Village LLC				15,817,000.00	5	0.77%
St. Pete Partners LLC				13,216,120.00	6	0.64%
Grand Plaza Resorts, Inc.				12,029,036.00	7	0.58%
RIA - Tradewinds, Inc.				10,170,160.00	8	0.49%
Dolphin Holdings, LTD				9,850,000.00	9	0.48%
Reagan, Brownlee				9,300,000.00	10	0.45%
Total taxable value of ten largest taxpayers	<u>628,624,681</u>		15.2%	<u>175,116,568</u>		8.49%
Total taxable value of other taxpayers	<u>3,497,886,316</u>		84.8%	<u>1,888,325,786</u>		91.5%
Total taxable value of all taxpayers	<u>4,126,510,997</u>		100%	<u>2,063,442,354</u>		100%

Source:
Pinellas County Property Appraiser's Office

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

Fiscal Year	Tax Roll	Taxable Value	Tax Rate in Mills	Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
					Amount	Percentage of Levy	
2014	2013	2,063,442,354	2.8569	5,895,048	5,694,314	96.6%	143,385
2015	2014	2,199,230,032	3.1500	6,927,575	6,783,032	97.9%	188,569
2016	2015	2,371,012,492	3.1500	7,468,689	7,235,035	96.9%	148,544
2017	2016	2,552,175,833	3.1500	8,039,354	7,768,938	96.6%	179,641
2018	2017	2,735,559,410	3.1500	8,617,012	8,368,981	97.1%	174,520
2019	2018	3,057,752,286	3.1500	9,631,920	9,325,425	96.8%	253,019
2020	2019	3,258,587,308	3.1500	10,264,550	9,961,492	97.0%	159,372
2021	2020	3,437,952,488	3.1500	10,829,550	10,478,967	96.8%	150,234
2022	2021	3,614,116,007	3.1500	11,384,465	10,990,637	96.5%	1,861
2023	2022	4,126,510,997	3.1500	12,998,510	12,192,893	93.8%	210,652

Source:

Pinellas County Property Appraiser

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Revenue Bond, Series 2001 & 2006	1,570,000	1,205,000	820,000	420,000	-	-	-	-	-	-
Capital Improvement Revenue Bonds, Series 2015	-	13,000,000	12,685,000	12,440,000	12,190,000	11,930,000	11,665,000	11,390,000	11,100,000	10,795,000
Police Pension Obligation Revenue Bonds, Series 2019	-	-	-	-	-	-	6,700,000	6,337,646	5,964,712	5,580,888
Leases payable	302,121	229,191	154,554	78,171	-	-	-	406,489	308,567	1,070,275
Total governmental activities	<u>\$ 1,872,121</u>	<u>\$ 14,434,191</u>	<u>\$ 13,659,554</u>	<u>\$ 12,938,171</u>	<u>\$ 12,190,000</u>	<u>\$ 11,930,000</u>	<u>\$ 18,365,000</u>	<u>\$ 18,134,135</u>	<u>\$ 17,373,279</u>	<u>\$ 17,446,163</u>
Business-type activities:										
State Revolving Fund Loan (1992)	576,600	-	-	-	-	-	-	-	-	-
State Revolving Fund Loans (2003, 2005)	2,427,708	2,249,010	2,065,552	1,875,315	1,681,824	1,483,306	1,279,497	1,070,256	855,437	636,914
State Revolving Fund Loan (2020)	-	-	-	-	-	-	-	10,460,162	12,970,747	12,657,751
Wastewater Revenue Bond, Series 2015	-	5,000,000	4,838,000	4,664,000	4,482,000	4,293,000	4,097,000	-	-	-
Wastewater Utility System Refunding Bank Note (2020)	-	-	-	-	-	-	-	4,157,000	3,914,703	3,667,827
Stormwater Revenue Bond, Series 2015	-	3,000,000	2,916,000	2,745,000	2,569,000	2,388,000	2,201,000	2,009,000	1,811,000	1,607,000
Capital leases payable	-	-	356,843	289,173	219,702	148,383	75,165	-	-	-
Total business-type activities	<u>\$ 3,004,308</u>	<u>\$ 10,249,010</u>	<u>\$ 10,176,395</u>	<u>\$ 9,573,488</u>	<u>\$ 8,952,526</u>	<u>\$ 8,312,689</u>	<u>\$ 7,652,662</u>	<u>\$ 17,696,418</u>	<u>\$ 19,551,887</u>	<u>\$ 18,569,492</u>
Total primary government outstanding debt	<u>\$ 4,876,429</u>	<u>\$ 24,683,201</u>	<u>\$ 23,835,949</u>	<u>\$ 22,511,659</u>	<u>\$ 21,142,526</u>	<u>\$ 20,242,689</u>	<u>\$ 26,017,662</u>	<u>\$ 35,830,553</u>	<u>\$ 36,925,166</u>	<u>\$ 36,015,655</u>
Total outstanding debt as percent of personal income	1.1%	5.4%	4.8%	4.2%	3.9%	3.6%	4.5%	5.7%	5.4%	4.5%
Total outstanding debt per capita	\$ 515	\$ 2,633	\$ 2,522	\$ 2,311	\$ 2,172	\$ 2,070	\$ 2,662	\$ 3,738	\$ 4,074	\$ 4,044

Note:

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

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of St. Pete Beach</u>	<u>Amount Applicable to City of St. Pete Beach</u>
City of St. Pete Beach			
Total direct debt	<u>\$ 17,446,163</u>	100%	<u>\$ 17,446,163</u>
Pinellas County Government:			
Governmental Activities Notes	2,099,669	3.7%	78,179
Capital Leases	31,298,003	3.7%	1,165,345
SBITAs Outstanding	4,188,234	3.7%	155,944
Pinellas County School Board:			
Certificates of Participation	127,415,947	3.3%	4,204,364
Bonds	-	3.3%	-
Capital Leases	5,093,401	3.3%	168,068
Total overlapping debt	<u>170,095,254</u>		<u>5,771,900</u>
Total direct and overlapping debt			<u>\$ 23,218,063</u>
Total direct and overlapping debt as a percentage of personal income			2.9%
Total direct and overlapping debt per capita			\$ 2,607

Note:

The applicable share of overlapping debt is calculated based on the ratio of the City of St. Pete Beach taxable property value (\$4,126,510,997) to Pinellas County (\$110,826,846,451) and Pinellas County School Board (\$125,056,557,061) respective taxable property values.

Sources:

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State Revolving Fund Loan, 1992										
Gross pledged revenue - reclaimed water fees	\$ 842,702	\$ 846,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net available revenue (gross revenue less operating expenses; plus sale of other assets)	897,992	829,543	-	-	-	-	-	-	-	-
Total debt service requirement	597,101	581,763	-	-	-	-	-	-	-	-
Coverage ratio	1.50	1.43	-	-	-	-	-	-	-	-
Revenue Bonds, Series 2001 & 2006										
Pledged revenue - Infrastructure Sales Tax (1)	\$ 858,293	\$ 923,839	\$ 971,639	\$ 997,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total debt service requirement	440,750	443,500	445,250	441,000	-	-	-	-	-	-
Coverage ratio	1.95	2.08	2.18	2.26	-	-	-	-	-	-
Capital Improvement Revenue Bonds, Series 2015										
Pledged revenue (2)	\$ -	\$ -	\$ 4,146,045	\$ 4,001,311	\$ 4,117,142	\$ 4,298,634	\$ 4,290,856	\$ 4,434,573	\$ 4,685,075	\$ 4,166,130
Total debt service requirement	-	-	749,681	746,769	746,869	746,569	745,970	745,969	750,468	750,219
Coverage ratio	-	-	5.53	5.36	5.51	5.76	5.75	5.94	6.24	5.55
State Revolving Fund Loan, 2003 & 2005										
Gross pledged revenue - sewer service fees	\$ 5,048,037	\$ 5,218,696	\$ 5,806,807	\$ 6,047,553	\$ 6,677,519	\$ 6,554,431	\$ 6,647,095	\$ 7,582,027	\$ 7,539,279	\$ 7,653,134
Net available revenue (gross revenue less operating expenses and parity debt service requirements)	1,524,879	1,573,624	669,411	1,976,733	1,116,852	1,405,961	1,684,350	1,600,806	847,009	(121,322)
Total debt service requirement	241,283	241,555	241,356	241,555	241,556	241,558	241,558	241,556	241,557	222,110
Coverage ratio	6.32	6.51	2.77	8.18	4.62	5.82	6.97	6.63	3.51	(0.55)
Wastewater Revenue Bonds, Series 2015										
Gross pledged revenue - sewer service fees	\$ -	\$ -	\$ 5,806,807	\$ 6,047,553	\$ 6,677,519	\$ 6,554,431	\$ 6,647,095	\$ 7,582,027	\$ 7,539,279	\$ 7,653,134
Net available revenue (gross revenue less operating expenses)	-	-	1,037,899	2,289,065	1,486,028	1,774,540	2,053,050	1,359,250	1,216,508	248,177
Total debt service requirement	-	-	368,488	369,493	369,176	368,579	368,700	369,498	369,499	369,499
Coverage ratio	-	-	2.82	6.20	4.03	4.81	5.57	3.68	3.29	0.67
Stormwater Revenue Bonds, Series 2015										
Gross pledged revenue - Stormwater assessment	\$ -	\$ -	\$ 862,478	\$ 1,005,287	\$ 1,099,125	\$ 1,190,234	\$ 1,276,371	\$ 1,301,455	\$ 1,273,155	\$ 1,358,674
Net available revenue (gross revenue less operating expenses)	-	-	525,021	575,164	656,910	627,789	563,390	692,670	436,850	720,976
Total debt service requirement	-	-	167,338	255,768	255,694	256,074	255,529	255,820	255,935	255,874
Coverage ratio	-	-	3.14	2.25	2.57	2.45	2.20	2.71	1.71	2.82
State Revolving Fund Loan, 2020										
Gross pledged revenue - sewer service fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,539,279	\$ 7,653,134
Net available revenue (gross revenue less operating expenses and parity debt service requirements)	-	-	-	-	-	-	-	-	605,452	(343,432)
Total debt service requirement	-	-	-	-	-	-	-	-	338,255	677,072
Coverage ratio	-	-	-	-	-	-	-	-	1.79	(0.51)

Notes:

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

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

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate (1)
2014	9,471	451,037,433	47,623	55.9	6.0%
2015	9,373	460,036,213	49,081	56.1	5.1%
2016	9,452	493,073,032	52,166	58.6	4.8%
2017	9,739	539,238,691	55,369	59.4	3.9%
2018	9,735	548,294,670	56,322	59.7	3.3%
2019	9,779	565,245,758	57,802	60.3	3.2%
2020	9,775	580,429,725	59,379	60.5	6.0%
2021	9,586	632,580,140	65,990	61.1	3.9%
2022	9,064	678,784,832	74,888	60.9	2.2%
2023	8,905	799,900,530	89,826	61.5	2.1%

Sources:

Pinellas County Economic Development

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

Notes:

(1) Unemployment rate is reported for Tampa-St. Petersburg-Clearwater metropolitan statistical area

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

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Tradewinds Island Resort	600	1	9.5%	800	1	
The Don CeSar Beach Resort	550	2	8.7%	550	2	
Grand Plaza Hotel & Resort	500	3	7.9%	100	6	
Sirata Beach Resort	300	4	4.8%	300	3	
Publix Supermarket	200	5	3.2%	200	4	
City of St. Pete Beach	143	6	2.3%	88	9	
RumFish Beach Resort	99	7	1.6%			
Beachcomber Beach Resort	85	8	1.3%	85	10	
Dolphin Beach Resort	83	9	1.3%			
Hotel Zamora	77	10	1.2%			
Castel Hotel				150	5	
Hurricane Lounge, Inc.				100	7	
Guy Harvey Outpost				99	8	
Total employment of ten largest employers	<u>2,637</u>		41.8%	<u>2,472</u>		
Total employment of other employers	<u>3,670</u>		58.2%			
Total employment of all employers (1)	<u><u>6,307</u></u>		100.0%			

Source:

Pinellas County Economic Development

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
City Manager (1)	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	10.96	12.71
City Clerk	2.88	2.88	2.63	2.75	2.75	3.00	3.00	3.00	3.50	3.00
Community Development	7.00	7.00	7.00	11.00	12.40	13.03	13.03	12.40	16.85	17.85
Finance	4.00	4.00	3.20	3.00	3.63	4.63	5.63	5.75	5.75	5.75
Library	7.43	7.15	7.15	7.15	7.15	7.40	7.40	7.40	7.65	7.65
Parking Enforcement (2)	2.00	2.20	3.00	3.35	3.35	3.35	3.50	6.20	0.00	0.00
Information Technology	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Safety										
Law Enforcement (3)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire/EMS	29.75	32.00	32.00	35.00	35.00	35.00	35.63	35.63	36.00	36.00
Public Works	17.00	18.00	19.00	22.19	25.80	29.00	22.00	22.46	16.00	16.00
Parks and Recreation (4)	13.83	13.83	15.14	15.34	15.59	16.54	24.77	24.82	26.07	26.07
Total (5)	<u>87.88</u>	<u>91.05</u>	<u>94.12</u>	<u>104.78</u>	<u>110.67</u>	<u>115.95</u>	<u>118.96</u>	<u>121.66</u>	<u>124.78</u>	<u>127.03</u>

Source:

City of St. Pete Beach Budget

Notes:

(1) Facilities management division and City planning division are reported in the City Manager's office effective FY 2022.

(2) Parking enforcement is reported in Community Development effective FY 2022.

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

(4) Parks division was reported in Parks and Recreation effective FY 2020. Beaches division is reported in Parks and Recreation effective FY 2022.

(5) Full-time equivalent totals will not agree to City employment reported on Schedule 14 due to vacancies and variances associated with part-time and seasonal employees.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
Public Safety										
Law enforcement calls for service	7,023	6,324	6,962	6,218	5,816	5,655	5,815	5,965	5,832	8,118
Felony arrests	147	159	206	219	116	150	75	122	133	141
Traffic citations	1,629	2,986	2,799	3,903	2,769	3,071	2,095	2,076	4,128	3,082
Parking citations (2)	2,612	2,904	5,039	4,093	4,293	4,133	5,502	9,592	9,787	12,888
Fire structure responses	59	288	386	455	645	736	693	915	802	864
EMS medical calls	1,880	1,831	2,267	2,707	2,380	2,279	2,215	2,308	2,861	2,965
EMS auto crash responses	120	114	182	89	137	139	114	134	126	147
EMS water rescues	30	15	65	81	52	53	85	118	161	171
Public Works										
Street resurfacing (miles)	0.95	1.20	-	4.23	2.42	5.64	2.96	1.91	1.49	-
Culture and Recreation										
Summer camp participation	328	398	216	156	142	699	623	630	854	828
Recreation classes offered	53	59	39	42	45	37	39	37	36	38
Recreation program participation	58,390	62,000	68,778	89,551	112,655	115,302	56,003	66,791	77,450	79,609
Facility rentals booked (1)	250	321	290	212	205	61	33	71	410	304
Library materials borrowed	154,360	165,548	157,044	147,211	149,988	133,597	92,578	95,563	105,830	105,478
Library reference questions	15,685	17,620	22,414	27,724	20,623	17,842	18,745	26,008	21,002	23,895
Wastewater										
Average daily sewer flow (mgd)	2.95	2.78	2.99	2.87	2.61	2.61	2.56	2.63	2.54	2.73
Miles of sewer lines	42	42	42	42	42	42	42	42	42	42
Reclaimed Water										
Average daily consumption (mgd)	1.60	1.90	2.20	3.02	2.89	2.92	2.80	2.69	2.61	2.82

Source:

Internal City departments

Note:

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

(2) FY 2021 parking citation increase reflected additional staffing resources and new technology.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
Public Safety										
Police Stations	1	0	0	0	0	0	0	0	0	0
Fire Stations	2	2	2	2	2	2	2	2	2	2
Libraries										
Main	1	1	1	1	1	1	1	1	1	1
Transportation										
Streets (miles)	45.73	45.73	45.73	45.73	45.73	45.73	45.73	45.73	45.73	45.73
Recreation										
Parks (acres)	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5
Beaches (acres)	39.8	40	40	40	40	40	40	40	40	40
Playgrounds	5	5	5	5	5	5	5	5	5	5
Picnic areas	6	6	6	6	6	6	6	6	6	6
Fishing piers	2	2	2	2	2	2	2	2	2	2
Fishing areas	5	5	5	5	5	5	5	5	5	5
Boat ramps	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	9	9	9	9	9	9	9	9
Baseball fields	3	3	3	3	3	3	3	3	3	3
Basketball courts	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewers (miles)	42	42	42	42	42	42	42	42	42	42
Pump stations	17	17	17	17	17	17	17	17	21	21
Average daily flow (mgd)	2.95	2.78	2.99	2.87	2.61	2.61	2.56	2.63	2.54	2.73
Reclaimed water										
Reclaimed lines (miles)	40	40	40	40	40	40	40	40	40	40

Source:
Internal City departments



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

To the Honorable Mayor, City Commission, and City Manager,
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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 20, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We identified certain deficiencies in internal control, described in the accompanying paragraphs as findings 2023-001, 2023-002, and 2023-003, that we consider to be significant deficiencies.

2023-001 – Review and Reconciliation at Year-End

During our testing procedures, we noted a number of account balances required adjustments from how originally posted during the fiscal year, including interfund activity, capital outlay, and accounts receivable, in order to reflect complete and accurate presentation of financial statements. We recommend the City review and reconcile significant transactions throughout the year, as well as at year end, for accuracy of account classifications and completeness.

2023-002 – Budgetary Monitoring and Compliance

During our testing of budget versus actual expenditures, we noted the City was out of budgetary compliance in the General Fund for the Fire department, law enforcement department, and community development department expenditures. While the general fund expenditures as a whole were under budget, the City's budget ordinance, Section 10.4 sets the legal level of budgetary control at the department level. To ensure budgetary compliance, we recommend the City review the budget versus actual amounts for all funds and departments therein on an ongoing basis and amend the budget for any funds with activity in excess of budgeted amounts.

2023-003 – Processes Manual and Access Rights

Throughout our testing procedures, we noted the City experienced challenges with providing timely information, whether due to the ERP software conversion undertaken in fiscal year 2023 or due to the vacant position of key personnel. Additionally, after the vacant position of key personnel, we noted the City did not modify the restricted access for proper individuals across various operational departments. For future transitions, we recommend the City establish and follow a processes manual establishing guidance on the City's ERP software and reports, key accounting cycles and processes, and procedures necessary for properly restricting access to active employees.

Report on Compliance and Other Matters

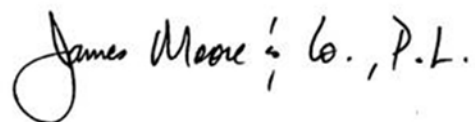
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Management's Response to Findings

The City's response to the findings identified in our audit is outlined as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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



Daytona Beach, Florida
June 20, 2024

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

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

Report on the Financial Statements

We have audited the basic financial statements of City of St. Pete Beach, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 20, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 20, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The following summarizes the status of prior year findings and recommendations. There were no second preceding year findings that remain unresolved.

2022-001 – Unexpended Balance – Building Permits—Corrective action not taken. See repeat comment 2023-004.

2022-002 – Purchasing Card Testing—Corrective action taken.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires us to address in the management letter any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

2023-004 – Unexpended Balance – Building Permits

Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The City's unexpended building permit funds at September 30, 2023, exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years. The City should identify how it intends to reduce the amount of unexpended building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes. Such action may require the City to modify subsequent fiscal year budgets.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide 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 did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

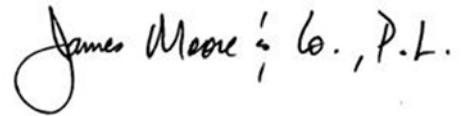
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Management's Response to Findings

The City's response to the findings identified in our audit is outlined as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Board of Commissioners, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style, with the first letter of "James" being a large, stylized capital "J".

Daytona Beach, Florida
June 20, 2024



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the City of St. Pete Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2023. The City's 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 responsibility is to obtain reasonable assurance by evaluating the City's compliance with those requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the City's compliance based on our examination during the year ended September 30, 2023. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of City, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Daytona Beach, Florida
June 20, 2024



155 Corey Ave
St. Pete Beach, FL 33706

James Moore & Co, CPA's

We acknowledge the receipt of the audit report for the fiscal year ended September 30, 2023, and appreciate the thorough review conducted by your team. Below are our responses to the findings during the audit process.

2023-001 – Review and Reconciliation at Year-End

During our testing procedures, we noted a number of account balances required adjustments from how originally posted during the fiscal year, including interfund activity, capital outlay, and accounts receivable, in order to reflect complete and accurate presentation of financial statements. We recommend the City review and reconcile significant transactions throughout the year, as well as at year end, for accuracy of account classifications and completeness.

We agree with the finding and acknowledge the need for improved review processes of individual account activity to ensure the accuracy of financial statements. The adjustments were primarily due to the resource constraints and implementation of the new ERP system, which stretched the City staff to capacity. Staff has already begun cross training personnel to allow for ample review of transactions before they are posted to the financial statements.

2023-002 – Budgetary Monitoring and Compliance

During our testing of budget versus actual expenditures, we noted the City was out of budgetary compliance in the General Fund for the Fire department, law enforcement department, and community development department expenditures. While the general fund expenditures as a whole were under budget, the City's budget ordinance, Section 10.4 sets the legal level of budgetary control at the department level. To ensure budgetary compliance, we recommend the City review the budget versus actual amounts for all funds and departments therein on an ongoing basis and amend the budget for any funds with activity in excess of budgeted amounts.

We agree with the finding and recognize the need to ensure compliance with the City's budget ordinance at the department level.

The Fire department was under-staffed during the fiscal year, thus causing a much higher amount of overtime than budgeted. For fiscal year 2024, additional staff were included in the budget and subsequently hired to minimize the need for overtime.

Law enforcement expenditures reflect recent changes to the Police Pension actuarial valuation process. The contribution rate is now determined on a current year basis, which will require management to estimate and, if needed, amend budgetary contribution expenditures. Net of the \$136,920 pension contribution, law enforcement expenditures were in budgetary compliance.

The Community Development department under-budgeted expenditures directly correspond with the under-budgeted parking revenue. The City's parking credit card processing fees were \$146,400 over the budgeted amount of \$250,000, while the parking revenue that generated the additional fees was \$1.2 million over the budgeted revenues.

The budgetary non-compliance was primarily due to the resource constraints and implementation of the new ERP system, which stretched the City staff to capacity. Staff will monitor the budget and expenditures more closely to allow for timely budget amendments.

2023-003 – Processes Manual and Access Rights

Throughout our testing procedures, we noted the City experienced challenges with providing timely information, whether due to the ERP software conversion undertaken in fiscal year 2023 or due to the vacant position of key personnel. Additionally, after the vacant position of key personnel, we noted the City did not modify the restricted access for proper individuals across various operational departments. For future transitions, we recommend the City establish and follow a processes manual establishing guidance on the City's ERP software and reports, key accounting cycles and processes, and procedures necessary for properly restricting access to active employees.

We agree with the finding and recognize the need for improved processes. The challenges were primarily due to the transition to a new ERP system and the vacancy in key personnel positions, leading to delays and inadequate access control measures. Specifically, the dependence on the ERP software provider for changes, such as updating check signatures, created delays. Staff has built a relationship with the ERP software provider and feel confident that transitions will be made more timely. All issues associated with access and control measures have been addressed.

2023-004 – Unexpended Balance – Building Permits

Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The City's unexpended building permit funds at September 30, 2023, exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years. The City should identify how it intends to reduce the amount of unexpected building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes. Such action may require the City to modify subsequent fiscal year budgets.

Staffing and resources were gradually added to maintain customer service standards after lifting the 2016 development moratorium. The City has added 3.5 FTE positions in the Building Fund since FY 2021. With these added positions, the increase in personnel costs should result in available fund balance remaining lower than average operating budget in the Building Fund on an ongoing basis beginning in fiscal year 2024.