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ARE MY CITY

# CITY OF ST. PETERSBURG, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year 2016

October 1, 2015 • September 30, 2016



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COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

of the

CITY OF ST. PETERSBURG, FLORIDA

for the  
Fiscal Year Ended  
September 30, 2016

Prepared by Department of Finance



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## TABLE OF CONTENTS

### I. INTRODUCTORY SECTION (UNAUDITED)

List of Principal Officials	9
Letter of Transmittal	10
GFOA Certificate of Achievement for Excellence in Financial Reporting	18
Organizational Chart	19

### II. FINANCIAL SECTION

Report of Independent Auditor	23
Management's Discussion and Analysis (Unaudited)	27

### BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:	
Statement of Net Position	50
Statement of Activities	51
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	52
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	55
Statement of Revenues, Expenditures, and Changes in Fund Balances	56
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Activities to the Statement of Activities	58
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	59
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Special Revenue Funds	60
Proprietary Funds:	
Statement of Net Position	64
Statement of Revenues, Expenses, and Changes in Net Position	68
Statement of Cash Flows	70
Fiduciary Funds:	
Statement of Fiduciary Net Position	72
Statement of Changes in Fiduciary Net Position	73
Notes to the Financial Statements	75
<b>REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)</b>	
Defined Benefit Pension Plans	166
Defined Benefit Other Post Employment Benefits (OPEB) Plan	173

<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:</b>	
Non-Major Governmental Funds Descriptions	176
Non-Major Governmental Funds:	
Combining Balance Sheet	180
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	181
Special Revenue Funds:	
Combining Balance Sheet	182
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	186
Debt Service Funds:	
Combining Balance Sheet	190
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	192
Capital Projects Funds:	
Combining Balance Sheet	194
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	196
Permanent Funds:	
Combining Balance Sheet	198
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	199
Schedules of Revenues, Expenditures, and Changes in Fund Balances	
Budget and Actual:	
Special Revenue Funds	201
Debt Service Funds	212
Enterprise Funds:	
Non-Major Enterprise Funds Descriptions	221
Combining Statement of Net Position	222
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	224
Combining Statement of Cash Flows	226
Internal Service Funds:	
Internal Service Funds Descriptions	229
Combining Statement of Net Position	230
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	232
Combining Statement of Cash Flows	234
Fiduciary Funds:	
Fiduciary Funds Description	237
Combining Statement of Fiduciary Net Position - Agency Funds	238
Combining Statement of Changes in Assets and Liabilities - Agency Funds	239
<b>III. STATISTICAL SECTION (UNAUDITED)</b>	
FINANCIAL TRENDS:	
Net Position by Component	245
Changes in Net Position	246
Fund Balances, Governmental Funds	248
Changes in Fund Balances, Governmental Funds	249

<b>REVENUE CAPACITY:</b>	
Taxable Assessed Value and Estimated Actual Value of Property	252
Direct and Overlapping Property Tax Rates	253
Principal Property Tax Payers	254
Property Tax Levies and Collections	255
<b>DEBT CAPACITY:</b>	
Ratio of Outstanding Debt by Type	258
Ratio of Net General Bonded Debt Outstanding	259
Direct and Overlapping Governmental Activities Debt	260
Legal Debt Margin Information	261
Pledged-Revenue Coverage	262
<b>DEMOGRAPHIC AND ECONOMIC:</b>	
Demographic and Economic Statistics	266
Principal Employers	267
<b>OPERATING:</b>	
Full and Part Time City Government Employees by Function/Program	270
Operating Indicators by Function/Program	272
Capital Assets Statistics by Function/Program	275

#### **IV. REGULATORY SECTION**

Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	278
Report of Independent Auditor on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Grant Guidance and Chapter 10.550, <i>Rules of the Auditor General</i> of the State of Florida	280
Schedule of Expenditures of Federal Awards and State Financial Assistance	282
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	285
Schedule of Expenditures of Other Governmental Agencies Awards	286
Notes to the Schedule of Expenditures of Other Governmental Agencies Awards	287
Schedule of Findings and Questioned Costs	288
Summary Schedule of Prior Audit Findings	290
Independent Auditor's Management Letter	291
Report of Independent Accountant on Compliance with Local Government Investment Policies	293
Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill	294



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# I. INTRODUCTORY SECTION

- List of Principal Officials
- Letter of Transmittal
- Certificate of Achievement
- Organizational Chart



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**CITY OF ST. PETERSBURG, FLORIDA  
MAYOR-COUNCIL FORM OF GOVERNMENT  
Fiscal Year 2016**

**MAYOR**

**Rick Kriseman**

**COUNCIL MEMBERS**

Council member, District 1  
Council member, District 2  
Council member, District 3  
Council member, District 4  
Council member, District 5  
Council member, District 6  
Council member, District 7  
Council member, District 8

Charlie Gerdes  
James R. Kennedy, Jr.  
Ed Montanari  
Darden Rice, Vice Chair  
Steve Kornell  
Karl Nurse  
Lisa Wheeler-Bowman  
Amy Foster, Chair

**OFFICIAL APPOINTED BY CITY COUNCIL**

**CITY ATTORNEY**

**Jacqueline Kovilaritch, Esq.**

**OFFICIAL APPOINTED BY MAYOR - APPROVED BY CITY COUNCIL**

**CITY ADMINISTRATOR**

**Gary Cornwell**

**FINANCE DEPARTMENT STAFF  
APPOINTED BY MAYOR**

**DIRECTOR OF FINANCE**

**Anne A. Fritz**

**TREASURER**

**Thomas J. Hoffman**

**CONTROLLER**

**Erika R. Langhans**



City of St. Petersburg  
Finance Department  
PO Box 2842  
St. Petersburg, FL 33731-2842  
Phone: 727-893-7304  
Fax: 727-893-7120

February 20, 2017

Honorable Mayor, Members of the City Council

Citizens of the City of St. Petersburg, Florida

Dear Mayor, Council and Citizens:

***Formal Transmittal of the Comprehensive Annual Financial Report***

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the City of St. Petersburg, Florida for the fiscal year ended September 30, 2016. The report fulfills the requirements set forth in the City Charter Section 4.05; Florida Statutes, Chapter 166.241; and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the State of Florida, the City Charter, and the Government Finance Officers Association.

This CAFR consists of management's representations concerning the finances of the City of St. Petersburg. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Florida Statutes and the City Charter require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed by Cherry Bekaert LLP. The goal of the independent audit was to provide an opinion on the financial statements of the City for the fiscal year ended September 30, 2016. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that the City's financial statements for the fiscal year ended September 30, 2016, are fairly presented, in all material respects, in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance requirements that could have a direct and material effect on each major federal and state awards.

## **Profile of the Government**

The City of St. Petersburg, initially incorporated as a town in 1893 with a second incorporation as a city in 1903, is the largest city in Pinellas County and is the fifth most populous city in Florida. It is located on the west coast of Florida, approximately 200 miles northwest of Miami, 180 miles southwest of Jacksonville, and 20 miles southwest of Tampa. The City of St. Petersburg currently occupies approximately 62 square miles and serves a population of 250,713. The City of St. Petersburg is empowered to levy a property tax on real property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of St. Petersburg has operated under a mayor-council form of government since 1993. Legislative authority is vested in an elected City Council consisting of eight members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and approving the hiring of certain department head nominees submitted by the Mayor. The Mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, for drafting the budget and submitting it to City Council for approval.

The City of St. Petersburg provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and bridges, golf courses, recreation and park facilities, libraries, performing arts, water, wastewater, reclaimed water, stormwater, recycling, solid waste, construction permitting and inspection, codes compliance and parking operations. The City is also required to discretely present in this report the St. Petersburg Health Facilities Authority whose operations consist of issuing tax exempt debt for non-profit healthcare organizations.

## **Economic Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of St. Petersburg resides.

### **Local Economy**

St. Petersburg is part of a seven-county media market, the largest in Florida and 13<sup>th</sup> in the nation. Our region leads the state in buying power, retail sales, food sales, bank deposits, and has the largest consumer market. St. Petersburg is the anchor of Florida's High Tech Corridor which has been ranked as one of the top six high tech employment centers in the nation, representing 60% of the state's high-tech industries.

The City of St. Petersburg's commercial economy remains diverse and resilient. Though the City is inviting to all businesses, five major industry clusters have flourished in St. Petersburg – manufacturing, information technology, financial services, marine science, and medical and healthcare service. St. Petersburg maintains the largest financial services cluster in the state of Florida and the largest marine science cluster in the Southeast.

While the City has seen a current increase of 9.1% in taxable value, the City's real property taxable value has decreased by 17.7% since fiscal year 2008 as a result of the national decline in property values that have dramatically affected municipalities, especially in Florida. The City of St. Petersburg has been able to continue to benefit from continued commercial growth in a difficult economic environment between 2008 and 2016. During 2016, the taxable value of commercial and single family homes continued to increase while the multi-family and condominiums category experienced the largest increase in taxable value of 14.2% due to the continued increase of dwelling units either recently opened or currently under construction in the downtown area. During 2016, the City had issued more building permits than it has in the last ten years with a total construction value of \$654 million.

As you can see below, the City has experienced recent growth in real property taxable values in fiscal years 2013 to 2016 after five years of declining taxable values, as measured by the Pinellas County Property Appraiser's annual determination of real property taxable assessed value and land use by taxable authority.

<b>St. Petersburg Taxable Value</b>						
<b>Fiscal Year</b>	<b>Millage Rate</b>	<b>Single Family &amp; Mobile Homes</b>	<b>Multi-Family &amp; Condominiums</b>	<b>Commercial</b>	<b>Other</b>	<b>Total Taxable Value</b>
2008	5.9125	8,388	4,322	3,582	252	16,544
2009	5.9125	7,335	4,164	3,706	253	15,458
2010	5.9125	6,413	3,390	3,377	232	13,412
2011	5.9125	6,176	2,819	2,749	202	11,946
2012	5.9125	5,400	2,816	2,737	201	11,154
2013	6.7742	5,639	2,914	2,718	215	11,486
2014	6.7700	5,554	3,036	2,736	203	11,529
2015	6.7700	5,970	3,342	2,879	291	12,482
2016	6.7700	6,478	3,816	3,033	285	13,612

*The amounts above are in millions.*

As of September 30, 2016, Pinellas County and the City of St. Petersburg had a population of 931,477 and 250,713, respectively, compared with an estimated 925,030 and 248,429 the year before, per the U.S. Census Bureau 5-Year Estimates.

In September 2016, the labor force in Pinellas County and the City of St. Petersburg was 478,732 and 136,416, respectively, compared to 480,101 and 135,967, respectively, the year before. Employment within Pinellas County decreased from the prior year while the City of St. Petersburg employment increased from the prior year, with employment at 456,437 and 130,433 for the current year, respectively, and 457,464 and 129,917, respectively, for the prior year. The non-seasonally adjusted City unemployment for September 2015 stood at 4.4% compared to 5.4% a year earlier. (Source: Bureau of Labor Statistics [www.bls.gov](http://www.bls.gov))

## **2016 Budget Highlights**

The FY 2016 Adopted Budget is \$505.7 million for all funds, excluding internal service funds and dependent districts. This is an increase of \$22.3 million or 4.61% from the FY 2015 Adopted Budget. The estimate was used by City Council to set the millage rate as required by Florida Statutes. Notable highlights of the FY 2016 Adopted Budget are as follows:

- Addition of 12 uniformed police officers to establish two permanent patrol squads in the rapidly growing and diverse downtown area.
- Provide a 3% general wage increase for non-unionized men and women as well as additional resources for pay raises outlined in the Police Benevolent Association and Florida Public Service Union.
- Investment of \$500,000 in our economic stability reserve fund.
- Creation of Fire Cadet Program and additional investment in fire department training and safety equipment.
- New programs and increases in funding of various current programs within the planning and economic development department of \$1.2 million. Programs include the newly created South St. Petersburg Tax Increment District, the Innovation District, and other neighborhood programs.
- Investment of \$625,000 to create two median maintenance crew teams.
- Investment of \$510,000 in youth employment programs - our highest level of funding since 2003.
- Investment of additional resources for arts, library collections materials, technology fund replacement, and a Healthy St. Pete Initiative.

In addition, the FY 2016 capital improvement budget totals \$128.5 million, with a five year capital improvement budget of \$347.3 million. Notable new programs are as follows:

- Library improvements of \$975,000 to improve parking lots, a radio frequency identification system for processing materials, and other general improvements to enhance the customer experience.
- Construction of a new Fire Station Number Seven at Fossil Park utilizing Penny for Pinellas Resources of \$3.85 million.
- Renovation of affordable housing units at the City owned Jamestown Complex of \$2 million and installation of missing sidewalk segments along County roads within the City's jurisdiction of \$1.7 million utilizing Penny for Pinellas funding.
- A total investment of \$63.36 million for the Biosolids to Energy Project at the Southwest Water Reclamation Facility. The project will process the City's biosolids to produce renewable natural gas.

## Cost of City Services

A comparison of city population in relationship to total city employees (full-time FTE) and cost of city services provides insight into the City's cost to provide all city services.

Fiscal Year	City Population	Budgeted FTE City Positions	Governmental Expenditures (in millions)	Average Cost Per Citizen	Cost increase (decrease)
2008	251,459	2,911	295	1,173	8.0%
2009	248,729	2,860	292	1,174	0.1%
2010	246,378	2,745	285	1,157	(1.5%)
2011	244,769	2,733	282	1,152	(0.4%)
2012	246,293	2,693	290	1,177	2.2%
2013	245,363	2,679	262	1,068	(9.3%)
2014	246,642	2,681	287	1,164	9.0%
2015	248,429	2,698	285	1,147	(1.4%)
2016	250,713	2,804	291	1,161	1.2%

For more information on fiscal year 2016 activities and expenditures, as shown on the basic financial statements, please refer to Management's Discussion and Analysis.

## Long Term Financial Planning

The City had adopted fiscal policies that are reviewed and updated annually as part of the budgetary review process. Included in the fiscal policies are policies relating to targeted fund balances, guidelines for investing, policies on issuance of debt, and overall guidelines for financial and accounting practices, including the basic framework for preparing the City's operating and capital improvement budgets.

## Mayor's Initiatives

Guided by a unified vision as a city of opportunity that reflects innovation, creativity and a competitive community, the city's values and strategic pathways lighted our progressive path in 2016. Values define who we are: empowered and accountable servant leaders, building an inclusive and sustainable world-class city. As the city moves forward we're working collaboratively and with the synergy of a great team dedicated to building a great community. We are proud to share our accomplishments of 2016.

## **Impactful Service**

Exemplifying a commitment to servant leadership, the City reached out to individuals and neighborhoods, community and social services organizations, businesses and diverse groups of constituents to serve the community. Impactful service spans far and wide, improving the quality of life in the Sunshine City.

Addressing immediate needs and long-range concerns, it betters the community we live in, and at its very best, encourages citizens' self-empowerment, fostering a sense of ownership and the realization of the potential in every opportunity.

*Highlight: Mayor Rick Kriseman kicked off 2016 by pledging a \$1 million investment to improve the lives of black youth through education, job training, public safety initiatives and fostering entrepreneurship. Following the lead of President Obama's My Brother's Keeper initiative, but expanding it to include female youth, the City worked to address the needs of young men and women from challenging communities. MBSK's first program, Not My Son, kicked off in the summer. The awareness campaign against violence took flight as a grassroots, community outreach marketing campaign, with volunteers walking the streets of South St. Pete to get their neighbors to pledge 'Not My Son.'*

## **Stewardship and Fiscal Responsibility**

The City again adhered to the highest standards in 2016, stewarding resources with integrity and fiscal responsibility in keeping with promoting government in the sunshine and enhancing transparency in financial reporting. The centerpieces of stewardship are sound financial practices and prudent oversight of budgets and taxpayer dollars. But it goes much deeper. It encompasses a purposeful style of management resulting in the alignment of resources with community priorities, from conserving and creating parks and green space, to investments in schools, social services, healthcare and infrastructure, to keeping properties pristine by demolishing time-worn buildings and welcoming new development. Stewardship is a powerful and poignant mandate to protect and manage all resources wisely.

*Highlight: The City made a total commitment of \$304 million in wastewater infrastructure improvement investment over 5 years. In 2016 alone, \$5 million was committed to complete aging pipe replacement and lining and manhole rehabilitation projects. This will reduce inflow and infiltration in the sewer system and mitigate wet weather overflows and sewer backups into homes and businesses.*

## **Innovation**

St. Pete is already famous for its sunny, iconic weather and coastal lifestyle, and the city will never miss an opportunity to build on its reputation for sunshine. In 2016 we grew our assets, bringing new and important additions to our portfolio. Among them are approvals for bold new developments and cultural amenities that position the city as an international destination for recreation and leisure, as well as new business. Our shores and 588 miles of coastline in our county are natural attractions. By adding new amenities such as world-class museums, shopping districts, research and innovation centers, and developing a highly educated workforce, the city is raising its profile, strategically creating social and quality-of-life infrastructure that's highly attractive to business. Two new master plans for downtown development – The Pier District and the Innovation District - are among the highlights transforming the city into an urban mecca for both business and leisure.

*Highlight: Led by Mayor Kriseman, the City contributed the initial investment of \$100,000 to fund the St. Petersburg Economic Development Corporation (EDC), challenging the community to raise an additional \$400,000 to launch the organization. Private investors, with extraordinary generosity, rose to the occasion and the EDC was launched as a division of the St. Petersburg Chamber of Commerce.*

### **Community Engagement**

St. Pete is a hopeful city whose people share their remarkable talents and resources to build an even more remarkable and progressive community. Creative, collaborative, and actively discovering new ways to enhance lives, our citizens take to heart the things that matter because they know how to make a difference. We engaged residents this year with a rich palette of programs and services, working in partnerships and coalitions that span arts, education, transportation and mobility, sustainability and much more. With integrity and equity we served children and adults of all ages, and citizens from all walks of life, building a culture that values inclusivity and diversity.

*Highlight: The Mayor's Service Learning Project created sustainable opportunities for service-learning benefiting schools and the community at large. Students from St. Petersburg High School paired with students from Eckerd College to work on service projects as a team. Upon project completion, students take a more academic look at their work by studying the social impacts of their projects in the classroom.*

### **Awards and Acknowledgements**

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. Petersburg for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. 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. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Popular Annual Financial Reporting Award for its Popular Annual Financial Report (PAFR) published for the fiscal year ended September 30, 2015 and the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2015. In order to qualify for the PAFR award, the City must ultimately receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the current fiscal year and must be proficient in designing reporting from their comprehensive annual financial report that is both readily accessible and easily understandable to the general public.

In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium. We are pleased that we continue to achieve this distinction.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

We also greatly appreciate the continued support of the Citizens, City Council, Mayor and Administration.

Respectfully submitted,



Anne A. Fritz  
Finance Director



Gary Cornwell  
City Administrator



Government Finance Officers Association

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

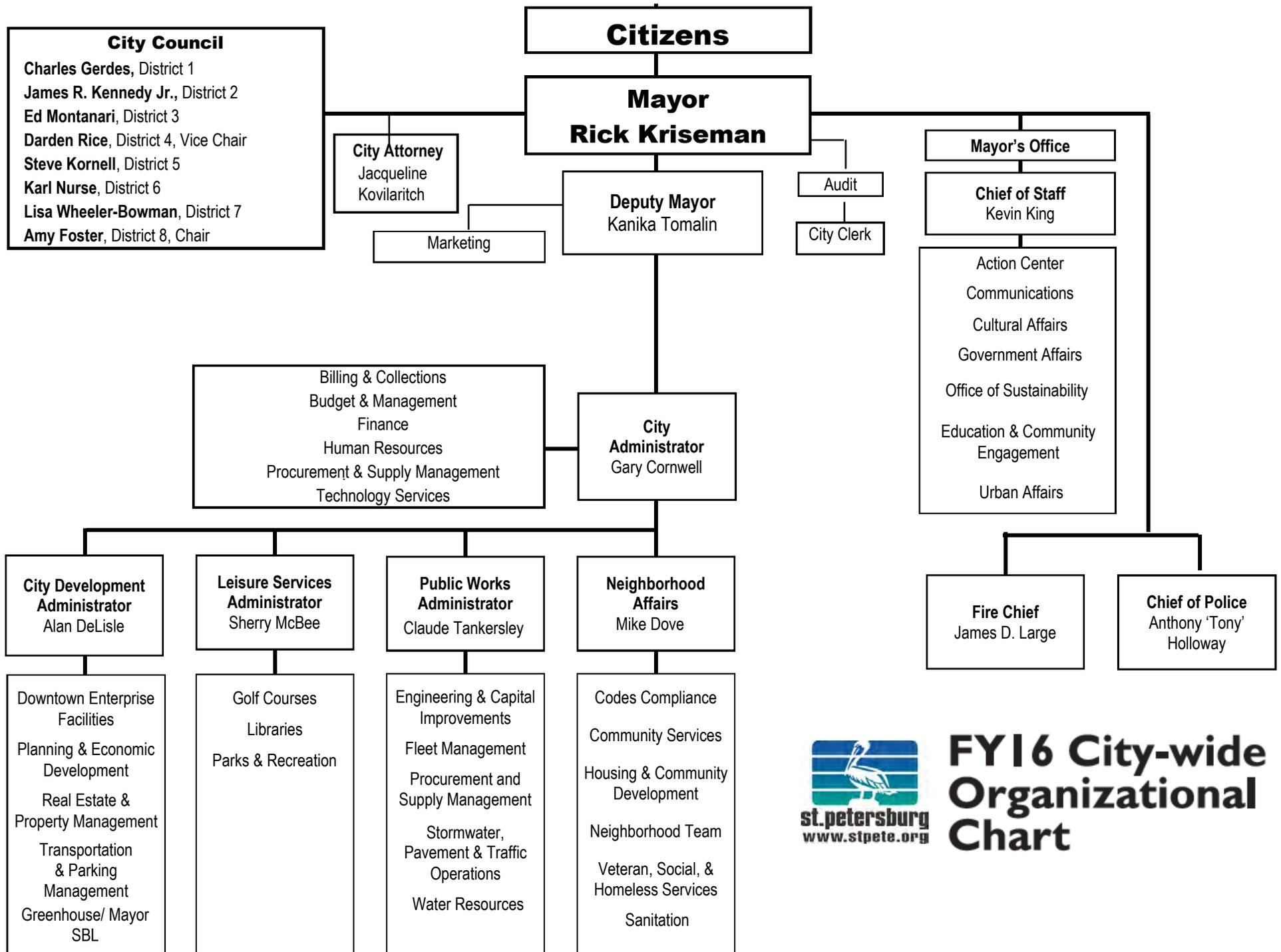
Presented to

**City of St. Petersburg  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO



# FY16 City-wide Organizational Chart



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## II. FINANCIAL SECTION

- Report of Independent Auditor
- Management's Discussion and Analysis (Unaudited)
- Basic Financial Statements
  - Government-Wide Statements
  - Fund Financial Statements
  - Notes to the Financial Statements
- Required Supplementary Information (Unaudited)
- Combining and Individual Fund Statements and Schedules



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# **REPORT OF INDEPENDENT AUDITOR**

## Report of Independent Auditor

To the Honorable Mayor and Members of City Council  
City of St. Petersburg, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Petersburg, Florida (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund, community redevelopment districts fund, downtown redevelopment district fund, and grants fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, the schedule of expenditures of other governmental agencies awards, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards and state financial assistance, the schedule of expenditures of other governmental agencies awards, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards and state financial assistance, the schedule of expenditures of other governmental agencies awards, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Tampa, Florida  
February 20, 2017



**st.petersburg**  
**[www.stpete.org](http://www.stpete.org)**

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As Finance Director of the City of St. Petersburg (the City), I offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. The information presented here should be considered in conjunction with the letter of transmittal and the financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's assets and deferred outflows exceed its liabilities and deferred outflows at the close of this fiscal year by \$1,205.0 million (\$1,182.5 million in 2015) (net position), which is an increase of \$22.5 million (\$19.4 million in 2015) as compared to the prior year's net position.
- Unrestricted net position totals \$333.6 million (\$284.7 million in 2015) and may be used to meet the government's ongoing obligations to citizens and creditors. Of that amount, \$191.8 million relates to governmental activities and \$141.8 million relates to business-type activities.
- Governmental general revenue and transfers totaled \$236.7 million compared to \$241.4 million in 2015, or a \$4.7 million (1.9%) decrease from the prior year.
- The business-type activities program revenue totaled \$202.6 million as compared to \$191.0 million in 2015, or an \$11.6 million (6.0%) increase over the prior year; program expenses totaled \$202.4 million as compared to \$207.9 million in 2015, or a \$5.5 million (2.7%) decrease over the prior year. Including transfers, the result produced a decrease in business-type net position of \$1.6 million as compared to a decrease in net position of \$25.2 million in the prior year.
- As of the close of the fiscal year, the City of St. Petersburg's governmental activities reported combined ending net position of \$559.2 million as compared to \$535.0 million in 2015. Of net position, \$191.8 million was unrestricted for governmental activities.
- During the current fiscal year, there was a \$24.1 million addition in net position for governmental activities and a \$1.6 million reduction in net position for business activities, for a total of \$22.5 million increase in net position.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community and economic development, public works, public safety and recreation, culture and social. The business-type activities of the City include Water Resources, Stormwater, Sanitation, Airport, Port, Marina, Golf Courses, the Jamestown Housing Complex, Tropicana Field, Coliseum, Mahaffey Theater, Pier, Sunken Gardens, and Parking.

The St. Petersburg Community Redevelopment Agency is a blended component unit that for all practical purposes is treated as part of the primary government. The data from this component unit is blended with the data from the City. The St. Petersburg Health Facilities Authority, an additional component unit, has more autonomy than the blended component unit and is presented separately in the financial statements.

The government-wide financial statements can be found on pages 50 and 51 of this report.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

**Fund Financial Statements**

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds**

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

The focus of governmental funds is narrower than that of the government-wide financial statements so it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, one may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the Community Redevelopment Districts, the Downtown Redevelopment District, Local Option Sales Surtax Improvement Fund, and the Grants Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements following page 175 of the report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement, page 59, has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 52 through 60 of this report.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

**Proprietary Funds**

The City maintains two different types of *proprietary funds*, enterprise funds and internal service funds. *Enterprise* funds are used to report the same functions presented as business-type activities, as noted above in the government-wide financial statements section. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for Equipment Maintenance, Facilities Maintenance, Information and Communications Services, Billing and Collection Services, Consolidated Inventory, and Insurance Services. These services predominantly benefit governmental rather than business-type functions so they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Resources, Stormwater, Sanitation and Tropicana Field funds. The remaining enterprise funds are combined into a single aggregated presentation in the proprietary fund financial statements. Conversely, all internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 64 through 70.

**Fiduciary Funds**

The *fiduciary fund* financial statements include the pension plans and agency funds of the City. These funds represent trust responsibilities of the government and are restricted in purpose. Accordingly, they do not represent discretionary assets of the City and are not presented as part of the government-wide financial statements.

The basic fiduciary fund financial statements can be found on pages 72 and 73.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 75 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to funding pension obligations. The required supplementary information can be found beginning on page 166. During the prior fiscal year the City implemented GASB 68.

Combining statements referred to earlier in connection with non-major governmental funds, enterprise funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 176 through 239.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**The City of St. Petersburg as a Whole**

Recall that the Statement of Net Position looks at the City as a whole. The following provides a summary of the City's net position for 2016 as compared to 2015.

**TABLE 1 - Summary of Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 428,826,241	\$ 357,204,463	\$ 256,122,974	\$ 242,849,548	\$ 684,949,215	\$ 600,054,011
Capital Assets	385,439,904	388,335,726	839,290,669	827,473,633	1,224,730,573	1,215,809,359
Total Assets	814,266,145	745,540,189	1,095,413,643	1,070,323,181	1,909,679,788	1,815,863,370
Deferred Outflows of Resources	62,046,887	27,424,410	14,638,697	9,514,392	76,685,584	36,938,802
Other Liabilities	49,842,639	55,061,534	31,293,313	30,975,213	81,135,952	86,036,747
Long Term Liabilities	254,045,995	165,726,844	429,878,562	398,766,345	683,924,557	564,493,189
Total Liabilities	303,888,634	220,788,378	461,171,875	429,741,558	765,060,509	650,529,936
Deferred Inflows of Resources	13,270,506	17,146,927	3,078,298	2,657,519	16,348,804	19,804,446
Net investment in capital assets	345,467,808	345,425,116	484,346,509	492,706,870	829,814,317	838,131,986
Nonexpendable	419,117	371,618	-	-	419,117	371,618
Restricted	21,440,001	26,342,496	19,662,021	32,940,948	41,102,022	59,283,444
Unrestricted	191,826,966	162,890,064	141,793,637	121,790,678	333,620,603	284,680,742
Total Net Position	\$ <u>559,153,892</u>	\$ <u>535,029,294</u>	\$ <u>645,802,167</u>	\$ <u>647,438,496</u>	\$ <u>1,204,956,059</u>	\$ <u>1,182,467,790</u>

During 2015 the City adopted GASB 68, *Accounting for Pension Obligations*, and as required made certain prior period adjustments relating to the implementation of GASB 68.

Net position may serve over time as a useful indicator of a government's financial condition. The City's assets and deferred outflows exceeded its liabilities by \$1,205.0 million at the close of fiscal year 2016, an increase of \$22.5 million from the prior year.

As depicted in Table 1, the largest portion of the City's net position, 68.9%, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At year end, the City had \$419,117 (.04%) in nonspendable net position. Also, approximately 3.4% of the net position of the City represents resources that are

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

subject to external restriction on how they may be used. The remaining 27.7% of net position are unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

As was the case in the prior year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental and business-type activities.

Governmental activities total net position increased by \$24.1 million during 2016 as compared to an increase in total net position of \$44.6 million during the prior fiscal year. The decrease in change in net position as compared to the prior year is primarily due to the implementation of GASB 68, and a one-time settlement of \$8.0 million from the BP Deepwater Horizon settlement received by the City, during the prior fiscal year.

The current year change in net position is attributed to revenues of \$302.9 (\$301.4 in 2015) million over expenses of \$288.6 million (\$268.4 million in 2015), and net transfers of \$9.8 million from other funds (\$11.6 million in 2015).

Business-type activities total net position decreased by \$1.6 million (\$25.2 million in 2015) during 2016. The change relates to expenses of \$202.4 million (\$207.9 million in 2015) as compared to revenues of \$210.5 million (\$194.3 million in 2015), and net transfers of \$9.8 million (\$11.6 million in 2015) to other funds. The reduction in expense and increase in revenues aligned the two significantly during 2016, resulting in only a slight decrease (\$1.6 million) in net position for business-type activities during the current fiscal year.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

The City's operations for the past two fiscal years are summarized as follows:

TABLE 2 - Summary of Change in Net Position

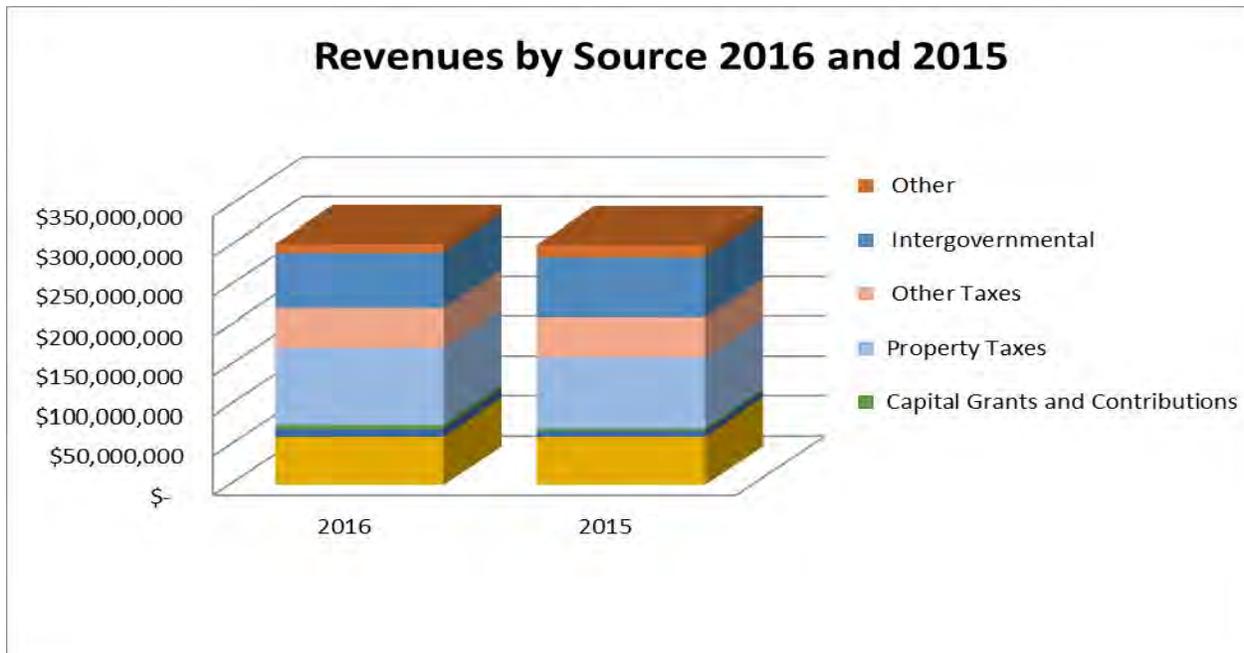
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Program Revenues:						
Charges for Services	\$ 61,013,085	\$ 61,045,516	\$ 195,063,080	\$ 185,379,345	\$ 256,076,165	\$ 246,424,861
Operating Grants and Contributions	9,445,795	6,821,336	2,689,792	1,277,263	12,135,587	8,098,599
Capital Grants and Contributions	5,562,573	3,733,884	4,805,151	4,386,636	10,367,724	8,120,520
General Revenues:						
Property Taxes	96,259,446	88,648,292	-	-	96,259,446	88,648,292
Other Taxes	49,109,207	49,472,805	-	-	49,109,207	49,472,805
Intergovernmental	70,018,869	76,182,876	-	-	70,018,869	76,182,876
Other	11,501,818	15,533,700	7,987,096	3,256,466	19,488,914	18,790,166
<b>Total Revenues</b>	<b>302,910,793</b>	<b>301,438,409</b>	<b>210,545,119</b>	<b>194,299,710</b>	<b>513,455,912</b>	<b>495,738,119</b>
Program Expenses:						
General Government	39,401,295	39,348,806	-	-	39,401,295	39,348,806
Comm. and Economic Development	25,639,209	16,163,418	-	-	25,639,209	16,163,418
Public Works	21,319,804	30,981,025	-	-	21,319,804	30,981,025
Public Safety - Police	100,589,020	89,420,272	-	-	100,589,020	89,420,272
Public Safety - Fire and EMS	41,949,594	39,758,629	-	-	41,949,594	39,758,629
Recreation, Social & Culture	58,126,018	51,208,250	-	-	58,126,018	51,208,250
Interest on Long-term Debt	1,568,898	1,503,527	-	-	1,568,898	1,503,527
Water and Waste Water Utility	-	-	114,768,677	115,141,604	114,768,677	115,141,604
Stormwater Utility	-	-	16,258,907	15,736,861	16,258,907	15,736,861
Sanitation	-	-	40,640,667	45,406,933	40,640,667	45,406,933
Tropicana Field	-	-	6,293,282	6,456,480	6,293,282	6,456,480
Airport	-	-	1,541,559	1,760,427	1,541,559	1,760,427
Port	-	-	1,043,589	874,667	1,043,589	874,667
Marina	-	-	3,364,333	4,189,409	3,364,333	4,189,409
Golf Courses	-	-	3,841,861	3,591,614	3,841,861	3,591,614
Jamestown Complex	-	-	691,204	743,377	691,204	743,377
Parking	-	-	5,630,019	5,177,543	5,630,019	5,177,543
Mahaffey	-	-	6,011,641	6,325,812	6,011,641	6,325,812
Pier	-	-	(11,941)	358,444	(11,941)	358,444
Coliseum	-	-	860,631	904,524	860,631	904,524
Sunken Gardens	-	-	1,439,376	1,244,252	1,439,376	1,244,252
<b>Total Expenses</b>	<b>288,593,838</b>	<b>268,383,927</b>	<b>202,373,805</b>	<b>207,911,947</b>	<b>490,967,643</b>	<b>476,295,874</b>
Change in net position						
before transfers	14,316,955	33,054,482	8,171,314	(13,612,237)	22,488,269	19,442,245
Transfers	<u>9,807,643</u>	<u>11,581,772</u>	<u>(9,807,643)</u>	<u>(11,581,772)</u>	-	-
<b>Increase (Decrease) in Net Position</b>	<b>24,124,598</b>	<b>44,636,254</b>	<b>(1,636,329)</b>	<b>(25,194,009)</b>	<b>22,488,269</b>	<b>19,442,245</b>
Net Position, Beg. Of Year	<u>535,029,294</u>	<u>490,393,040</u>	<u>647,438,496</u>	<u>672,632,505</u>	<u>1,182,467,790</u>	<u>1,163,025,545</u>
<b>Net Position, End of Year</b>	<b>\$ <u>559,153,892</u></b>	<b>\$ <u>535,029,294</u></b>	<b>\$ <u>645,802,167</u></b>	<b>\$ <u>647,438,496</u></b>	<b>\$ <u>1,204,956,059</u></b>	<b>\$ <u>1,182,467,790</u></b>

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

**Governmental Activities**

Governmental activities change in net position for the current year is \$24.1 million, as compared to \$44.6 million during 2015, a decrease of \$20.5 million (45.9%). During 2016, there was a \$1.5 million increase in revenues (0.5%), a \$1.8 million decrease in transfers-in, while expenses increased \$20.2 million (7.5%), resulting in the net decrease in change in net position as compared to the change in net position during 2015.

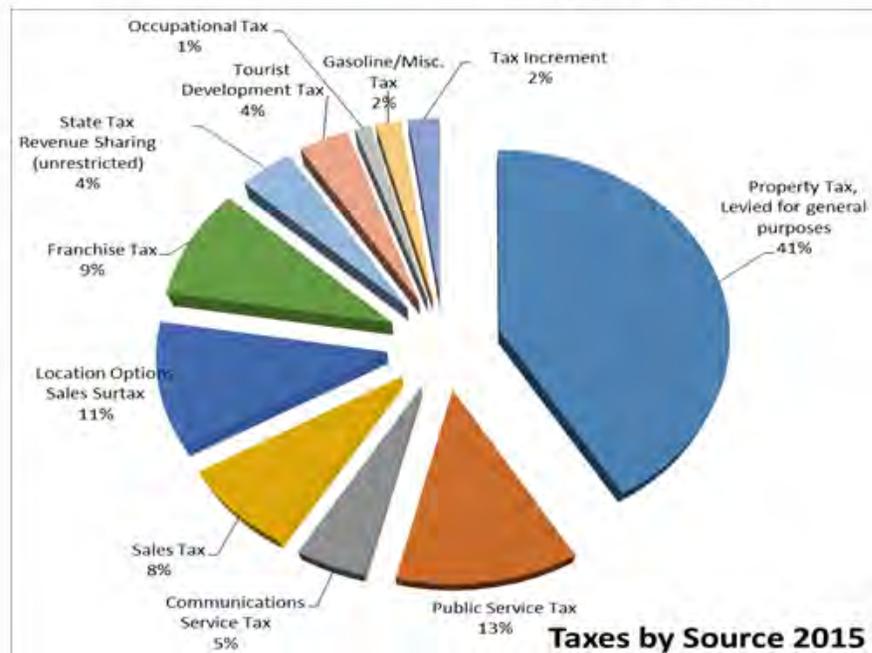
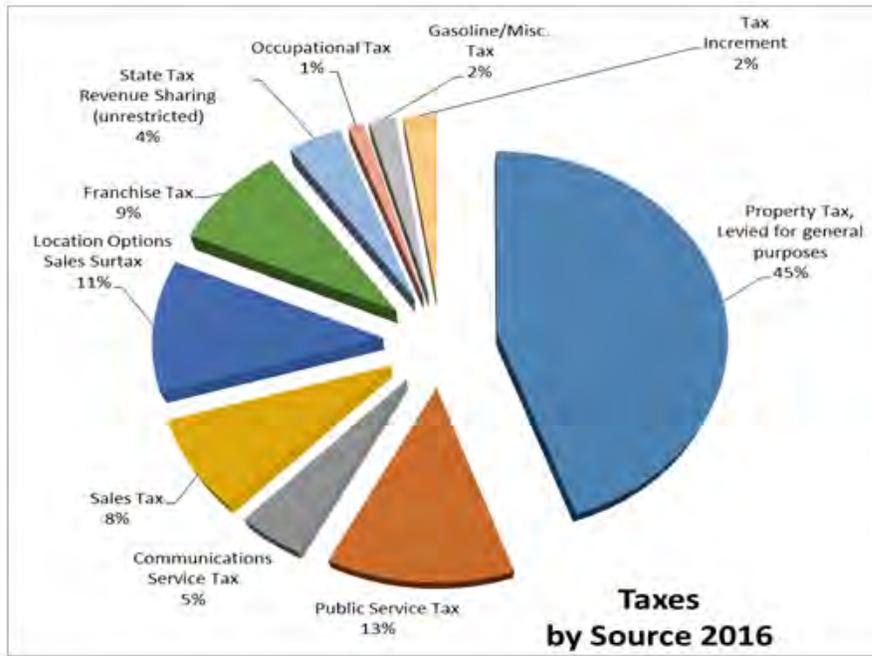
The increase in revenue is primarily due to the increase in property taxes of \$7.6 million due to an overall increase in the taxable values within the City. There was a decrease of intergovernmental revenues of \$6.2 million (8.1%) due to the expiration of the tourist development revenues as the debt associated with the tax revenue was fully repaid. In addition, during 2016 there was a \$4.0 million decrease (26.0%) in other revenues relating to the \$8.0 million one-time settlement proceeds from the BP Deepwater Horizon Oil Spill recognized during 2015. Operating grants and contributions increased by \$2.6 million (38.5%), and capital grants and contributions increased by \$1.8 million from the prior year due to certain capital related grants recognized in 2016 as compared to 2015. Operating grants reflect grants available for either capital or operating purposes while capital grants restrict the use to capital purposes. A summary of revenues by source for each year is as follows:



The continued growth in property tax revenue was important to the City as it represents continued positive growth for the property taxes valuations. Other revenue sources have increased and the economic recovery is showing continued improvement in revenues.

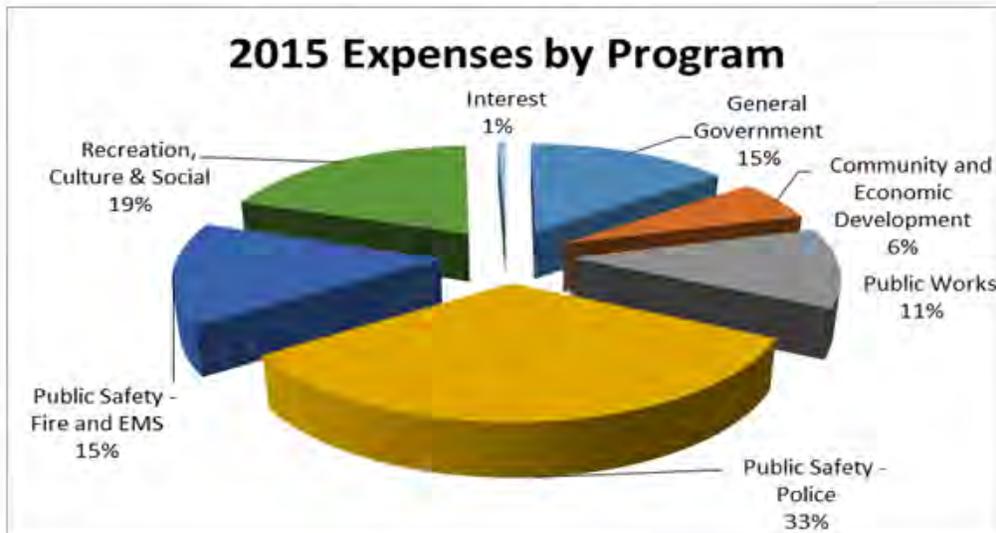
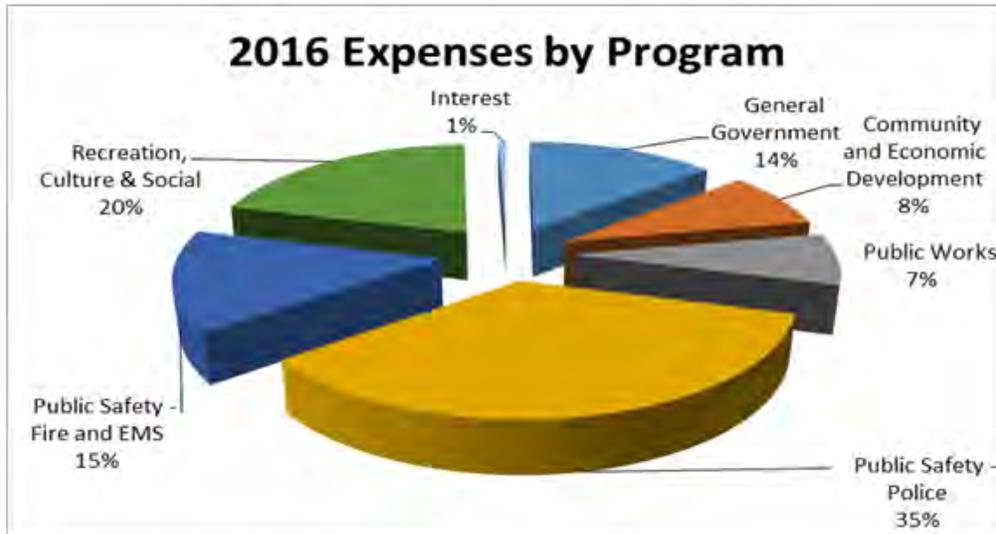
**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

A graphical breakdown of taxes by tax source for 2016 and 2015 is as follows:



**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

A breakdown of expenses by program for governmental activities for 2016 and 2015 is as follows:



**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

The largest program expense for the City relates to public safety, including the police and fire departments, which accounts for \$142.5 million, or 50% (48% in 2015) of total governmental program expense for 2016. Continued investment in police related activities occurred during the fiscal year with additional salaries and benefits to personnel, and increased overtime costs to maintain safety during city events and other large gatherings.

Recreation, social, and cultural, and general government are the next largest program expenses at 20% and 14%, respectively, of total governmental program expense for the current fiscal year. General government expense was flat, but the recreation, social, and cultural activities increased due to additional maintenance, events and programs during the current fiscal year.

Program expenses increased \$20.2 million (7.5%) during 2016 over 2015. The largest increase was \$13.3 million in public safety due to enhanced investment in public safety activities including hiring and equipping additional police and fire officers during the current fiscal year. Community and Economic Development increased \$9.5 million (58.6%) due to certain investment in economic development and related activities during 2016, including the trial ferry program which provides ferry service from the City to Tampa, as well as other development incentives and programs to attract businesses and visitors to the City.

Recreation, social, and cultural expenses increased by \$6.9 million (13.5%) during 2016 relating to additional programs, facility and infrastructure maintenance, and other expenses.

Public works was reduced by \$9.7 million during 2016, as certain projects had been completed in the prior year relating to streets and related infrastructure projects.

The GASB 68 adjustments to public safety and other programs may cause program expense to fluctuate on a year to year basis as the adjustments for the pension plans are recorded each year.

***Business-Type Activities***

Business-type activities program revenue exceeded program expenses by \$8.2 million during 2016, as compared to \$13.6 million program expenses exceeding program revenues during 2015. The increase was attributable to increased program revenues and a decrease in program expenses.

Charges for services increased by \$9.7 million (5.2%) during 2016, primarily relating to rate increases for the utility funds. There was an increase in both capital grants and operating grants during the current fiscal year relating to certain grant eligible projects that were in progress in the current year. Other revenue increased by \$4.7 million during the current year. Total business-type activities revenues increased \$16.2 million, or 8.4% from the prior year.

Total business-type activities program expenses decreased \$5.5 million (2.7%) from 2015, with the largest decrease in Sanitation with a \$4.8 million decrease in program expense during the current fiscal year as compared to 2015. This is due to certain one-time expenses that were incurred during 2015 for the recycling program. Other decreases in program expenses occurred in Tropicana Field, Airport, Marina, Jamestown, Mahaffey, and Coliseum expense.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

The Port increased expenses relating to certain maintenance improvements, as well as Stormwater for additional preventative maintenance expense. Golf Courses increased expense relating to additional course maintenance and other operational costs.

The other program expenses were generally consistent with the prior year.

## **FINANCIAL ANALYSIS OF CITY FUNDS**

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

### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. There are five classifications of fund balance: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Fund balances are the differences between assets and liabilities in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance include amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balances include amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, the City of St. Petersburg's governmental funds reported combined ending fund balances of \$265.4 million. Of that amount, \$5.1 million was nonspendable, \$160.7 million was restricted, \$45.1 million was committed, \$26.3 million was assigned, and \$ 28.2 million was unassigned fund balance (See Note 3).

The General Fund, the chief operating fund of the City, had a fund balance at September 30, 2016, of \$62.4 million, with \$4.6 million nonspendable, \$29.6 million committed, and \$28.2 million was unassigned. (See Note 3).

As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 13% of the total General Fund expenditures as compared to 14% in the prior year,

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

an increase to general fund reserves. The total General Fund balance is maintained at 29% of total General Fund expenditures at year-end.

The General Fund excess of revenue and other sources over expenditures and other uses was \$1.7 million for the current fiscal year due to:

- Revenues of \$211.2 million compared to total expenditures of \$216.3 million resulted in a deficiency of revenues over expenditures of \$5.1 million.
- Transfers-in of \$20.3 million as compared to transfers out of \$13.5 million.

The operating information for other major governmental funds is as follows (in thousands):

	<b>Community Redevelopment Districts</b>		<b>Downtown Redevelopment District</b>		<b>Local Option Sales Surtax Improvement</b>		<b>Grants Fund</b>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues and Other Sources	\$ 1,463	\$ 1,305	\$ 11,350	\$ 10,017	\$ 29,867	\$ 24,284	\$ 3,617	\$ 3,498
Expenses and Other Uses	<u>468</u>	<u>150</u>	<u>5,828</u>	<u>9,396</u>	<u>20,453</u>	<u>24,277</u>	<u>3,514</u>	<u>2,880</u>
Increase (decrease) in Fund Balances	\$ <u>995</u>	\$ <u>1,155</u>	\$ <u>5,522</u>	\$ <u>621</u>	\$ <u>9,414</u>	\$ <u>7</u>	\$ <u>103</u>	\$ <u>618</u>

As can be seen above, there was an increase in fund balance for all of the other major funds, primarily relating to planned future projects to be funded from the balances.

Further detail regarding these major governmental funds can be found on pages 48 through 53.

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the business-type column of the government-wide financial statements, but in more detail. The proprietary funds are composed of the enterprise funds and the internal service funds.

The enterprise funds are supported primarily through user charges. The following schedule, in thousands, is a summary of the performance of each of the major enterprise funds. Additional detail on the performance of these funds can be found on pages 64 through 70. Detail on the non-major enterprise funds can be found on pages 221 through 226.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

The operating results for the major Enterprise Funds are as follows (in thousands):

	<b>Water Resources</b>		<b>Stormwater</b>		<b>Sanitation</b>		<b>Tropicana Field</b>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues and Other Sources	\$ 125,741	\$ 115,806	\$ 13,228	\$ 14,248	\$ 45,249	\$ 41,453	\$ 3,015	\$ 2,879
Expenses and Other Uses	<u>126,222</u>	<u>125,819</u>	<u>18,381</u>	<u>17,683</u>	<u>43,536</u>	<u>47,894</u>	<u>6,455</u>	<u>6,311</u>
Incr. (decr.) in Net Position	\$ (481)	\$ (10,013)	\$ (5,153)	\$ (3,435)	\$ 1,713	\$ (6,441)	\$ (3,440)	\$ (3,432)

Water Resources slight decrease in net position during the current fiscal year relates to the increased cost of operations, maintenance, and additional interest expense. As compared to 2015, the Water Resources Fund had significant improvement as expenses were held to a small increase over the prior year, yet revenues increased to allow only a very small decrease in net position.

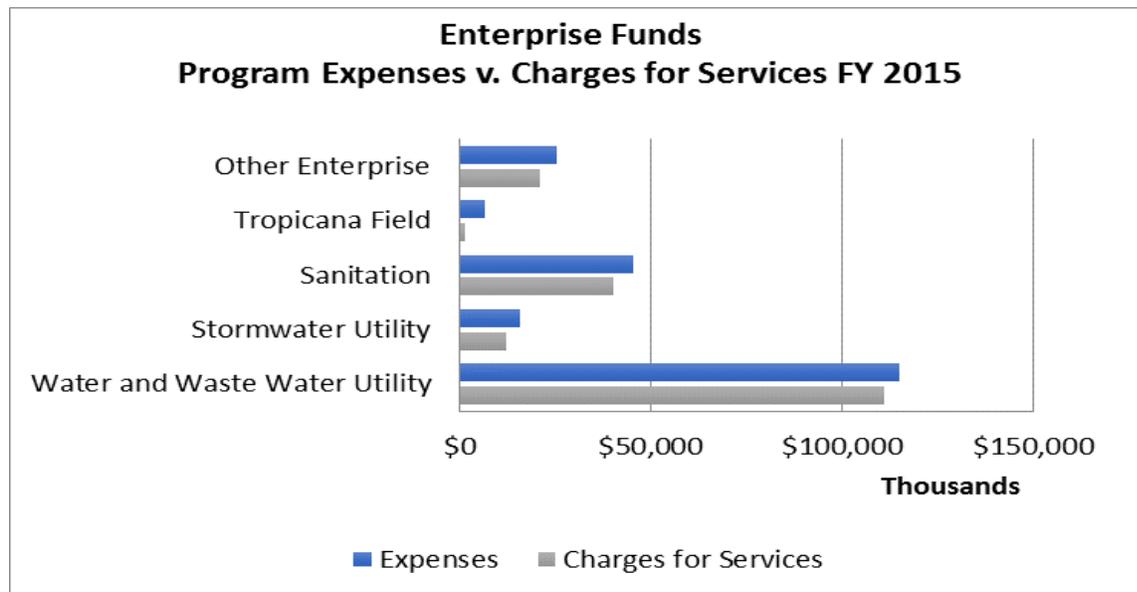
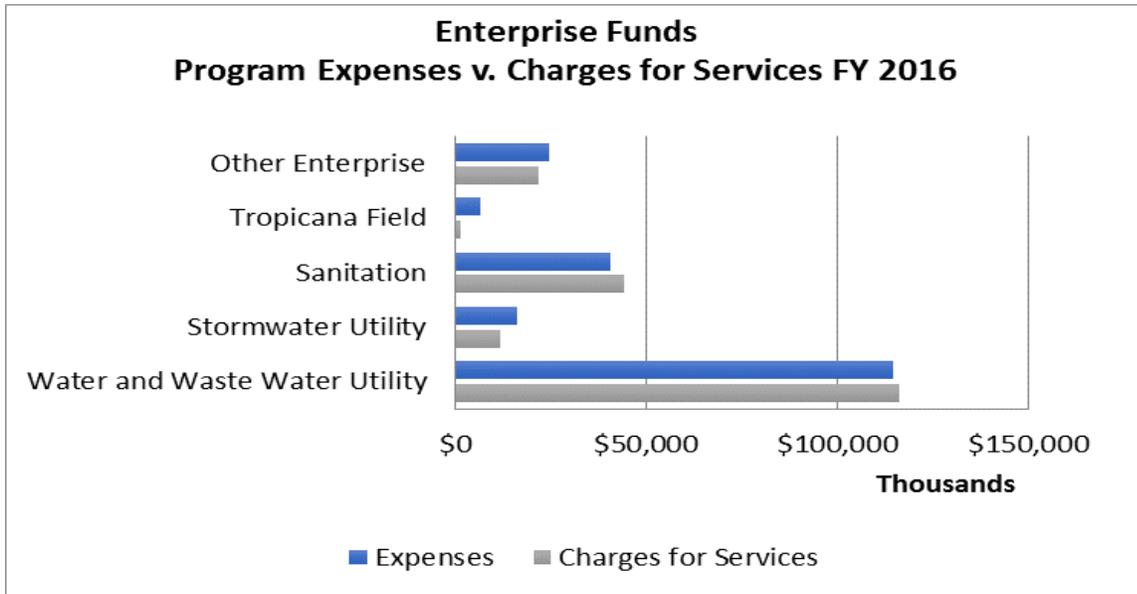
Stormwater had a decrease in revenue and other sources while experiencing cost increases resulting in a decrease in net position.

Sanitation results showed an increase in revenues and expenses, but added to net position during the current fiscal year.

Tropicana Field was consistent to the prior year change, with a small increase in revenue and other sources, resulting in a reduction of net assets of \$3.4 million, nearly the same as in the prior fiscal year.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

The following graph represents the revenues from user charges (charges for services only) as compared to the total program expense for the current and prior fiscal year. Sanitation had user charges greater than expenses for 2016, while the other enterprise funds had program expenses exceeding charges for services for the current fiscal year.



**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

For the City's largest Enterprise Fund, Water and Wastewater Utility, program revenues exceeded program expense, including depreciation expense, and resulted in a surplus from operations. Stormwater, Sanitation, and Tropicana Field had operating losses.

A summary of operating results for the major enterprise funds is as follows:

(in Millions)

	<u>Water Resources</u>	<u>Stormwater</u>	<u>Sanitation</u>	<u>Tropicana Field</u>
Operating Revenues	\$ 116.3	\$ 11.8	\$ 43.1	\$ 1.2
Operating Expenses	<u>98.7</u>	<u>15.2</u>	<u>40.4</u>	<u>6.4</u>
Operating Income (Loss)	17.6	(3.4)	2.7	(5.2)
Non Operating Revenues (Expenses)	<u>(8.1)</u>	<u>(0.7)</u>	<u>0.8</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	9.5	(4.1)	3.5	(5.2)
Transfers and Contributions	<u>(10.0)</u>	<u>(1.0)</u>	<u>(1.8)</u>	<u>1.8</u>
Change in Net Position	(0.5)	(5.1)	1.7	(3.4)
Net Position, Beginning of Year	<u>342.7</u>	<u>118.2</u>	<u>13.4</u>	<u>90.8</u>
Net Position, End of Year	\$ <u>342.2</u>	\$ <u>113.1</u>	\$ <u>15.1</u>	\$ <u>87.4</u>

Enterprise funds during the current fiscal year have been managed to control expense while increasing revenues, making the change in net position much more favorable than in the prior year.

The internal service funds are, for the most part, supported through charges to other funds. The individual internal service funds are reported on pages 229 through 234.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget projected that revenues and other sources would have an excess of revenues over expenditures and other uses by \$1.2 million. The final approved budget reflected a projected deficiency in revenues of \$12.9 million due to budget amendments to recognize additional investments relating to public safety, city development administration, and public works. The original budget for expenditures was \$215.8 million, where the final approved budget was \$230.8 million.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

Supplemental appropriations were made in the General Fund during the fiscal year to appropriate the following:

<b>General Government</b>	
Use	Supplemental Appropriation
Clean up FY16 Art funding	\$ 147,000
Clean up FY16 City Council	13,400
Clean up FY16 Marketing	22,500
Mayor's Office (Tree Canopy Program)	25,000
HUD fund to buy Tang Plaza	2,200,000
	\$ 2,407,900

<b>City Development</b>	
Use	Supplemental Appropriation
Ferry Project	\$ 1,400,000
Bike Share Program	1,500,000
Bellows Vessel	250,000
Tropicana Field Study	220,000
Commercial Neighborhood Revital Fund	217,466
FY16 Clean Up FEMA Grant	1,231,090
FY16 Clean Up Rehabs for Residential Rebates	55,600
Skyway Marina Guidelines	5,000
Total	\$ 4,879,156

<b>Public Works Administration</b>	
Use	Supplemental Appropriation
Skyway Marina	\$ 10,000
Underground Infrastructure	3,000,000
Sea Grass Mit Bank	426,250
Tampa Bay Estuary Progra	75,000
	\$ 3,511,250

<b>Leisure Services</b>	
Use	Supplemental Appropriation
Transfer from Preservation Reserve for Boyd Hill Lands	\$ 970,000

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

Actual expenditures were \$219.3 million, or \$11.6 million less than budgeted, primarily due to timing differences between the appropriations and the actual expenditure of moneys for projects relating to the BP settlement proceeds and certain technology projects appropriated and delayed until future periods. During late 2015, the City received a one-time settlement from the BP Deepwater Horizon oil spill where the City received \$8 million in revenues which were now appropriated during 2016.

Actual results report a \$1.6 million deficiency of revenues and other sources over expenditures and other uses, due to actual expenditures under the budgeted amounts, the one-time settlement amounts received in 2015 but expended during 2016, and budgeted amounts in certain administrations less than estimated.

Additional budget to actual information on the City's general fund is on page 59.

**CAPITAL ASSETS**

The City has invested \$1.2 billion in capital assets (net of depreciation). Approximately 32% of this investment is related to governmental activities and includes infrastructure, buildings, equipment, and land. Capital assets held by the City at the end of the current and previous fiscal year are summarized, in thousands, as follows:

**Capital Assets, Net of Accumulated Depreciation (in Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 120,547	\$ 120,596	\$ 29,789	\$ 29,789	\$ 150,336	\$ 150,385
Buildings & Systems Improvements & Infrastructure	65,571	68,900	150,133	155,517	215,704	224,417
Machinery & Equipment	155,313	162,159	25,007	25,448	180,320	187,607
Other Assets - Intangible	33,878	31,079	8,298	8,081	42,176	39,160
Utility Systems	2,100	-	-	-	2,100	-
Construction in Progress	-	-	602,642	595,106	602,642	595,106
Totals	<u>8,030</u>	<u>5,602</u>	<u>23,422</u>	<u>13,533</u>	<u>31,452</u>	<u>19,135</u>
	<u>\$ 385,439</u>	<u>\$ 388,336</u>	<u>\$ 839,291</u>	<u>\$ 827,474</u>	<u>\$ 1,224,730</u>	<u>\$ 1,215,810</u>

Additional information on the City's capital assets can be found in Note 8 beginning on page 117.

**LONG-TERM OBLIGATIONS**

For fiscal year ended September 30, 2016, the City had total debt outstanding of \$485.2 million (\$419.0 million in 2015) (net of unamortized premium, discount and deferral loss on refunding). Of this amount, \$21.8 million of note debt is backed by a covenant pledge to budget and appropriate from non-ad valorem revenue sources, and \$56.2 million is backed by the City's Public Service Tax Revenue. The remaining bonded and note debt is secured solely by specified revenue sources.

**City of St. Petersburg, Florida**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2016*  
*Unaudited*

Debt outstanding at the City at the end of the current and previous fiscal year are summarized, in thousands, as follows:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue Bonds	\$ 72,545	\$ 24,075	\$ 372,265	\$ 348,160	\$ 444,810	\$ 372,235
Revenue Notes	-	-	18,601	16,877	18,601	16,877
Covenant Notes	<u>13,418</u>	<u>19,859</u>	<u>8,364</u>	<u>10,065</u>	<u>21,782</u>	<u>29,924</u>
Total	\$ <u>85,963</u>	\$ <u>43,934</u>	\$ <u>399,230</u>	\$ <u>375,102</u>	\$ <u>485,193</u>	\$ <u>419,036</u>

The City of St. Petersburg's Governmental Activities and Business-Type Activities debt increased by \$66.2 million during the current fiscal year, of which \$23.7 million related to principal reductions. New debt total issuance (net of refunding) was \$89.8 million.

The City maintains a rating of Aa3 on non ad-valorem governmental debt (Aa2 issuer rating) from Moody's; and AA+ issuer rating from Fitch. For the Public Utility System comprising of the Water Resources and Stormwater operations, the utility has an Aa2 Moody's Rating, and AA Fitch Rating.

Currently the City has no general obligation debt and, therefore, the entire State Statutes limitation is available to the City.

Additional information on the City's long-term debt can be found in Note 12 - Long-Term Obligations on pages 121 through 129.

**REQUEST FOR INFORMATION**

This financial report is designed to provide various interested parties with a general overview of the City of St. Petersburg's finances for all of those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P.O. Box 2842, St. Petersburg, Florida 33731-2842, or telephone (727) 892-5113. This report will be available on the City's web site at [www.stpete.org](http://www.stpete.org).



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# **BASIC FINANCIAL STATEMENTS**

**City of St. Petersburg, Florida**  
**Statement of Net Position**  
**September 30, 2016**

	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>Assets</b>				
Cash and Cash Equivalents	\$ 63,947,877	\$ 11,414,137	\$ 75,362,014	\$ 3,028
Investments	237,902,550	141,420,733	379,323,283	67,829
Receivables - Net of Allowance for Uncollectibles	20,734,669	18,793,831	39,528,500	-
Internal Balances	22,769,810	(22,769,810)	-	-
Due from Other Governmental Agencies	11,789,401	9,142,453	20,931,854	-
Inventories	1,305,579	1,305,320	2,610,899	-
Property Held for Resale	2,291,375	-	2,291,375	-
Prepays and Deposits	3,165,917	103,311	3,269,228	-
Contract Receivable from Other Governmental Agency	-	14,812,527	14,812,527	-
Restricted Assets:				
Cash and Cash Equivalents	3,186,428	44,809,183	47,995,611	-
Investments	49,518,211	37,091,289	86,609,500	-
Net Pension Asset	12,214,424	-	12,214,424	-
Capital Assets, Not Depreciable:				
Land	120,547,417	29,789,081	150,336,498	-
Construction in progress	8,029,893	23,421,682	31,451,575	-
Capital Assets, Depreciable, Net:				
Buildings and Systems	65,571,035	150,133,001	215,704,036	-
Improvements other than Buildings	155,313,302	25,007,031	180,320,333	-
Machinery and Equipment	33,878,257	8,298,231	42,176,488	-
Utility Systems	-	602,641,643	602,641,643	-
Other Assets - Intangible	2,100,000	-	2,100,000	-
<b>Total Assets</b>	<b>814,266,145</b>	<b>1,095,413,643</b>	<b>1,909,679,788</b>	<b>70,857</b>
<b>Deferred Outflows of Resources</b>				
Deferred Amount on Debt Refunding	913,290	4,422,952	5,336,242	-
Deferred Outflow of Pension Resources	61,133,597	10,215,745	71,349,342	-
<b>Total Deferred Outflows of Resources</b>	<b>62,046,887</b>	<b>14,638,697</b>	<b>76,685,584</b>	<b>-</b>
<b>Liabilities</b>				
Accounts Payable and Other Current Liabilities	15,480,848	9,273,856	24,754,704	-
Accrued Interest Payable	269,627	7,393,660	7,663,287	-
Due to Other Governmental Agencies	3,972,144	2,236,991	6,209,135	-
Unearned Revenue	1,763,337	598,609	2,361,946	-
Deposits	9,133,624	1,541,128	10,674,752	-
Noncurrent Liabilities:				
Due within One Year	19,223,059	10,249,069	29,472,128	-
Due in more than One Year	139,032,405	400,329,341	539,361,746	-
Net Pension Liability	57,938,605	14,294,204	72,232,809	-
OPEB liability	57,074,985	15,255,017	72,330,002	-
<b>Total Liabilities</b>	<b>303,888,634</b>	<b>461,171,875</b>	<b>765,060,509</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows of Pension Resources	12,671,392	3,078,298	15,749,690	-
Deferred Inflows from Advanced Grant Receipts	599,114	-	599,114	-
<b>Total Deferred Inflows of Resources</b>	<b>13,270,506</b>	<b>3,078,298</b>	<b>16,348,804</b>	<b>-</b>
<b>Net Position</b>				
Net Investment in Capital Assets	345,467,808	484,346,509	829,814,317	-
Restricted for:				
Expendable				
Public Works - Transportation Projects	14,028,362	-	14,028,362	-
Police Programs	1,052,716	-	1,052,716	-
Grant Funded Programs	3,172,495	-	3,172,495	-
Debt Service	3,186,428	19,662,021	22,848,449	-
Nonexpendable				
Culture and Recreation	419,117	-	419,117	-
Unrestricted	191,826,966	141,793,637	333,620,603	70,857
<b>Total Net Position</b>	<b>\$ 559,153,892</b>	<b>\$ 645,802,167</b>	<b>\$ 1,204,956,059</b>	<b>\$ 70,857</b>

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
**Statement of Activities**  
**Fiscal Year Ended September 30, 2016**

Functions/Programs Activities	Program Revenues					Net Revenues (Expenses) and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-type Activities	Total	Component Unit
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 39,401,295	\$ 25,008,773	\$ -	\$ 3,700,000	\$ 28,708,773	\$ (10,692,522)	\$ -	\$ (10,692,522)	\$ -
Community and Economic Development	25,639,209	10,716,968	1,264,355	1,725,008	13,706,331	(11,932,878)	-	(11,932,878)	-
Police	100,589,020	4,537,354	402,676	-	4,940,030	(95,648,990)	-	(95,648,990)	-
Fire and EMS	41,949,594	13,491,297	401,584	-	13,892,881	(28,056,713)	-	(28,056,713)	-
Public Works	21,319,804	905,723	903,032	137,565	1,946,320	(19,373,484)	-	(19,373,484)	-
Recreation, Culture and Social	58,126,018	6,352,970	6,474,148	-	12,827,118	(45,298,900)	-	(45,298,900)	-
Interest on Long-Term Debt	1,568,898	-	-	-	-	(1,568,898)	-	(1,568,898)	-
<b>Total Governmental Activities</b>	<b>288,593,838</b>	<b>61,013,085</b>	<b>9,445,795</b>	<b>5,562,573</b>	<b>76,021,453</b>	<b>(212,572,385)</b>	<b>-</b>	<b>(212,572,385)</b>	<b>-</b>
Business-type Activities:									
Water and Waste Water Utility	114,768,677	116,323,253	2,473,757	517,803	119,314,813	-	4,546,136	4,546,136	-
Stormwater Utility	16,258,907	11,824,404	25,075	1,025,744	12,875,223	-	(3,383,684)	(3,383,684)	-
Sanitation	40,640,667	44,091,174	190,960	134,086	44,416,220	-	3,775,553	3,775,553	-
Tropicana Field	6,293,282	1,198,181	-	-	1,198,181	-	(5,095,101)	(5,095,101)	-
Airport	1,541,559	1,139,131	-	3,120,907	4,260,038	-	2,718,479	2,718,479	-
Port	1,043,589	133,899	-	6,611	140,510	-	(903,079)	(903,079)	-
Marina	3,364,333	3,753,431	-	-	3,753,431	-	389,098	389,098	-
Golf Courses	3,841,861	3,257,031	-	-	3,257,031	-	(584,830)	(584,830)	-
Jamestown Complex	691,204	469,030	-	-	469,030	-	(222,174)	(222,174)	-
Parking	5,630,019	7,613,755	-	-	7,613,755	-	1,983,736	1,983,736	-
Mahaffey	6,011,641	3,571,112	-	-	3,571,112	-	(2,440,529)	(2,440,529)	-
Pier	(11,941)	-	-	-	-	-	11,941	11,941	-
Coliseum	860,631	568,464	-	-	568,464	-	(292,167)	(292,167)	-
Sunken Gardens	1,439,376	1,120,215	-	-	1,120,215	-	(319,161)	(319,161)	-
<b>Total Business-type Activities</b>	<b>202,373,805</b>	<b>195,063,080</b>	<b>2,689,792</b>	<b>4,805,151</b>	<b>202,558,023</b>	<b>-</b>	<b>184,218</b>	<b>184,218</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 490,967,643</b>	<b>\$ 256,076,165</b>	<b>\$ 12,135,587</b>	<b>\$ 10,367,724</b>	<b>\$ 278,579,476</b>	<b>(212,572,385)</b>	<b>184,218</b>	<b>(212,388,167)</b>	<b>-</b>
<b>Component Unit</b>									
St Petersburg Health Facilities Authority	175	-	-	-	-	-	-	-	(175)
<b>Total Component Unit</b>	<b>\$ 175</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(175)</b>
<b>General Revenues:</b>									
Taxes									
Property Tax, Levied for general purposes						96,259,446	-	96,259,446	-
Public Service Tax						27,599,020	-	27,599,020	-
Occupational Tax						2,461,341	-	2,461,341	-
Franchise Tax						19,048,846	-	19,048,846	-
Intergovernmental									
Communication Service Tax						9,729,360	-	9,729,360	-
Sales Tax						17,863,512	-	17,863,512	-
Local Option Sales Surtax						24,571,993	-	24,571,993	-
State Tax Revenue Sharing (unrestricted)						8,540,928	-	8,540,928	-
Gasoline Tax						3,514,565	-	3,514,565	-
Tax Increment						5,127,215	-	5,127,215	-
Miscellaneous Taxes						671,296	-	671,296	-
Earnings on investments						8,768,947	7,322,148	16,091,095	1,902
Gain on sale of capital assets						946,626	24,529	971,155	-
Miscellaneous income						1,786,245	640,419	2,426,664	-
Transfers						9,807,643	(9,807,643)	-	-
<b>Total General Revenues and Transfers</b>						<b>236,696,983</b>	<b>(1,820,547)</b>	<b>234,876,436</b>	<b>1,902</b>
Change in Net Position						24,124,598	(1,636,329)	22,488,269	1,727
<b>Net Position - October 1</b>						<b>535,029,294</b>	<b>647,438,496</b>	<b>1,182,467,790</b>	<b>69,130</b>
<b>Net Position - September 30</b>						<b>\$ 559,153,892</b>	<b>\$ 645,802,167</b>	<b>\$ 1,204,956,059</b>	<b>\$ 70,857</b>

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
*Balance Sheet*  
**Governmental Funds**  
*September 30, 2016*

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Community Redevelopment Districts</b>	<b>Downtown Redevelopment District</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 9,969,310	\$ 1,680,312	\$ 1,825,151
Investments	44,208,624	3,060,137	13,699,214
Restricted Cash	-	-	-
Restricted Investments	-	-	-
Receivables:			
Accounts	1,364,273	-	-
Taxes	4,594,992	-	-
Accrued Interest	-	-	-
Notes	1,216,214	-	-
Assessments	82,411	-	-
Due from Other Funds	3,315,685	-	-
Due from Other Governmental Agencies:			
Grants and Cost Reimbursement	433,452	-	-
State of Florida - Shared Revenue	4,041,833	-	-
Pinellas County - Shared Revenue	561,556	-	-
Pinellas County - Services	66,920	-	-
Pinellas County - Fines	40,928	-	-
Inventory	48,199	-	-
Prepaid Costs and Deposits	794,472	-	-
Advances to Other Funds	3,770,233	-	-
<b>Total Assets</b>	<u>74,509,102</u>	<u>4,740,449</u>	<u>15,524,365</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Vouchers and Accounts Payable	1,154,244	-	-
Accrued Salaries	6,102,877	-	-
Other Accrued Liabilities	1,070	-	-
Retainage on Contracts	-	-	-
Due to Other Governmental Agencies	207,984	-	-
Due to Other Funds	-	-	-
Deposits:			
Other	532,144	-	-
<b>Total Liabilities</b>	<u>7,998,319</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows from Assessments	44,884	-	-
Deferred Inflows from Notes Receivable	1,216,214	-	-
Deferred Inflows from Advanced Grant Receipts	599,114	-	-
Deferred Inflows from Future Revenues	2,235,913	-	-
<b>Total Deferred Inflows of Resources</b>	<u>4,096,125</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Non-Spendable	4,612,904	-	-
Restricted	-	4,740,449	15,524,365
Committed	29,614,754	-	-
Assigned	-	-	-
Unassigned	28,187,000	-	-
<b>Total Fund Balances</b>	<u>62,414,658</u>	<u>4,740,449</u>	<u>15,524,365</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 74,509,102</u>	<u>\$ 4,740,449</u>	<u>\$ 15,524,365</u>

The accompanying notes are an integral part of these statements.

<b>Major Funds</b>			
<b>Local Option Sales Surtax Improvement</b>	<b>Grants</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 9,364,226	\$ 631,355	\$ 25,031,282	\$ 48,501,636
52,453,735	748,768	40,399,379	154,569,857
-	-	3,186,428	3,186,428
-	-	49,518,211	49,518,211
23,541	300,994	284,695	1,973,503
-	-	-	4,594,992
-	-	184,660	184,660
-	5,268,911	6,594,621	13,079,746
-	-	-	82,411
-	-	-	3,315,685
-	247,820	2,392,112	3,073,384
-	-	-	4,041,833
3,984,491	-	-	4,546,047
-	-	10,900	77,820
-	-	3,962	44,890
-	-	-	48,199
-	6,582	8,184	809,238
-	-	-	3,770,233
<u>65,825,993</u>	<u>7,204,430</u>	<u>127,614,434</u>	<u>295,418,773</u>
1,968,927	127,064	792,150	4,042,385
50,694	11,050	543,803	6,708,424
-	27,257	-	28,327
385,217	-	253,997	639,214
87	-	619,121	827,192
-	-	383,361	383,361
-	-	386,961	919,105
<u>2,404,925</u>	<u>165,371</u>	<u>2,979,393</u>	<u>13,548,008</u>
-	-	-	44,884
-	5,268,911	6,594,621	13,079,746
-	-	-	599,114
23,541	294,534	201,064	2,755,052
<u>23,541</u>	<u>5,563,445</u>	<u>6,795,685</u>	<u>16,478,796</u>
-	6,582	427,301	5,046,787
63,397,527	1,469,032	75,604,755	160,736,128
-	-	15,489,334	45,104,088
-	-	26,317,966	26,317,966
-	-	-	28,187,000
<u>63,397,527</u>	<u>1,475,614</u>	<u>117,839,356</u>	<u>265,391,969</u>
<u>\$ 65,825,993</u>	<u>\$ 7,204,430</u>	<u>\$ 127,614,434</u>	<u>\$ 295,418,773</u>



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**City of St. Petersburg, Florida**  
*Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position*  
September 30, 2016

Difference in amounts reported for governmental activities in the Statement of Net Position:

Fund balances - total governmental funds	\$ 265,391,969
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.	354,937,564
Property held for resale in governmental activities are not financial resources and are therefore not reported in governmental funds.	2,291,375
Net pension assets in governmental activities are not financial resources and are therefore not reported in governmental funds.	12,214,424
Certain deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the funds.	
Deferred amount on debt refunding	913,290
Deferred outflow of resources related to pension plans	61,133,597
Certain long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Notes receivable	12,794,747
Assessments	44,884
Unbilled accrued interest on assessments	91,749
Accounts Receivable	399,714
Certain liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(72,545,000)
Unamortized bond premium	(4,440,597)
Notes payable	(13,418,000)
Contingent Liability	(1,563,165)
HUD Liability	(2,240,615)
Compensated absences	(12,988,255)
OPEB Liability	(52,170,774)
Accrued interest payable on notes and bonds	(269,627)
Police Supplemental Payments Liability	(1,162,000)
Net Pension Liability	(57,938,605)
Deferred inflow of resources related to pension plans	(12,671,392)
The assets and liabilities of the Internal Service Funds (funds used to charge the costs of certain activities to individual funds) are included in governmental activities in the Statement of Net Position.	
Net Position from fund statement	64,281,356
Consolidation adjustment to enterprise funds	16,067,253
Net Position of Governmental Activities.	\$ 559,153,892

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended September 30, 2016**

	Major Funds		
	General Fund	Community Redevelopment Districts	Downtown Redevelopment District
<b>Revenues</b>			
Taxes	\$ 117,769,633	\$ -	\$ -
Public Service Tax	27,599,020	-	-
Licenses and Permits	404,165	-	-
Fines and Forfeitures	2,850,693	-	-
Charges for Services and User Fees	12,254,417	-	-
Charges for General Administration	6,914,592	-	-
Intergovernmental Revenue:			
Federal, State and Other Grants	2,878,327	-	-
State - Sales Tax	15,863,508	-	-
State - Revenue Sharing	6,319,854	-	-
State - Communication Service Tax	9,729,360	-	-
State - Other	605,413	-	-
Pinellas County - Gasoline Tax	3,514,565	-	-
Pinellas County - Sales Tax	-	-	-
Pinellas County - Tax Increment	-	587,441	4,539,774
Pinellas County - Other	1,050,000	-	-
Total	<u>39,961,027</u>	<u>587,441</u>	<u>4,539,774</u>
Use of Money and Property:			
Earnings on Investments	1,736,469	97,209	375,563
Rentals	624,118	-	-
Total	<u>2,360,587</u>	<u>97,209</u>	<u>375,563</u>
Miscellaneous:			
Contributions	116,594	-	-
Assessments	16,959	-	-
Dispositions of Property	532,946	-	-
Other	420,408	-	-
Total	<u>1,086,907</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>211,201,041</u>	<u>684,650</u>	<u>4,915,337</u>
<b>Expenditures</b>			
Current Operations:			
General Government	21,428,875	-	-
Community and Economic Development	9,225,827	-	-
Public Works	10,021,945	-	-
Public Safety:			
Police	99,203,839	-	-
Fire and EMS	32,075,024	-	-
Recreation, Culture and Social	42,528,964	-	-
Debt Service:			
Principal Payments	-	-	-
Interest Payments	-	-	-
Remarketing and Other Fees	-	-	-
Capital Outlay	1,789,821	-	-
Total Expenditures	<u>216,274,295</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(5,073,254)</u>	<u>684,650</u>	<u>4,915,337</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	20,264,779	777,998	6,434,352
Transfers Out	(13,460,670)	(468,163)	(5,827,944)
Issuance of Refunding Debt	-	-	-
Issuance - Original Issuance Premium	-	-	-
Total Other Financing Sources (Uses)	<u>6,804,109</u>	<u>309,835</u>	<u>606,408</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>1,730,855</u>	<u>994,485</u>	<u>5,521,745</u>
<b>Fund Balances - October 1</b>	<u>60,683,803</u>	<u>3,745,964</u>	<u>10,002,620</u>
<b>Fund Balances - September 30</b>	<u>\$ 62,414,658</u>	<u>\$ 4,740,449</u>	<u>\$ 15,524,365</u>

The accompanying notes are an integral part of these statements.

Major Funds			
Local Option Sales Surtax Improvement	Grants	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 117,769,633
-	-	-	27,599,020
-	-	6,264,124	6,668,289
-	-	803,775	3,654,468
-	972	13,446,731	25,702,120
-	-	-	6,914,592
-	2,764,891	4,577,932	10,221,150
-	-	2,000,004	17,863,512
-	-	2,620,342	8,940,196
-	-	-	9,729,360
-	-	28,880	634,293
-	-	-	3,514,565
24,571,993	-	-	24,571,993
-	-	-	5,127,215
3,700,000	-	-	4,750,000
<u>28,271,993</u>	<u>2,764,891</u>	<u>9,227,158</u>	<u>85,352,284</u>
1,583,492	70,496	2,232,589	6,095,818
-	25,720	-	649,838
<u>1,583,492</u>	<u>96,216</u>	<u>2,232,589</u>	<u>6,745,656</u>
-	-	242,257	358,851
-	-	1,092,718	1,109,677
-	151,989	10,974	695,909
11,120	601,380	512,791	1,545,699
<u>11,120</u>	<u>753,369</u>	<u>1,858,740</u>	<u>3,710,136</u>
<u>29,866,605</u>	<u>3,615,448</u>	<u>33,833,117</u>	<u>284,116,198</u>
-	-	44,360	21,473,235
-	2,061	4,812,054	14,039,942
-	661,644	-	10,683,589
-	-	569,101	99,772,940
-	-	12,266,850	44,341,874
-	2,546,808	1,738,227	46,813,999
-	-	14,176,000	14,176,000
-	-	1,087,111	1,087,111
-	-	618,555	618,555
20,383,857	-	16,055,373	38,229,051
<u>20,383,857</u>	<u>3,210,513</u>	<u>51,367,631</u>	<u>291,236,296</u>
<u>9,482,748</u>	<u>404,935</u>	<u>(17,534,514)</u>	<u>(7,120,098)</u>
-	1,386	78,136,036	105,614,551
(69,100)	(303,598)	(67,861,101)	(87,990,576)
-	-	56,205,000	56,205,000
-	-	4,440,597	4,440,597
<u>(69,100)</u>	<u>(302,212)</u>	<u>70,920,532</u>	<u>78,269,572</u>
9,413,648	102,723	53,386,018	71,149,474
<u>53,983,879</u>	<u>1,372,891</u>	<u>64,453,338</u>	<u>194,242,495</u>
<u>\$ 63,397,527</u>	<u>\$ 1,475,614</u>	<u>\$ 117,839,356</u>	<u>\$ 265,391,969</u>

**City of St. Petersburg, Florida**  
*Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of the Governmental Activities to the  
Statement of Activities*  
Fiscal Year Ended September 30, 2016

Difference in amounts reported for governmental activities in the Statement of Activities:

Net change in fund balances - total governmental funds	\$ 71,149,474
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	23,936,709
Property held for resale, reported as expenditures in governmental funds, is shown as an asset in the Statement of Net Position.	256,527
Property held for resale, recorded at lower of cost or market	(356,564)
Depreciation expense on governmental capital assets included in the governmental activities in the Statement of Net Position.	(18,723,029)
Repayment of long-term debt is reported as an expenditure in governmental funds, but as a reduction of long-term liabilities in the Statement of Net Position.	14,176,000
Issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase of long-term liabilities in the Statement of Net Position.	(60,645,597)
The net revenues of the internal service funds (funds used to charge the costs of certain activities to individual funds ) are reported with governmental activities.	6,382,328
Some governmental revenues will not be collected for several months or years after the fiscal year and are deferred in the governmental funds.	
Notes receivable principal collected	(990,905)
Notes receivable deemed uncollectible, change in allowance and written off	(3,101,368)
Assessments receivable principal	(55,286)
Unbilled accrued interest on assessments	(64,778)
Notes receivable from economic development activity	4,108,045
Contribution amortization on contingent liability	37,218
Accounts Receivable	73,303
Certain items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Capital assets transferred from (to) other funds	(6,846,496)
Net book value of capital asset dispositions	(4,325,908)
Compensated absences	(7,751)
OPEB expense	(7,139,697)
Interest expense on long-term debt	246,868
Amortization of gain on debt refunding	(198,531)
Amortization of unamortized bond discount	88,431
Police Supplemental Payments Liability	20,000
HUD Liability	(2,240,615)
Change in net pension liability/net pension asset	(30,950,324)
Deferred inflow of pension plan resources	4,475,535
Deferred outflow of pension plan resources	34,821,009
Changes in net position of governmental activities	<u>\$ 24,124,598</u>

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**Fiscal Year Ended September 30, 2016**

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
<b>Revenues</b>				
Taxes	\$ 118,459,690	\$ 118,459,690	\$ 117,769,633	\$ (690,057)
Public Service Tax	27,481,000	27,481,000	27,599,020	118,020
Licenses and Permits	844,860	844,860	404,165	(440,695)
Fines and Forfeitures	2,414,000	2,414,000	2,850,693	436,693
Charges for Services and User Fees	12,201,742	12,201,742	12,254,416	52,674
Charges for General Administration	6,914,530	6,914,530	6,914,592	62
Federal, State and Other Grants	1,964,266	3,826,954	2,878,327	(948,627)
State - Sales Tax	15,800,000	15,800,000	15,863,508	63,508
State - Revenue Sharing	6,077,000	6,077,000	6,319,854	242,854
State- Communication Service Tax	10,000,000	10,000,000	9,729,360	(270,640)
State - Other	575,000	575,000	605,413	30,413
Pinellas County - Gasoline Tax	3,750,000	3,750,000	3,514,565	(235,435)
Pinellas County - Other	-	1,050,000	1,050,000	-
Earnings in Investments	934,000	934,000	1,384,486	450,486
Rentals	354,356	354,356	624,118	269,762
Contributions	24,610	130,110	116,594	(13,516)
Assessments	50,000	50,000	16,959	(33,041)
Dispositions of Property	10,000	10,000	532,946	522,946
Other	490,468	490,468	420,408	(70,060)
<b>Total Revenues</b>	<u>208,345,522</u>	<u>211,363,710</u>	<u>210,849,057</u>	<u>(514,653)</u>
<b>Expenditures</b>				
General Government Administration	21,826,158	23,109,247	20,841,889	2,267,358
City Development Administration	7,357,495	12,383,622	7,612,202	4,771,420
Public Works Administration	9,925,473	13,585,045	10,268,655	3,316,390
Public Safety Administration				
Police	96,902,769	99,887,604	99,800,883	86,721
Fire and EMS	31,681,378	32,222,020	32,176,187	45,833
Leisure Services Administration	41,540,624	42,737,059	42,278,615	458,444
Neighborhood Affairs Administration	6,176,922	6,776,658	6,321,453	455,205
Contingency	369,000	160,000	-	160,000
<b>Total Expenditures</b>	<u>215,779,819</u>	<u>230,861,255</u>	<u>219,299,884</u>	<u>11,561,371</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(7,434,297)</u>	<u>(19,497,545)</u>	<u>(8,450,827)</u>	<u>11,046,718</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	18,494,343	20,534,768	20,264,779	(269,989)
Transfers Out	(9,813,419)	(13,986,532)	(13,460,670)	525,862
<b>Total Other Financing Sources (Uses)</b>	<u>8,680,924</u>	<u>6,548,236</u>	<u>6,804,109</u>	<u>255,873</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>1,246,627</u>	<u>(12,949,309)</u>	<u>(1,646,718)</u>	<u>11,302,591</u>
<b>Budgetary Fund Balances - October 1</b>	54,613,249	54,613,249	54,613,249	-
Reserve for Encumbrances - October 1, 2015	-	1,961,910	1,961,910	-
Change in Reserve for Prepaid Costs and Inventory	-	-	(778,288)	(778,288)
Change in Advances with other Funds	-	-	(104,772)	(104,772)
<b>Budgetary Fund Balances - September 30</b>	<u>\$ 55,859,876</u>	<u>\$ 43,625,850</u>	54,045,381	<u>\$ 10,419,531</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			3,025,589	
Current Year Advances with other Funds			3,770,233	
Reserve for Prepaid Costs and Inventory			847,786	
Net Change in Fair Value of Investments			725,669	
<b>Fund Balance - September 30</b>			<u>\$ 62,414,658</u>	

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Major Special Revenue Funds*  
*Community Redevelopment Districts*  
*Fiscal Year Ended September 30, 2016*

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Pinellas County - Tax Increment	\$ 595,272	\$ 595,272	\$ 587,441	\$ (7,831)
Earnings in Investments	35,000	35,000	58,902	23,902
<b>Total Revenues</b>	<u>630,272</u>	<u>630,272</u>	<u>646,343</u>	<u>16,071</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	789,893	789,893	777,998	(11,895)
Transfers Out	-	(468,163)	(468,163)	-
<b>Total Other Financing Sources (Uses)</b>	<u>789,893</u>	<u>321,730</u>	<u>309,835</u>	<u>(11,895)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>1,420,165</u>	<u>952,002</u>	<u>956,178</u>	<u>4,176</u>
<b>Budgetary Fund Balances - October 1</b>	3,733,317	3,733,317	3,733,317	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ 5,153,482</u>	<u>\$ 4,685,319</u>	<u>4,689,495</u>	<u>\$ 4,176</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			50,954	
<b>Fund Balance - September 30</b>			<u>\$ 4,740,449</u>	

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
**Major Special Revenue Funds**  
*Downtown Redevelopment District*  
**Fiscal Year Ended September 30, 2016**

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Pinellas County - Tax Increment	\$ 4,566,631	\$ 4,566,631	\$ 4,539,774	\$ (26,857)
Earnings in Investments	115,000	115,000	184,635	69,635
<b>Total Revenues</b>	<u>4,681,631</u>	<u>4,681,631</u>	<u>4,724,409</u>	<u>42,778</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>4,681,631</u>	<u>4,681,631</u>	<u>4,724,409</u>	<u>42,778</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	6,473,439	6,473,439	6,434,352	(39,087)
Transfers Out	(4,111,147)	(5,827,960)	(5,827,944)	16
<b>Total Other Financing Sources (Uses)</b>	<u>2,362,292</u>	<u>645,479</u>	<u>606,408</u>	<u>(39,071)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>7,043,923</u>	<u>5,327,110</u>	<u>5,330,817</u>	<u>3,707</u>
<b>Budgetary Fund Balances - October 1</b>	9,965,457	9,965,457	9,965,457	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ 17,009,380</u>	<u>\$ 15,292,567</u>	<u>15,296,274</u>	<u>\$ 3,707</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			228,091	
<b>Fund Balance - September 30</b>			<u>\$ 15,524,365</u>	

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Major Special Revenue Funds**  
**Grants**  
**Fiscal Year Ended September 30, 2016**

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Federal, State and Other Grants	\$ 2,362,842	\$ 7,103,198	\$ 2,764,891	\$ 4,338,307
Earnings in Investments	124,000	124,000	61,987	62,013
Rentals	40,000	40,000	25,720	14,280
Disposition of Property	347,000	347,000	151,989	195,011
Other	230,000	230,000	602,352	(372,352)
<b>Total Revenues</b>	3,103,842	7,844,198	3,606,939	4,237,259
<b>Expenditures</b>				
Current Operations:				
Community and Economic Development	-	-	1,926	(1,926)
Public Works	-	634,500	661,645	(27,145)
Recreation, Culture and Social	2,793,928	6,899,784	3,021,442	3,878,342
<b>Total Expenditures</b>	2,793,928	7,534,284	3,685,013	3,849,271
<b>Excess (deficiency) of revenues over expenditures</b>	309,914	309,914	(78,074)	387,988
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	1,386	(1,386)
Transfers Out	(303,598)	(303,598)	(303,598)	-
<b>Total Other Financing Sources (Uses)</b>	(303,598)	(303,598)	(302,212)	(1,386)
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	6,316	6,316	(380,286)	386,602
<b>Budgetary Fund Balances - October 1</b>	(207,469)	(207,469)	(207,469)	-
Reserve for Encumbrances - October 1, 2015	-	1,569,756	1,569,756	-
Change in Reserve for Prepaid Costs and Inventory	-	-	66	(66)
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ (201,153)	\$ 1,368,603	982,067	\$ 386,536
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			474,500	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			6,582	
Net Change in Fair Value of Investments			12,465	
<b>Fund Balance - September 30</b>			\$ 1,475,614	

The accompanying notes are an intergral part of these statements.



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**City of St. Petersburg, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Resources</b>	<b>Stormwater</b>	<b>Sanitation</b>
<b>Assets</b>			
Current assets:			
Cash and Cash Equivalents	\$ 3,125,486	\$ 1,065,433	\$ 3,328,817
Investments	113,356,468	8,211,972	13,300,336
Receivables (Net, where applicable, of Allowances for Uncollectibles):			
Accounts	6,003,737	629,186	2,157,983
Accrued Interest	1,120,452	-	-
Unbilled Revenues	4,032,183	-	112,788
Due from Other Governmental Agencies:			
Grants	4,094,849	796,524	-
Services	1,427,309	-	-
Contracts	930,602	-	-
Inventories	992,123	23,780	49,576
Prepaid Expenses and Deposits	-	-	184
<b>Total Current Assets</b>	<b>135,083,209</b>	<b>10,726,895</b>	<b>18,949,684</b>
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	43,767,745	43,536	997,902
Restricted Investments	36,824,055	-	267,234
Assessments (Net of Uncollectible)	6,756	-	4,137,051
Contract Receivable from Other Governmental Agency	13,881,925	-	-
Capital Assets:			
Land	4,332,342	4,376,053	213,944
Buildings	14,246,973	-	618,198
Improvements	2,946,778	25,345,178	115,372
Machinery and Equipment	4,950,540	147,552	22,125,636
Utility Systems	826,579,761	181,153,463	-
Projects in Progress	15,194,574	2,069,502	-
Accumulated Depreciation	(352,548,232)	(88,382,139)	(17,140,134)
<b>Total Capital Assets</b>	<b>515,702,736</b>	<b>124,709,609</b>	<b>5,933,016</b>
<b>Total Noncurrent Assets</b>	<b>610,183,217</b>	<b>124,753,145</b>	<b>11,335,203</b>
<b>Total Assets</b>	<b>745,266,426</b>	<b>135,480,040</b>	<b>30,284,887</b>
<b>Deferred Outflows of Resources</b>			
Deferred Amount on Debt Refunding	3,994,990	427,962	-
Deferred Outflows of Pension Resources	5,225,026	951,868	3,101,626
<b>Total Deferred Outflows of Resources</b>	<b>9,220,016</b>	<b>1,379,830</b>	<b>3,101,626</b>

The accompanying notes are an integral part of these statements.

<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
<b>Tropicana</b>	<b>Nonmajor</b>	<b>Total</b>	<b>Activities -</b>
<b>Field</b>	<b>Enterprise</b>	<b>Enterprise</b>	<b>Internal</b>
	<b>Funds</b>	<b>Funds</b>	<b>Service Funds</b>
\$ 1,197,352	\$ 2,697,049	\$ 11,414,137	\$ 15,446,241
171,763	6,380,194	141,420,733	83,332,693
-	586,209	9,377,115	1,604,608
-	-	1,120,452	-
-	-	4,144,971	-
-	2,823,077	7,714,450	-
-	8,180	1,435,489	5,426
-	-	930,602	-
-	239,841	1,305,320	1,257,380
-	103,127	103,311	2,356,679
<u>1,369,115</u>	<u>12,837,677</u>	<u>178,966,580</u>	<u>104,003,027</u>
-	-	44,809,183	-
-	-	37,091,289	-
-	-	4,143,807	-
-	-	13,881,925	-
8,523,858	12,342,884	29,789,081	1,846,640
151,640,084	103,835,979	270,341,234	15,133,620
4,829,414	54,873,808	88,110,550	3,090,438
8,458,066	5,713,474	41,395,268	71,191,078
-	-	1,007,733,224	-
119,250	6,038,356	23,421,682	290,752
<u>(87,500,114)</u>	<u>(75,929,751)</u>	<u>(621,500,370)</u>	<u>(61,050,188)</u>
<u>86,070,558</u>	<u>106,874,750</u>	<u>839,290,669</u>	<u>30,502,340</u>
<u>86,070,558</u>	<u>106,874,750</u>	<u>939,216,873</u>	<u>30,502,340</u>
<u>87,439,673</u>	<u>119,712,427</u>	<u>1,118,183,453</u>	<u>134,505,367</u>
-	-	4,422,952	-
-	937,225	10,215,745	-
-	<u>937,225</u>	<u>14,638,697</u>	-

**City of St. Petersburg, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Resources</b>	<b>Stormwater</b>	<b>Sanitation</b>
<b>Liabilities</b>			
Current Liabilities:			
Vouchers and Accounts Payable	\$ 4,823,023	\$ 286,232	\$ 285,657
Accrued Salaries	989,028	199,385	541,308
Accrued Annual Leave	82,661	5,345	46,680
Retainage on Contracts	1,119,783	87,933	-
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	720,415	546	1,446,834
Claims - Current Portion	-	-	-
Notes Payable - Current Portion	1,882,466	-	-
Payable from Restricted Assets:			
Bonds and Notes Payable - Current Portion	6,465,000	-	1,230,000
Accrued Interest	7,180,877	43,536	35,136
Other Current Liabilities	-	-	-
Accrued Interest	98,869	-	-
Deposits	852,208	-	2,000
Unearned Revenue	-	-	-
<b>Total Current Liabilities</b>	<b>24,214,330</b>	<b>622,977</b>	<b>3,587,615</b>
Long-term Liabilities:			
Advance from Other Funds	-	-	-
Accrued Annual Leave less Current Portion	1,897,397	280,682	1,147,910
Notes Payable - State	16,718,157	-	-
Revenue Bonds Payable	345,898,000	19,902,000	-
Claims	-	-	-
Net Pension Liability	7,311,026	1,331,885	4,339,897
Obligation for OPEB	7,150,717	1,328,922	4,619,455
Unamortized Discount (Premium)	7,429,765	-	-
Notes Payable	-	-	3,650,000
<b>Total Long-term Liabilities</b>	<b>386,405,062</b>	<b>22,843,489</b>	<b>13,757,262</b>
<b>Total Liabilities</b>	<b>410,619,392</b>	<b>23,466,466</b>	<b>17,344,877</b>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows of Pension Resources	1,574,451	286,825	934,609
<b>Total Deferred Inflows of Resources</b>	<b>1,574,451</b>	<b>286,825</b>	<b>934,609</b>
<b>Net Position</b>			
Net Investment in Capital Assets	188,588,240	105,235,571	1,053,016
Restricted			
Debt Service	19,662,021	-	-
Unrestricted	134,042,338	7,871,008	14,054,011
<b>Total Net Position</b>	<b>\$ 342,292,599</b>	<b>\$ 113,106,579</b>	<b>\$ 15,107,027</b>

Adjustment to reflect consolidation of Internal Service Funds Activities to Enterprise Funds.

Net Position of Business-Type Activities

The accompanying notes are an integral part of these statements.

<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
<b>Tropicana</b>	<b>Nonmajor</b>	<b>Total</b>		<b>Activities -</b>
<b>Field</b>	<b>Enterprise</b>	<b>Enterprise</b>		<b>Internal</b>
	<b>Funds</b>	<b>Funds</b>		<b>Service Funds</b>
\$ -	\$ 651,911	\$ 6,046,823	\$	3,277,616
-	240,034	1,969,755		779,882
-	11,917	146,603		81,056
-	49,562	1,257,278		-
-	2,932,324	2,932,324		-
-	69,196	2,236,991		904,337
-	-	-		13,083,407
-	-	1,882,466		-
-	525,000	8,220,000		-
-	35,242	7,294,791		-
-	-	-		5,000
-	-	98,869		-
-	686,920	1,541,128		8,214,519
-	598,609	598,609		-
-	5,800,715	34,225,637		26,345,817
-	3,770,233	3,770,233		-
-	454,804	3,780,793		1,424,983
-	-	16,718,157		-
-	-	365,800,000		-
-	-	-		37,549,000
-	1,311,396	14,294,204		-
-	2,155,923	15,255,017		4,904,211
-	(9,374)	7,420,391		-
-	2,960,000	6,610,000		-
-	10,642,982	433,648,795		43,878,194
-	16,443,697	467,874,432		70,224,011
-	282,413	3,078,298		-
-	282,413	3,078,298		-
86,070,558	103,399,124	484,346,509		30,502,340
-	-	19,662,021		-
1,369,115	524,418	157,860,890		33,779,016
\$ 87,439,673	\$ 103,923,542	661,869,420	\$	64,281,356
		(16,067,253)		
		<u>\$645,802,167</u>		

**City of St. Petersburg, Florida**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Resources</b>	<b>Stormwater</b>	<b>Sanitation</b>
<b>Operating Revenues</b>			
Sales - Water	\$ 54,679,082	\$ -	\$ -
Sales - Wastewater	61,305,001	-	-
Sales and Concessions	-	-	-
Service Charges and Fees	305,625	11,824,404	43,145,637
Fines and Forfeitures	-	-	-
Rentals and Parking	14,453	-	-
<b>Total Operating Revenues</b>	<u>116,304,161</u>	<u>11,824,404</u>	<u>43,145,637</u>
<b>Operating Expenses</b>			
Personal Services and Benefits	25,547,214	5,286,257	17,480,899
Supplies, Services and Claims	52,804,266	3,444,992	19,966,892
General Administrative Charges	2,871,792	394,416	1,177,200
Depreciation	17,432,012	6,062,605	1,793,189
<b>Total Operating Expenses</b>	<u>98,655,284</u>	<u>15,188,270</u>	<u>40,418,180</u>
<b>Operating Income (Loss)</b>	<u>17,648,877</u>	<u>(3,363,866)</u>	<u>2,727,457</u>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental Revenues	1,136,810	-	190,960
Earnings on Investments	5,442,490	270,929	606,268
Other Interest Revenue	786,557	-	-
Interest Expense	(14,204,815)	(1,026,098)	(70,272)
Issue Cost and Amortization of Bond Discount	133,845	(47,958)	-
Gain (Loss) on Disposition of Capital Assets	(1,495,330)	-	(107,961)
Miscellaneous Revenue	59,842	25,328	228,229
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(8,140,601)</u>	<u>(777,799)</u>	<u>847,224</u>
<b>Income (Loss) Before Contributions and Transfers</b>	9,508,276	(4,141,665)	3,574,681
<b>Transfers and Contributions</b>			
Capital Assets from (to) Other Funds	-	56,745	-
Contributions from Citizens and Developers	1,356,039	25,075	945,537
Capital Contributions	517,803	1,025,744	134,086
Transfers In (Out):			
Transfers In	4,093	-	-
Transfers Out	(11,867,377)	(2,118,960)	(2,941,440)
<b>Total Transfers and Contributions</b>	<u>(9,989,442)</u>	<u>(1,011,396)</u>	<u>(1,861,817)</u>
<b>Change in Net Position</b>	(481,166)	(5,153,061)	1,712,864
<b>Net Position - October 1</b>	<u>342,773,765</u>	<u>118,259,640</u>	<u>13,394,163</u>
<b>Net Position - September 30</b>	<u>\$ 342,292,599</u>	<u>\$ 113,106,579</u>	<u>\$ 15,107,027</u>

Change in Net Position (from above)

Adjustment to reflect the consolidation of Internal Service Fund Activities related to Enterprise Funds.

Change in Net Position of Business-Type Activities.

The accompanying notes are an integral part of these statements.

**Business-Type Activities - Enterprise Funds**

<b>Tropicana Field</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Total Internal Service Funds</b>
\$ -	\$ -	\$ 54,679,082	\$ -
-	-	61,305,001	-
-	1,211,348	1,211,348	-
-	13,232,632	68,508,298	109,492,862
-	1,879,075	1,879,075	-
1,198,181	5,303,013	6,515,647	-
<u>1,198,181</u>	<u>21,626,068</u>	<u>194,098,451</u>	<u>109,492,862</u>
929,652	8,482,945	57,726,967	21,463,109
1,952,389	10,824,847	88,993,386	76,315,598
-	562,032	5,005,440	1,661,040
3,571,944	4,482,212	33,341,962	7,111,204
<u>6,453,985</u>	<u>24,352,036</u>	<u>185,067,755</u>	<u>106,550,951</u>
<u>(5,255,804)</u>	<u>(2,725,968)</u>	<u>9,030,696</u>	<u>2,941,911</u>
-	-	1,327,770	37,003
8,714	207,190	6,535,591	2,673,129
-	-	786,557	-
-	(196,225)	(15,497,410)	-
-	(11,705)	74,182	-
-	-	(1,603,291)	388,995
-	319,421	632,820	762,900
<u>8,714</u>	<u>318,681</u>	<u>(7,743,781)</u>	<u>3,862,027</u>
<u>(5,247,090)</u>	<u>(2,407,287)</u>	<u>1,286,915</u>	<u>6,803,938</u>
-	6,789,751	6,846,496	293,224
-	7,599	2,334,250	-
-	3,127,518	4,805,151	-
1,807,000	1,069,897	2,880,990	60,489
-	(2,607,352)	(19,535,129)	(1,030,325)
<u>1,807,000</u>	<u>8,387,413</u>	<u>(2,668,242)</u>	<u>(676,612)</u>
<u>(3,440,090)</u>	<u>5,980,126</u>	<u>(1,381,327)</u>	<u>6,127,326</u>
<u>90,879,763</u>	<u>97,943,416</u>	<u>663,250,747</u>	<u>58,154,030</u>
<u>\$ 87,439,673</u>	<u>\$ 103,923,542</u>	<u>\$ 661,869,420</u>	<u>\$ 64,281,356</u>
		\$ (1,381,327)	
		(255,002)	
		<u>\$ (1,636,329)</u>	

**City of St. Petersburg, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended September 30, 2016**

**Business-Type Activities - Enterprise Funds**

	<b>Water Resources</b>	<b>Stormwater</b>	<b>Sanitation</b>
<b>Cash flows from operating activities</b>			
Cash received from customers and users	\$ 116,056,938	\$ 11,450,232	\$ 43,355,745
Cash payments for interfund services provided	(16,641,807)	(4,350,781)	(11,354,011)
Cash payments to vendors for goods & services	(45,431,005)	(542,889)	(12,182,837)
Cash payments to employees for services	(19,235,706)	(3,754,862)	(13,570,390)
<b>Cash provided by (used for) operating activities</b>	<b>34,748,420</b>	<b>2,801,700</b>	<b>6,248,507</b>
<b>Cash flows from noncapital financing activities</b>			
Intergovernmental Revenue	1,136,810	-	190,960
(Payment) Receipt on Interfund Loan	8,995,565	-	-
Transfers-in	4,093	-	-
Transfers-out	(11,806,888)	(2,118,960)	(2,941,440)
<b>Cash provided by (used for) noncapital financing activities</b>	<b>(1,670,420)</b>	<b>(2,118,960)</b>	<b>(2,750,480)</b>
<b>Cash flows from capital &amp; related financing activities</b>			
Proceeds from issuance of debt	60,945,058	19,902,000	-
Proceeds from special assessment, net of receivable change	1,357,695	25,075	800,165
Acquisition & Construction of Capital Assets	(30,356,476)	(1,998,123)	(1,737,559)
Proceeds from sale of property, plant, equipment	3,629	-	20,900
Principal received on Notes Receivable	887,217	-	-
Bond fees and costs	(419,652)	(300)	-
Interest paid on Revenue Bonds, Note Maturities & Capital Lease	(15,449,149)	(877,372)	(78,876)
Principal paid on Revenue Bonds, Note Maturities & Capital Lease	(7,610,114)	(176,000)	(1,195,000)
Payments to Escrow Agents - Debt Refunding	(29,928,000)	(19,952,000)	-
Intergovernmental Revenue	351,980	731,778	215,710
<b>Cash provided by (used for) capital &amp; related financing activities</b>	<b>(20,217,812)</b>	<b>(2,344,942)</b>	<b>(1,974,660)</b>
<b>Cash flows from investing activities</b>			
Purchase, Sale and Maturities of Investments, net	(20,346,226)	554,821	1,136,391
Interest received on investments	2,524,971	167,647	435,601
<b>Cash provided by (used for) investing activities</b>	<b>(17,821,255)</b>	<b>722,468</b>	<b>1,571,992</b>
<b>Net increase (decrease) in cash</b>	<b>(4,961,067)</b>	<b>(939,734)</b>	<b>3,095,359</b>
<b>Cash at beginning of year</b>	<b>51,854,298</b>	<b>2,048,703</b>	<b>1,231,360</b>
<b>Cash at year end</b>	<b>\$ 46,893,231</b>	<b>\$ 1,108,969</b>	<b>\$ 4,326,719</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
<b>Cash flows from operating activities</b>			
Operating Income (loss)	\$ 17,648,877	\$ (3,363,866)	\$ 2,727,457
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	17,432,012	6,062,605	1,793,189
Amortization	(3,372,987)	(982,613)	(1,639,896)
Other non-operating income (loss), net	846,399	25,328	228,228
Changes in assets and liabilities:			
Accounts Receivable, DFOG, net	(752,656)	78,663	(20,120)
Prepays & Other Assets	(33,920)	(421)	4,420
Accounts Payable & Accrued Liabilities	(1,095,224)	194,842	726,015
Deposits	304,790	-	2,000
Accrued Salary, Compensated Absences and OPEB	3,771,129	787,162	2,427,214
<b>Cash provided by (used for) operating activities</b>	<b>34,748,420</b>	<b>2,801,700</b>	<b>6,248,507</b>
<b>Non-cash Investing, Capital, and Financing Activities</b>			
Contributions of Capital Assets (to)/from Other Funds	\$ (60,489)	\$ 56,745	\$ -
Change in Fair Value of Investments	2,848,170	103,282	170,667
SRF Loan Payable and Receivable	3,549,668	-	-
Capitalized interest	(2,247,225)	-	-
<b>Total</b>	<b>\$ 4,090,124</b>	<b>\$ 160,027</b>	<b>\$ 170,667</b>

The accompanying notes are an integral part of these statements.

**Business-Type Activities - Enterprise Funds**

<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
<b>Tropicana</b>	<b>Non-Major</b>		<b>Activities -</b>
<b>Field</b>	<b>Enterprise</b>	<b>Totals</b>	<b>Internal</b>
	<b>Funds</b>		<b>Service Funds</b>
\$ 1,299,137	\$ 21,905,360	\$ 194,067,412	\$ 110,694,486
(2,501,779)	(3,661,119)	(38,509,497)	(6,901,507)
(377,043)	(9,662,108)	(68,195,882)	(74,232,163)
(3,219)	(6,620,901)	(43,185,078)	(18,412,007)
<u>(1,582,904)</u>	<u>1,961,232</u>	<u>44,176,955</u>	<u>11,148,809</u>
-	-	1,327,770	36,978
-	2,902,877	11,898,442	-
1,807,000	1,069,897	2,880,990	-
-	(2,607,352)	(19,474,640)	(1,030,325)
<u>1,807,000</u>	<u>1,365,422</u>	<u>(3,367,438)</u>	<u>(993,347)</u>
-	-	80,847,058	-
-	-	2,182,935	-
(494,939)	(3,216,408)	(37,803,505)	(9,834,107)
-	-	24,529	388,167
-	-	887,217	-
-	(8,783)	(428,735)	-
-	(200,960)	(16,606,357)	-
-	(505,000)	(9,486,114)	-
-	-	(49,880,000)	-
-	524,977	1,824,445	-
<u>(494,939)</u>	<u>(3,406,174)</u>	<u>(28,438,527)</u>	<u>(9,445,940)</u>
(8,547)	(92,830)	(18,756,391)	(1,405,985)
<u>6,531</u>	<u>129,812</u>	<u>3,264,562</u>	<u>1,610,971</u>
<u>(2,016)</u>	<u>36,982</u>	<u>(15,491,829)</u>	<u>204,986</u>
(272,859)	(42,538)	(3,120,839)	914,508
<u>1,470,211</u>	<u>2,739,587</u>	<u>59,344,159</u>	<u>14,531,733</u>
<u>\$ 1,197,352</u>	<u>\$ 2,697,049</u>	<u>\$ 56,223,320</u>	<u>\$ 15,446,241</u>
\$ (5,255,804)	\$ (2,725,968)	\$ 9,030,696	\$ 2,941,911
3,571,944	4,482,212	33,341,962	7,111,204
-	(471,241)	(6,466,737)	-
(1)	353,598	1,453,552	777,442
100,957	(24,625)	(617,781)	20,682
-	(85,714)	(115,635)	113,837
-	(433,697)	(608,064)	(41,608)
-	117,138	423,928	403,500
-	<u>749,529</u>	<u>7,735,034</u>	<u>(178,159)</u>
<u>(1,582,904)</u>	<u>1,961,232</u>	<u>44,176,955</u>	<u>11,148,809</u>
\$ -	\$ (6,386,723)	\$ (6,390,467)	\$ 353,713
2,183	77,378	3,201,680	1,062,158
-	-	3,549,668	-
-	-	(2,247,225)	-
<u>\$ 2,183</u>	<u>\$ (6,309,345)</u>	<u>\$ (1,886,344)</u>	<u>\$ 1,415,871</u>

**City of St. Petersburg, Florida**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*September 30, 2016*

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,063,640	\$ 34,103
Trustee Accounts	33,304,722	-
Total Cash and Cash Equivalents	34,368,362	34,103
Receivables		
Interest and Dividends	1,901,413	-
Accounts	10,515	5,800
Unsettled Investment Sales	176,905	-
Total Receivables	2,088,833	5,800
Prepays and Deposits	20,631	-
Investments, at Fair Value		
DROP Investments	56,919,893	-
Government Securities	71,766,511	-
Corporate Bonds	125,161,946	-
Common and Preferred Stock	496,978,204	-
Mutual Funds	196,265,149	-
Alternative Investments	84,413,554	-
Total Investments	1,031,505,257	-
<b>Total Assets</b>	1,067,983,083	39,903
<b>Liabilities</b>		
Payables		
Accounts	67,742	-
Due to Other Entities and Individuals	-	39,903
Unsettled Investment Purchases	76,728	-
DROP Liability	56,919,893	-
<b>Total Liabilities</b>	57,064,363	39,903
<b>Net Position</b>		
Net Position Restricted for Pensions	1,010,918,720	-
<b>Total Net Position</b>	\$ 1,010,918,720	\$ -

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Funds*  
*Fiscal Year Ended September 30, 2016*

	<b>Pension Funds</b>
<b>Additions</b>	
Contributions	
Employer (Charges to Other Funds)	\$ 23,445,954
Employees	4,689,039
State Insurance Fund	3,702,638
Total Contributions	31,837,631
Investment Income	
Net Increase in Fair Value of Investments	61,187,589
Interest on Investments	6,454,450
Dividends on Stock	16,950,250
Total Investment Income	84,592,289
Less Investment Expense	(3,426,534)
Net Investment Income	81,165,755
<b>Total additions</b>	<b>113,003,386</b>
 <b>Deductions</b>	
Benefits	54,494,579
Deferred Retirement Option Contributions	10,728,652
Refunds of Contributions	381,055
Administrative Expenses	121,779
<b>Total deductions</b>	<b>65,726,065</b>
 <b>Change in Net Position</b>	 <b>47,277,321</b>
 <b>Net Position Restricted for Pensions - October 1</b>	 <b>963,641,399</b>
 <b>Net Position Restricted for Pensions - September 30</b>	 <b>\$ 1,010,918,720</b>

The accompanying notes are an integral part of these statements.



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# **NOTES TO THE FINANCIAL STATEMENTS**

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

The City of St. Petersburg is a municipal corporation, created under City Ordinance 118F and Florida Statute 155.05, governed by an elected eight member council. The accompanying financial statements present the City of St. Petersburg (the primary government) and its component units for which the government is considered to be financially accountable. The blended component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separated from the government. The related organization and jointly governed organization financial operations are not presented in the City's Financial Statements.

Blended Component Unit - St. Petersburg Community Redevelopment Agency (SPCRA):

The City Council is the governing body of the SPCRA, which was created by City Resolutions 81-1401 and 81-465, and approved by the Board of County Commissioners of Pinellas County under Chapter 163, Florida Statutes, to act as the redevelopment agency. The SPCRA board is composed of the same members of City Council therefore the City Council has absolute influence and operational responsibility over SPCRA. All revenues of the SPCRA are used in the districts to fund capital improvements within each district or to fund the debt service requirements of debt related to the downtown redevelopment improvement district. The operations of the SPCRA are reported in the Community Redevelopment Districts and Downtown Redevelopment District as Major Governmental Funds. Separate Financial Statements for the SPCRA are not available.

Discretely Presented Component Unit - St. Petersburg Health Facilities Authority (SPHFA):

The SPHFA was created by City Ordinance 81-49 under Chapter 154.207 Part III, of the Florida Statutes. The SPHFA exists to facilitate issuing tax-exempt debt for non-profit health care organizations. The City Council appoints the governing board. The City has no responsibility for the debt payments related to the issues approved by the SPHFA. The City's Legal Department provides administrative support to the SPHFA. The SPHFA charges the benefiting health care organizations for all costs incurred. The City funds any operating deficit of the SPHFA. The operations of the SPHFA are reported in the government-wide financial statements in a separate column. Separate financial statements for the SPHFA are not available. The SPHFA is accounted for as a single governmental fund type and uses the same applicable accounting policies the City presents in the Notes to the Financial Statements.

Related Organization - St. Petersburg Housing Authority (SPHA):

SPHA is a public housing authority created by City Resolution 9, 1973, under Section 421.04 of the Florida Statutes. The SPHA receives primary funding from the Federal Department of Housing and Urban Development (HUD). The City Council appoints the governing board, however the City Council is not able to impose its will on the SPHA nor does the City have any responsibility for the budget, debt, financing deficits or fiscal management of the SPHA.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Jointly Governed Organization - Tampa Bay Water Authority (TBWA): The TBWA was organized in 1998, by an inter-local agreement pursuant to Chapter 98-402 of the Florida Statutes between the counties of Hillsborough, Pasco and Pinellas and the cities of St. Petersburg, New Port Richey, and Tampa, Florida (the members). The purpose of the Authority is to develop regional water supplies and to supply water to its members at a wholesale price. The TBWA is the reorganized West Coast Regional Water Supply Authority with a governing board of nine voting members, two from each of the county governments and one from each of the city governments. The City of St. Petersburg for the fiscal year ended September 30, 2016, had a related party transaction with the TBWA as follows: The City paid \$25,808,285 for water purchases, and received \$786,557 in interest and \$887,217 of principal on the TBWA contract receivable. The remaining principal in the TBWA contract receivable is \$14,812,527.

**B. Government-Wide and Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the City.

Government financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole, both the primary government and its component units, and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Fiduciary funds of the government are not included in this presentation since these resources are not available for general government funding purposes. The Statement of Net Position reports all financial and capital resources of St. Petersburg's governmental and business-type activities. It is presented in a net position format (assets plus deferred outflows less liabilities less deferred inflows equal net position) and shown with three components: net investment in capital assets; restricted net position and unrestricted net position. The Statement of Activities reports functional categories of programs provided by the City, and demonstrates how and to what degree those programs are supported by specific revenues.

Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenue restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues sections displays revenues collected that help support all functions of the government.

The fund financial statements follow and report additional and detailed information about the City of St. Petersburg's operations for major funds individually and non-major funds in the aggregate for governmental, proprietary and fiduciary funds.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

A reconciliation is provided that converts the results of governmental fund accounting to the government wide presentation.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements, as well as the fund financial statements for the proprietary funds and fiduciary funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Property tax revenue is recognized in the period for which they are levied. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as water, wastewater and sanitation services. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries and benefits, supplies, travel, contract services, depreciation, administrative expenses or other expenses directly related to costs of services. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. All intergovernmental revenues in the proprietary fund financial statements are classified as non-operating revenues in accordance with bond covenants. See the government wide financial statements revenue categories for allocation between operating and capital related grants and contributions. In the government wide financial statements operating grants and contributions are available to finance regular operations or capital purposes; while capital grants and contributions are only available for capital purposes.

All governmental fund financial statements are reported using a current financial resources measurement focus and a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. (Within 60 days of the end of the fiscal year, except grant revenues are within 15 months, notes are within 6 months, and jointly assessed taxes collected through other governments are within 90 days). Revenue reported and measurable in the governmental funds financial statements but not yet available for use are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Property taxes, franchise taxes, investment earnings and most charges for services are recorded as earned since they are measurable and available. Licenses and permits, fines and forfeitures, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, because they are generally not measurable until actually received.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

A significant portion of the City's grants and contracts are exchange transactions. Funds from these transactions are deemed to be earned and reported as revenue when such funds have been expended towards the designated purpose and eligibility requirements have been met.

Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated sick pay and accumulated vacation pay, which are not recorded as expenditures until they have been paid; (2) prepaid insurance and similar items, which are reported only on the balance sheet and do not affect expenditures; and (3) principal and interest on long-term debt, which are recognized when due. Budgets for governmental funds are also prepared on the modified accrual basis.

The City charges centralized services through the general fund and internal service funds to functional activities through various charge methods. Therefore, expenses reported for functional activities include these indirect expenses, including an administrative component.

The accounting policies and the presentation of the financial report of the City of St. Petersburg, Florida have been designed to conform to generally accepted accounting principles (GAAP) as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

The following are reported as major governmental funds:

- The General Fund is the general 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.
- Community Redevelopment Districts Fund is used to account for tax increment revenues received from Pinellas County and the City for the Bayboro Harbor, Intown West and South St. Petersburg Community Redevelopment Districts. The South St. Petersburg District was authorized by the City and Pinellas County in an interlocal agreement on June 2, 2015, City Ordinance 175-H.
- Downtown Redevelopment District Fund is used to account for tax increment revenues received from Pinellas County and the City for the Downtown Community Redevelopment District (DCRD). Transfers to debt service funds relate to DCRD debt obligations with remaining fund balances restricted to DCRD activities.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

- The Local Option Sales Surtax Improvement Fund is used to account for various construction projects including infrastructure improvements, recreation and culture improvements, public safety, and city facilities improvements. The projects are part of a program begun in 1990 and extended to 2020 that is funded by the City's share of the Pinellas County one cent local option sales surtax, "Penny for Pinellas". On February 10, 2015, the City executed an interlocal agreement with Pinellas County regarding the updated City priorities related to critical infrastructure improvement projects that should be funded with the County Penny Funds. The current identified priorities for the City includes the following projects and expected timelines to complete:
  - Renovation of Jamestown housing units in the amount of \$2 million in fiscal year 2016.
  - Installation of sidewalk segments along County roads within the City in the amount of \$1.7 million in fiscal year 2016.
  - Streetscape improvements and mast arms at signalized intersections on Central Avenue in the amount of \$4.3 million in fiscal year 2017.
  - New police department headquarters to include an EOC Facility and Regional 911 Center Backup Facility in the amount of \$20.2 million in fiscal year 2020.

The current agreement with Pinellas County to provide the City with "Penny for Pinellas" funding expires in fiscal year 2020.

- The Grants Fund is mainly used to account for sources of revenue from the City's housing program as well as any grant revenue that is required to be included in a separate special revenue fund. The significant sources of revenues are those received from the U.S. Department of Housing and Urban Development under the HOME, Community Development Block Grants, Emergency Solutions Grant Program and Neighborhood Stabilization Program.

The following are reported as major enterprise funds:

- Water Resources Fund accounts for the operation of the City's potable water, wastewater and reclaimed water services to residents and businesses within St. Petersburg and surrounding communities.
- Stormwater Fund accounts for the improvements and maintenance of the City's stormwater retention and drainage system.
- Sanitation Fund accounts for all operations of Solid Waste collection, disposal and recycling activities in compliance with federal standards and regulations in order to ensure public health.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

- Tropicana Field Fund accounts for all city related operations of Tropicana Field, the home of the Major League Baseball's Tampa Bay Rays. The Tropicana Field Fund accounts for the City's share of both ticket sales for events held at Tropicana Field as well as a portion of the sale of the naming rights. The revenues are used to pay a portion of the cost of the operation of the facility as required by the management agreement with the Tampa Bay Rays.

The City maintains no landfills. All solid waste is disposed of at the Pinellas County Solid Waste Resource Recovery Plant.

Specific Fund Changes

During fiscal year ended September 30, 2016 the City determined the Fire Rescue & EMS Awards special revenue fund is more appropriately classified as a permanent fund. As of September 30, 2016 the activity and related fund balance within the Fire Rescue & EMS Awards fund was transferred out of the Donations fund to a permanent fund in the amount of \$31,840.

The City also reports the following fund types:

- Internal Service Funds: These funds are primarily used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City's internal service funds provide insurance, inventory management, equipment and fleet maintenance, facilities maintenance, technology services and billing and collections services to the other departments of the City. Billing and Collections also provides utility billing on behalf of other government entities.
- Fiduciary Fund type includes:
  - Pension Trust Funds account for the activities of the City's General Employees, Fire and Police Retirement Systems, which accumulate resources for pension benefit and disability benefit payments.
  - Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. Agency funds are merely clearing accounts for assets held by the City as agent for individuals, private organizations, and other governments. The activities included in the agency funds include all payroll liability clearing, employee payroll deductions for credit union deposits, IRS collection activity, pooled equity in cash and investments, etc.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are general and administrative service charges from governmental activities and other charges between the City's business-type functions and various other functions of the City. Elimination of such charges would distort the direct costs and program revenues reported for the various functions concerned.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

1. Cash, cash equivalents and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit with less than 1 year maturity and institutional money market accounts. Investments included in the Core Portfolio and corresponding accrued investment earnings are pooled together for investment purposes (see note 5). All investments are reported at fair value.

The City's investment policy, adopted in accordance with Florida Statute 218.415, authorize the City to invest surplus funds in the following:

- Demand checking account, savings accounts and other savings instruments in state qualified public depositories, which are secured per the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
- The State of Florida Local Governments Surplus Funds Trust Fund pursuant to Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes.
- Certificates, notes, bonds, bills, or zero coupon (strips, cats & tigers) of the United States Treasury, or other obligations of the United States or its Agencies. Agencies are backed by the full faith and credit of the United States. Authorized investments in this category are limited GNMA, FHA, SBA, GSA, FHA, and HUD.
- Obligations of Government Sponsored Enterprises (GSE) (Instrumentalities) which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System. Instrumentalities are usually "AAA" rated by a Nationally Recognized Statistical Ratings Organization (NRSRO) but have no explicit governmental guarantee. Authorized investments in this category are limited to FNMA, FFCB, FHLB, FHLMC, FLB and FAMCA.
- Collateralized Mortgage Obligations (CMOs) as well as direct collateral bonds issued by Federal Agencies and Instrumentalities. These bonds are usually rated "AAA" by a NRSRO due to the credit pass-thru of the issuing Agency or Instrumentality. All bond purchases must pass the Federal Financial Instrumentalities Examination Council (FFIEC) High Risk Security Test.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

- Bankers' Acceptances (BA) guaranteed by banking institutions which are issued by a domestic bank with a rating of "A-1"/P-1" by a NRSRO on its short term debt or "A" category, by a NRSRO, on its long-term debt. All Bankers' Acceptances must be inventory based.
- Commercial Paper issued by corporations organized and operating within the United States or by depository institutions licensed by the United States having received an "A-1/P-1" or better by a NRSRO, such as Moody's, Standard and Poor's, or Fitch.
- Corporate Asset Backed notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States having received the two highest category ratings by a NRSRO.
- Non-Negotiable Certificates of Deposit and Bank Investment Contracts (BIC) which can be insured, collateralized at the Federal Reserve or qualify as state qualified public deposits, which are secured per the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
- Guarantee Investment Contracts (GIC) with an issuing financial institution which has at least the two highest category ratings on its long-term debt by a NRSRO. Collateralization using the City's authorized Investment Categories "C" and "D" of this section will be required of all GIC issuers when their rating falls below the two highest rating categories by a NRSRO or the contract can be terminated at the City's option.
- Tax-Exempt Governmental bonds, notes or other obligation of investment grade quality (as established by a NRSRO) issued by or on behalf of this or any other state, or any other agency, county, municipal corporation, special district, authority, or political subdivision thereof, with respect to the investment of City bond proceeds in accordance with arbitrage regulations issued by the Internal Revenue Service (IRS).
- Repurchase Agreement with the City's primary state-certified qualified public depository, as defined by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. The repurchase agreement for overnight sweep cash investments are collateralized by State Law with the State Comptroller's office. The underlying parent rating in these whole loan transactions must be "A-1/P-1" by a NRSRO, unless the counterparty is a Federal Reserve Bank, no rating is required.
- U.S. Treasury and U.S. Government short-term mutual funds used for short-term cash flow.
- Taxable Governmental bonds, notes or other obligations of investment grade quality as established by a NRSRO issued by or on behalf of this or any other state, or any agency, county, municipal corporation, special district, authority, or political subdivision thereof.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

- The Columbia Management (Strategic Cash Fund Capital Class Shares) as a long-term investment held to maturity.
- Unsecured corporate bonds, notes or other obligations issued by corporations organized and operating within the United States or by depository institutions licensed by the United States, and are of investment grade quality as established by a NRSRO. However, no more than 40% of all corporate bonds in the Core and the portion of the Water Cost Stabilization Portfolios that are governed under this Policy may be rated “BBB”.

The City’s alternative investment policy approved December 18, 2014, adopted in accordance with Florida Statute 218.415, authorizes the City to invest in dividend yielding index funds and externally managed funds. A maximum of 25% of the balance available for investment in the Water Cost Stabilization Fund (approximately \$20 million) may be invested in dividend yielding equities in funds, mutual funds, or ETF’s (passive and internally selected). The alternative policy also allows for the Parks Preservation Fund and the Environmental Preservation Fund to be externally managed with specific policy limitations to asset classes, targets, and ranges relating to equity funds, real estate investment trusts (REIT), and fixed income funds.

The reported value of the Local Government Surplus Funds Trust Fund (SBA) Fund A is shown at share value as it meets the criteria to be a 2A-7 like investment at September 30, 2016.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” and are generally liquidated on a monthly basis. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

All trade and other receivables, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. The special assessment allowance for uncollectible is based on management estimates.

Water and related wastewater charges to customers are based on actual water consumption. Consumption is determined on a monthly cycle basis. The City recognizes as revenue the estimated unbilled consumption as of September 30.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

3. Inventories and Prepaid Items

Inventories of expendable supplies held for consumption are priced at cost using the moving weighted average method, which approximates First-In-First-Out. Governmental fund type inventories are recorded using the consumption method. Inventories in certain Proprietary Funds consist of goods held for sale which are priced at cost using the First-In-First-Out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

Bond Funding's Requirements

Certain proceeds of the City's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because they are maintained in separate investment accounts and their use is limited by applicable bond covenants.

Also, bond proceeds that are set aside to subsidize potential deficiencies from the City's operations that affect debt service payments, revenue bond proceeds that are restricted for use in construction, and segregated resources accumulated for debt service payments over the next twelve months are recorded as restricted assets.

Donor-Restricted Endowments

Included in the permanent funds, which are included in the non major governmental funds presentation, are donor-restricted assets given to the City with the stipulation that the original Kopsick Palm Arboretum Trust endowment ("Kopsick") not be spent, but only the earnings thereon are spendable for specific beautification projects. The total non major endowment restricted assets held by Kopsick at September 30, 2016 totals \$145,552. The endowment terms authorize the expenditures of all interest and dividends earned less management fees and to reinvest all appreciated value. The City transfers the spendable balance annually to another special revenue fund that is included in the Donations Fund. The spendable balance of the endowment totals \$1,760 at September 30, 2016. There is not state law governing use of endowment funds.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Additions to capital assets are recorded at cost at the time of purchase in governmental funds and at cost plus capitalized interest when purchased in the enterprise funds. Gifts or contributions are recorded at acquisition value at the time received.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Effective October 1, 2012 the City updated the threshold amounts for additions to capital assets and intangible assets .The City currently maintains the following threshold for additions to capital assets and intangible assets:

<u>Asset Class</u>	<u>Threshold</u>
Land	Capitalize all
Buildings & systems	\$50,000
Improvements other than buildings	\$50,000
Machinery & equipment	\$5,000
Utility systems	\$50,000
Library books & works of art	Capitalize all
Intangible assets - purchased software	\$10,000
Intangible assets - other	\$100,000
Intangible assets - internally developed software	\$1,000,000

Public domain and system infrastructure assets represent such items as roads, water and wastewater treatment plants and lines, parks and drainage systems.

Depreciation and amortization has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

	<u>Range</u>	<u>in Years</u>
Buildings	10	- 50
Equipment	2	- 10
Autos and Trucks	2	- 10
System and Infrastructure	20	- 50
Public Domain and Infrastructure	20	- 50
Other Improvements	5	- 20

**6. Compensated Absences**

All full time employees accumulate limited amounts of annual leave, including extended illness leave, subject to length of employment. Upon separation from employment, employees receive payment for accumulated annual leave not related to extended illness leave. Upon separation from employment for retirement, a limited amount of extended illness leave is paid to employees.

Compensated absences liabilities related to governmental funds are liquidated through the governmental fund in which the liability is incurred.

Accumulated annual and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is recorded in the governmental fund financial statements only when the payment is due and payable.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that meet this criterion, contributions made to the pension plan in the 2016 fiscal year, also includes differences between actual and projected investment earnings and an unamortized gain on bond refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that meet the criterion for this category - unavailable revenues and deferrals of pension expense that result from the implementation of GASB Statement 68. The deferred inflow of resources for unavailable revenue arises only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: business taxes, various charges for services, special assessments, notes receivable and advance grant proceeds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses in the period incurred. Gains or losses resulting from advanced refunding's of debt are deferred and amortized over the shorter of the life of the new debt or the original life of the defeased debt and are reported as a deferred outflow of resources and are amortized and reported as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenses in the period incurred.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Governmental long term obligations are repaid by the City through the following funds:

<u>Long-term Obligation</u>	<u>Obligating Fund</u>
Revenue Bonds	Excise Tax, Professional Sports, Facility Sales Tax and Public Service Tax
Notes	JP Morgan Chase, First Florida, Banc of America and BB&T Notes
Compensated Absences, OPEB and Net Pension Liability	General, Building Permit, and Emergency Medical Services

9. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by ordinance, a formal action of City Council, which is the highest level of decision making authority at the City. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned fund balance is established by definition of the fund or by intended use (such as construction contracts) as established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. No such delegation has been made to this date by City Council.

**Unassigned** fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

11. Stabilization Arrangements

Governmental Stabilization funds, a type of reserve fund maintained to offset economic downturns, natural disasters and other unforeseen events, are presented as committed fund balances in the appropriate fund. The level of funding will be reviewed annually by City Council; additions to or reductions from a stabilization fund will be approved by City Council as part of the budget process or the supplemental appropriation process. Establishing the proper balances in stabilization funds takes into account the risk exposure related to self-insurance and property insurance deductibles in the event of major storm damage to City assets. Transfers from stabilization funds will not be allowed if they would cause the stabilization fund to be in a deficit position.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

The City maintains two stabilization arrangements - the Economic Stability Fund and the Water Cost Stabilization Fund. The balance in the Economic Stability Fund is presented as part of the General Fund. The balance in the Water Cost Stabilization Fund is presented as part of the Water Resources Fund. Permitted uses of these funds have been established by City Council by Resolution.

The balance in the Economic Stability Fund represents committed fund balances which are available for expenditure only with the approval of City Council and under the following specified and non-routine conditions:

- In the event of an estimated budget shortfall amounting to more than 2% of the most recently adopted budget. Only the amount of the shortage above 2% may be taken from the Economic Stability Fund, while other budget balancing measures will be employed to offset budget shortfalls up to and including 2%. If the 2% threshold has been met, the appropriate amount of resources to utilize from the Economic Stability Fund will take into account the current economic climate, including the local unemployment rate, inflation rate, rate of personal income growth, assessed property values, and other factors as determined to be appropriate.
- In the event of damage to City property or loss of City assets due to disasters such as hurricane, tornado, flood, wind, acts of terrorism or other catastrophic events when such an event results in a declaration of a state of emergency other funds of the City, such as the equipment replacement funds, the self insurance fund and the Technology/Infrastructure Fund will be used first, as appropriate to the circumstances, before relying on the Economic Stability Fund.
- To provide short-term (one year or less) advances, or long-term loans exceeding one-year in length, to other funds of the City for shortfalls due to economic impacts or for other purposes, as recommended by the Mayor and approved by City Council. A plan for repayment of the funds will be established before any such advance or loan is made.

When the Economic Stability Funds are used for any permitted purpose, the fund will be replenished in an amount to meet the fund balance target, either from the fund for which the resources were required or from another fund of the City, within the time frame recommended by the Mayor or City Administrator and approved by City Council.

Balances in the Water Cost Stabilization Fund represent committed fund balances which are available for expenditure only with the approval of City Council and under conditions specified in resolutions and in accordance with existing bond covenants.

The Economic Stability Fund is included in the General Fund for financial reporting purposes and had a fund balance of \$25,266,762 at September 30, 2016.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

The Water Cost Stabilization Fund is included in the Water Resources Fund for financial reporting purposes and had a fund balance of \$90,960,284 at September 30, 2016.

12. Minimum Fund Balance Policy

The General Fund, as defined in the CAFR, has a reserve target of 20% of the Fund's current year budgeted appropriations and the unassigned core General Operating Fund has a reserve target of 5% of the Fund's current year budgeted appropriations. The Core General Operating Fund rolls into the General Fund as defined by the CAFR. For the purpose of determining if the target has been met, the unassigned fund balance of the general fund and the balance of the economic stability fund are added together and the combined amount is then compared with the annual appropriations budget.

Other governmental funds of the City do not have specified fund balance targets. Recommended levels of committed and/or assigned fund balance will be determined on a case by case basis, based on the needs of each fund and as recommended by city officials and approved by City Council.

Fiduciary funds do not have fund balance targets.

Proprietary funds, which include both enterprise funds and internal service funds, have fund balance targets as shown on the next page. In most cases the specific targets for proprietary funds are a percentage of the annual, appropriated budget for that fund. (Percentage targets can also be described in terms of a number of months of operating costs. For example, a fund balance reserve target equal to 8.3% is the same as a reserve target equal to one month of operating expenditures; 16.7% equals two months expenditures and 25% equals three months.) For the purpose of setting target amounts for the proprietary funds, estimated fund balance amounts are determined based on a budgetary fund balance.

For those proprietary funds that have targets not based on the annual operating costs, notation as to the basis for determining the target is stated. Enterprise funds dependent upon an annual subsidy from the General Fund do not have a fund balance target; if in the future, the enterprise fund becomes self supporting, consideration will be given to establishing a fund balance target.

*Unless otherwise noted, the targets shown on the following page are a percentage of the annual, appropriated budget.*

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Enterprise Funds

**Water Resources Funds**– 25%\* (8.3% in operating fund, 16.7% in water cost stabilization fund)

**Stormwater Utility Funds** – 16.7%\*

**Sanitation Funds**

Sanitation Operating Fund – 16.7%

Sanitation Equipment Replacement Fund – 25% of equipment replacement cost

**Airport Fund**– no target

**Marina Funds**– 8.3%\*

**Golf Courses Funds** – 8.3%\*

**Jamestown Fund** – 8.3%

**No Target** – Port, Parking, Mahaffey Theater, Pier, Coliseum, Sunken Gardens, and Tropicana Field Funds.

Internal Service Funds

**Equipment and Maintenance Funds**

Fleet Management Fund – 8.3%

Equipment Replacement Fund – 25% of equipment replacement cost

**Municipal Office Buildings Funds** – 16.7%

**Technology Services Fund** – 16.7%

**Consolidated Inventory Fund** – 8.3%

**Insurance Funds**

Health Insurance Fund – 25% plus the IBNR claims

Life Insurance Fund – 16.7%

Self Insurance Fund – Set annually by an actuarial study

General Liability Claims Fund- Set annually by an actuarial study

Commercial Insurance Fund – 50%

Workers' Compensation Fund – Set annually by an actuarial study

**Billing and Collections Fund** – 16.7%

*\*Transfers to the related capital improvement fund is excluded from target balance calculation.*

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

13. Adoption of New Governmental Accounting Standards Board (GASB) Pronouncements

During the fiscal year ended September 30, 2016, the City implemented the following GASB Pronouncements:

*GASB Statement No. 72, Fair Value Measurement and Application*

Issued February 2015, the Statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The pronouncement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to fair value measurements. This pronouncement resulted in expanded footnote disclosures around fair value including the fair value hierarchy and valuation techniques. See footnote 5 for disclosure.

*GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

Issued in June 2015, the Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the uses of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

*GASB Statement No. 79, Certain External Investment Pools and Pool Participants*

Issued in December 2015, the Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically establishing criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost for financial reporting purposes. If the external investment pool is applicable under the criteria in the statement it establishes additional note disclosure requirements for the pool and its participants. Disclosures were updated in accordance with the Statement.

*GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No.73*

Issued in March 2016, the Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The change noted from implementation of this Statement is implementation of the payroll-related measures in the required supplementary information section and footnote 18 of the for the covered payroll definition. The covered payroll definition is now defined as the payroll on which contributions to a pension plan are based and ratios use that as a measure.

14. Future GASB Pronouncements

The following GASB Pronouncements have been issued, but are not in effect for the City as of September 30, 2016.

*GASB Statement No. 77, Tax Abatement Disclosures*

Issued in August 2015, the Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements in order to provide information to the public about how tax abatements affect their financial position and results of operations.

This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The City will implement this Statement for the fiscal year ending September 30, 2017.

*GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*

Issued in June 2015, the Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions.

In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The Statement is not applicable to the City.

*GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

Issued in June 2015, this Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43*, and Statement No. 50, *Pension Disclosures*. The Statement was issued to improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The City will implement this Statement for the fiscal year ending September 30, 2017.

*GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

Issued in June 2015, the Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. The City will implement this Statement for the fiscal year ending September 30, 2018.

*GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

Issued in December 2015, to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement is not applicable to the City.

*GASB Statement No. 80, Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*

Issued in January 2016, the Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The City will implement this statement for the fiscal year ending September 30, 2017.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

*GASB Statement No. 81, Irrevocable Split-Interest Agreements*

Issued in March 2016, the Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. The City will implement this Statement for the fiscal year ending September 30, 2017.

*GASB Statement No. 83, Certain Asset Retirement Obligations*

Issued in November 2016, the Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The Statement requirements are effective for reporting periods beginning after June 15, 2018 however earlier application is encouraged. The City will implement the Statement when required, but may adopt earlier as recommended in a future fiscal year.

*GASB Statement No. 84, Fiduciary Activities*

Issued in January 2017, this Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City will implement this Statement for fiscal year ending September 30, 2020.

The City will implement new GASB Pronouncements no later than the required effective date. Management is currently evaluating whether the above listed new GASB pronouncements will have a significant financial impact on the City's financial statements.

**NOTE 2 – BUDGET AND BUDGETARY DATA**

The City, in accordance with its Charter and State Law, applies the following procedures in establishing the budgetary data reflected in the accompanying financial statements.

**Budget Policy:**

An annual operating budget is prepared by the City's budget department for the General, Special Revenue, Enterprise and Debt Service Funds. The Mayor submits to the City Council the proposed operating budget for the ensuing fiscal year.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 2 – BUDGET AND BUDGETARY DATA - (Continued)**

The operating budget includes proposed expenditures and the means to finance them, including a proposed ad-valorem millage rate.

Public hearings are conducted to obtain taxpayer comments on the proposed budget and ad-valorem millage rate. Prior to October 1, the City Council legally enacts the operating budget and sets the ad-valorem millage rate by passage of an ordinance.

The General Fund is subject to budgetary control on an administration level (i.e., Police, Fire, etc).

The Mayor is authorized to transfer General Fund budgeted amounts between expenditure categories within individual administrations; however, transfers between administrations and revisions that alter the total expenditures of a fund must be approved by the City Council. The Special Revenue, Enterprise and Debt Service Funds are subject to budgetary control on an individual fund basis. The City Council approved several supplemental appropriations during the fiscal year in the General, Special Revenue, Enterprise and Debt Service Funds. All supplemental appropriations are included in the final budget columns of the financial statements and schedules. Unencumbered appropriations in the annual operating budget lapse at fiscal year end. Florida statutes limit subsequent budget appropriations to sixty days after the fiscal year end.

**Budgetary Basis of Accounting:**

Budgets presented for governmental funds in these financial statements have been prepared on the modified accrual basis of accounting, except for encumbrances, the net increase (decrease) of advances outstanding with other funds, and the net increase (decrease) in the fair value of investments. Encumbrances are part of the overall budgetary control process and thus are included in the Actual column with the related expenditures when a comparison with budget is made. Similarly, the net increase (decrease) in the fair value of investments is excluded from related revenues when a comparison with budget is made. The reserve for inventory, the reserve for prepaid costs and deposits, and advances with other funds are treated as unavailable in determining fund balance on the budgetary basis.

**NOTE 3 - FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented on the following page.

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 3 - FUND BALANCES - (Continued)**

*Fund Balance Summary*

	General	Community Redevelopment Districts	Downtown Redevelopment District	Local Option Sales Surtax Improvement	Grants	Non major Governmental	Total Governmental Funds
<b>Non Spendable</b>							
Advances From Other Funds	\$ 3,770,233	\$ -	\$ -	\$ -	\$ -	\$ -	3,770,233
Library Permanent Income Earnings Trust	-	-	-	-	-	241,322	241,322
Kopsick Non-Expendable Trust Fund	-	-	-	-	-	145,552	145,552
Fire Rescue and EMS Awards	-	-	-	-	-	32,243	32,243
Prepaid Deposit and Inventory	842,671	-	-	-	6,582	8,184	857,437
<b>Total Non Spendable</b>	<b>4,612,904</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,582</b>	<b>427,301</b>	<b>5,046,787</b>
<b>Restricted</b>							
Bayboro Harbor Redevelopment District	-	1,656,452	-	-	-	-	1,656,452
Intown West Redevelopment District	-	3,083,997	-	-	-	-	3,083,997
Downtown Redevelopment District	-	-	15,524,365	-	-	-	15,524,365
Public Safety Capital Improvement (1)	-	-	-	24,657,886	-	-	24,657,886
City & Neighborhood Infrastructure (1)	-	-	-	20,921,197	-	-	20,921,197
Recreation and Culture Capital Improvement (1)	-	-	-	6,690,406	-	-	6,690,406
City Facilities Capital Improvement (1)	-	-	-	11,128,038	-	-	11,128,038
Public Safety - Law Enforcement	-	-	-	-	-	1,096,685	1,096,685
Public Safety - EMS	-	-	-	-	-	1,874,353	1,874,353
Debt Service Payments	-	-	-	-	-	3,186,428	3,186,428
Housing Assistance Grants	-	-	-	-	1,469,032	1,696,881	3,165,913
Weeki Wachee (2)	-	-	-	-	-	8,638,234	8,638,234
Donation Funds	-	-	-	-	-	547,702	547,702
Professional Sports Facility Sales	-	-	-	-	-	-	-
Tax Fund	-	-	-	-	-	14,464	14,464
General Capital Improvements	-	-	-	-	-	49,518,211	49,518,211
Building Code Enforcement	-	-	-	-	-	9,031,797	9,031,797
<b>Total Restricted</b>	<b>-</b>	<b>4,740,449</b>	<b>15,524,365</b>	<b>63,397,527</b>	<b>1,469,032</b>	<b>75,604,755</b>	<b>160,736,128</b>
<b>Committed</b>							
General Capital Improvements	-	-	-	-	-	7,074,293	7,074,293
Transportation Improvements	-	-	-	-	-	143,894	143,894
Housing Capital Improvements	-	-	-	-	-	18,664	18,664
Land sale proceeds (3)	135,543	-	-	-	-	-	135,543
Local Agency Program (LAP) (3)	284,468	-	-	-	-	-	284,468
Economic Stability and Budget Shortfalls/Savings (4)	25,266,762	-	-	-	-	-	25,266,762
Preservation Projects (4)	72,322	-	-	-	-	-	72,322
Operating reappropriations (3)	2,911,719	-	-	-	-	-	2,911,719
Qualified Target Industry (QTI) Tax (3)	132,463	-	-	-	-	-	132,463
Weeki Wachee (2)	-	-	-	-	-	6,940,959	6,940,959
Recreation and Culture (4)	811,477	-	-	-	-	1,311,524	2,123,001
<b>Total Committed</b>	<b>29,614,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,489,334</b>	<b>45,104,088</b>
<b>Assigned</b>							
General Capital Improvement (5)	-	-	-	-	-	8,135,882	8,135,882
Housing Capital Improvement	-	-	-	-	-	367,878	367,878
Transportation Improvement (Sidewalks & Traffic Safety)	-	-	-	-	-	13,884,468	13,884,468
Downtown Parking Garage	-	-	-	-	-	2,053,891	2,053,891
Recreation and Culture	-	-	-	-	-	1,875,847	1,875,847
<b>Total Assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,317,966</b>	<b>26,317,966</b>
<b>Unassigned</b>	<b>28,187,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,187,000</b>
<b>Total Fund Balances</b>	<b>\$ 62,414,658</b>	<b>\$ 4,740,449</b>	<b>\$ 15,524,365</b>	<b>\$ 63,397,527</b>	<b>\$ 1,475,614</b>	<b>\$ 117,839,356</b>	<b>\$ 265,391,969</b>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 3 - FUND BALANCES - (Continued)**

*Fund Balance - Restricted*

(1) The Local Option Sales Surtax Improvement Funds are utilized for projects funded by the "Penny for Pinellas" program. Penny for Pinellas projects are approved by Pinellas County through an interlocal agreement.

(2) A portion of the proceeds from the sale of Weeki Wachee is restricted by voter referendum (\$8,638,234 restricted) and the remainder was committed by action of City Council.

*Fund Balance - Committed*

(3) City Council has committed a portion of the General Operating Fund Balance for specific purposes under Ordinance 249-H for Fiscal Year Ended September 30, 2016. The ordinance contained the following commitments:

- The Operating Re-Appropriations commitment provides for funds to be rolled over for contracts, grants, or purchase orders issued in 2016 which purchases could not be completed due to timing or other issues.
- The Land Sale Proceeds commitment was created to provide a funding source for acquiring property. Proceeds from the sale of city properties valued at less than \$20,000 are deposited in the General Operating Fund and are to be used for acquiring property according to Resolution 2002-126 adopted by City Council on February 21, 2002.
- The Qualified Target Industry Tax Refund Program commitment was established to provide the City's share over the next five years for the QTI program, which provides funds to local businesses for the purpose of stimulating economic growth and employment.
- The Local Agency Program commitment is established to provide the City's share over the next 15 years for maintenance of city roads and trails as a result of grant agreements with the Florida Department of Transportation.

(4) The Preservation Reserve Fund, the Economic Stability Fund and the Arts in Public Places Fund are each committed by an action of City Council.

*Fund Balance - Assigned*

(5) The General Capital Improvement Fund is comprised of various City-wide projects however the most significant of those projects include bicycle and pedestrian pathways, FDOT Right of Way Landscaping and the Pier Visioning Project.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
*September 30, 2016*

**NOTE 4 – PROPERTY TAXES**

**A. CALENDAR OF PROPERTY TAX EVENTS**

January 1, 2015 - Property taxes are based on assessed property value at this date as determined by the Pinellas County Property Appraiser.

June 2, 2015 – Estimate of taxable value, property assessment roll and certificates of value by County Property Appraiser provided to the City.

July 1, 2015 - Proposed tax millage rate approved by the City Council and provided to the County Property Appraiser, who mails notices to the taxpayers.

September 17, 2015 - Property tax millage rate resolution approved by the City Council.

October 1, 2015 - Beginning of fiscal year for which taxes are levied.

November 1, 2015 - Property Tax levy due and payable.

March 19, 2016 - County Property Appraiser notifies the City of taxable value on the final property tax assessment roll.

April 1, 2016 - Unpaid property taxes become delinquent and become a lien.

June 1, 2016 - Tax certificates are sold by the Pinellas County Tax Collector.

**B. TAX COLLECTION**

Property tax collections are governed by Chapter 197, Florida Statutes. The Pinellas County Tax Collector bills and collects all property taxes levied within the County. Discounts are allowed for early payment of 4% in November, 3% in December, 2% in January and 1% in February. If property taxes are not paid by April 1, the County adds a 3% penalty on real estate and 1½ % on personal property.

The Tax Collector advertises and sells tax certificates on all real property for delinquent taxes. Certificates not sold revert back to the County. The Tax Collector must receive payment before the certificates are issued. Any person owning land on which a tax certificate has been sold may redeem the land by paying the Tax Collector the face amount of the tax certificate plus interest and other costs. The owner of a tax certificate may at any time after taxes have been delinquent (April 1), for two years, file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent. Tax deeds are issued to the highest bidder for the property which is sold at public auction.

The Tax Collector remits current taxes collected through four distributions to the City in the first two months of the tax year and at least one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied.

**C. TAX LIMITATIONS**

Florida Statutes set the maximum millage rate at 10 mills of assessed valuation for operating purposes. For the fiscal year ended September 30, 2016, the approved operating millage was 6.7700 mills.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 5 – DEPOSITS AND INVESTMENTS**

A. BACKGROUND

The City maintains a cash pool that is available for use by all funds except for monies legally restricted to separate administration or monies that by their nature are to be administered separately. Interest income for cash equivalents is distributed monthly based on a monthly average balance.

Investments and related accrued investment earnings are pooled together for investment purposes for all funds except Debt Service Funds, Bond Proceed Fund, Water Cost Stabilization Fund and Weeki Wachee Fund. All funds participating in the pool deposit monies into the equity in pooled investments of the City. Investment earnings are distributed in accordance with the participating funds' relative percentage of investments.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures* requires governments to disclose deposits and investments exposed to custodial credit risk. For deposits, this is the risk that, in the event of the failure of a depository financial institution, a government may not be able to recover deposits nor be able to recover collateral securities that are in the possession of an outside party.

Cash and equivalents held separately where contractual arrangements and bond covenants require such arrangements are classified as "Restricted Assets".

B. CASH ON DEPOSIT

At fiscal year end, the carrying amounts of the City's primary government, component unit, agency funds and pension funds deposits were \$49,893,964 and the bank balances were \$60,831,441 all of which is held in a Qualified Public Depository. The City's cash on deposit are held in demand checking accounts, savings accounts and other savings instruments in state qualified public depositories, which are secured per the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. At year end, the City's carrying amounts of cash on deposit and cash equivalents were as follows:

	Primary Government	Component Unit	Pension Funds	Agency Fund	Total
Cash Deposits	\$ 48,793,193	3,028	1,063,640	34,103	\$ 49,893,964
State of Florida Local Government Surplus Trust Fund A	22,784,087	-	-	-	22,784,087
Morgan Stanley - Governmental Money Market	17,517,286	-	-	-	17,517,286
AIM - Governmental Money Market	6,513,059	-	-	-	6,513,059
Certificates of Deposit	27,750,000	-	-	-	27,750,000
Total	<u>\$ 123,357,625</u>	<u>3,028</u>	<u>1,063,640</u>	<u>34,103</u>	<u>\$ 124,458,396</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

The City holds cash equivalents with the State of Florida Local Government Surplus Trust Fund A (Florida PRIME) in the short term, debt service and bond proceeds portfolios as of September 30, 2016. Florida PRIME is recorded as amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Florida PRIME is a 2a7-like pool, which is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, governing money market funds. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of AAAM at June 30, 2016 and is recorded at amortized cost. There are no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. The dollar weighted average days to maturity (WAM) of Florida PRIME at June 30, 2016 is 39 days and the weighted average life (WAL) of Florida PRIME at June 30, 2016 is 58 days (information is not available for September 30, 2016). Florida PRIME was not exposed to any foreign currency risk during the year ended June 30, 2016.

The City's cash equivalents held in the Morgan Stanley Governmental Money Market Fund and the Invesco AIM Governmental Money Market Fund are recorded at amortized cost. Both money market funds have a Moody's rating of Aaa and have a net asset value (NAV) at September 30, 2016 of \$1.00. The Morgan Stanley Governmental Money Market Fund WAM is 26 days and the WAL is 102 days at September 30, 2016. The Invesco AIM Governmental Money Market Fund WAM is 39 days and the WAL is 111 days at September 30, 2016. Dividends and capital gains are reinvested in both money market funds.

On May 1, 2016, the City entered into a three year banking services agreement with JPMorgan Chase with two one year extensions. There are no compensating balances required to be maintained. There are no line of credit commitments within the contract.

The City's contract for merchant account processing service is with Bank of America. It requires the processing of all VISA, Master Card and Discover Card charges which are deposited into the City's accounts on a daily basis. The City also has an agreement with Bill 2 Pay, a division of Intuition Systems, Inc. to act as provider of all lockbox services for collections on City utility bills.

**C. INVESTMENT BACKGROUND**

*Investment Policy*

As required by Florida Statutes, the City adopted an investment policy ordinance on January 4, 1996, that authorizes the investment of surplus funds in investments including but not limited to investments allowed by Florida Statute 218.415(17). The ordinance stipulates the establishment of a written investment policy by city resolution. The ordinance requires that all investments shall be governed by the "prudent person rule". A series of approved resolutions since the adoption of the Investment Ordinance have outlined the City's total investments, diversification, investment objectives, delegation of authority, required investment procedures, internal controls, selection of broker/dealers, payment, custody, safekeeping, reporting requirements, and investment oversight.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

In fiscal year 2015, the City adopted a revised investment policy and new alternative investment policy. The investment policy establishes a minimum of four portfolios to identify cash flow requirements within the City as well as modifying interest rate and concentration risk and the alternative investment policy established three portfolios. The four minimum portfolios in the investment policy are the Short Term Portfolio, Core Portfolio, Bond Reserve and Trust Fund Portfolio and Public Utilities Water Cost Stabilization Portfolio.

The investment policy currently includes the following portfolios:

- Short Term Portfolio: The portfolio contains investments in short-term registered money market funds, the State of Florida Local Government Surplus Trust Fund and other authorized investments with a maturity of one year or less from the date of settlement.
- Core Portfolio: The portfolio consists of investment positions whose maturities may not exceed ten years from the date of settlement.
- Debt Service Portfolio: The portfolio consists of investment positions related to debt service cash flow.
- Bond Proceeds Portfolio: The portfolio consists of investment positions related to bond reserves or trust funds representing bond reserves.
- Public Utilities Water Cost Stabilization Portfolio (Water Cost Stabilization Portfolio): The portfolio is the proceeds from the sale of certain assets as governed by City Ordinance and described under bond covenants and consists of investment positions whose maturities may not exceed ten years.

The alternative investment policy was created in fiscal year 2015 to allow alternate investments for the Parks Preservation (Weeki Wachee Fund), Environmental Preservation Fund, and 25% of the Water Cost Stabilization Portfolio investable balance. The City's Parks Preservation (Weeki Wachee Fund) and Environmental Preservation Fund are externally managed funds and the Water Cost Stabilization Fund is internally managed. Under the alternative investment policy, the internally managed funds may be invested in dividend yielding equities in funds, mutual funds, or ETF's (passive and internally selected).

Under the alternative investment policy, the externally managed funds must be invested in permitted investment and a specified diversification structure by the external investment managers as laid out in the alternative investment policy. The policy has asset classes, ranges, and targets and includes equity investment funds, real estate investment trusts (REITS), and fixed income funds. The external manager and sub-managers are required to comply with the specific ranges for each asset class and the policy defines permitted and non-permitted investment instruments.

*Specific Investments Held of Interest*

The City holds an investment in the Columbia Strategic Fund in the core portfolio as of September 30, 2016. The Columbia Strategic Fund account is a separately run investment account for the City. During 2016, Blackrock assumed management of the Strategic Cash Management Fund. Money is withdrawn from the account when investments mature or are sold. There are investment positions with a fair value of \$185,799 that are rated below investment grade or not rated, see credit risk note for more information.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

Under the alternative investment policy, the City holds an investment in index funds in the internally managed Water Cost Stabilization Fund. Investments in the City's internally selected index funds are tracked to their underlying index. The Ishares Core High Dividend ETF is tracked to the Morningstar Dividend Yield Focus Index, the Ishares Russell 1000 Value ETF is tracked to the underlying Russell 1000 Index, the Vanguard Dividend Appreciation ETF is tracked to the Nasdaq Dividend Achievers Index, the Vanguard High Dividend Yield ETF is tracked to the Financial Times Stock Exchange High Dividend Yield Index, and the Vanguard S&P ETF is tracked to the S&P 500 Index.

**D. GOVERNMENT'S INVESTMENTS AND FAIR VALUE MEASUREMENT**

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 fair value 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 values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the City's own assumptions, as there is little, if any, related market activity.

Investments that are measured at fair value using the net asset value per share (NAV) (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value 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.

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

The primary government and component unit have the following recurring fair value measurements as of September 30, 2016:

	Short Term Portfolio	Core Portfolio	Debt Service Related Portfolio	Bond Proceeds Portfolio	Water Cost Stabilization Portfolio	Level
<b><u>City Investment Policy (General):</u></b>						
Certificates of Deposit (not cash equivalent)	\$ 10,000,000	-	-	29,000,000	\$ 16,600,000	1
Fixed Income Investments						
U.S. Treasury	-	23,686,275	-	30,051,080	-	1
U.S. Instrumentalities Bonds & Notes	-	77,024,567	-	19,070,850	17,329,355	2
Taxable Municipals	-	64,980,913	-	-	15,046,844	2
Non-Taxable Municipals	-	574,452	-	-	-	2
Corporate Bonds	-	99,201,984	2,087,140	-	19,964,330	2
Collateralized Mortgage Obligations	-	774,254	-	-	479,308	2
Blackrock Strategic Cash	-	1,187,738	-	-	-	3
Total Portfolio	\$ 10,000,000	267,430,183	2,087,140	78,121,930	69,419,837	
<b>Total City General Investment Policy</b>					<b>\$ 427,059,090</b>	
<b><u>City Alternate Investment Policy:</u></b>						
Water Cost Stabilization Index Funds					\$ 20,772,536	1
Parks Preservation Portfolio						
Common Stocks					4,990,884	1
Common Stocks					3,518,134	2
Closed End Funds- Equity					750,041	1
US Treasury					1,426,300	1
US Instrumentalities Bonds & Notes					358,366	2
Corporate Bonds					2,851,616	2
Mutual Fund - Corporate Bonds					1,541,113	1
Total Parks Preservation Portfolio					15,436,454	
Total - City Alternate Investment Policy					36,208,990	
<b><u>Other:</u></b>						
U.S. Trust - Library Gene Stacy Investments Portfolio - Mutual Funds					99,452	1
Morgan Stanley Kopsick Endowment (Perm Fund) - Mutual Funds					144,715	1
<b>Total Investments at Fair Value</b>					<b>463,512,247</b>	
Accrued Interest Receivable (included in Equity in Pooled Investments)					2,488,365	N/A
<b>Total Investments, Primary Government and Component Unit</b>					<b>\$ 466,000,612</b>	

The City's debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities.

The City's debt securities classified as Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. These securities have nonproprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The City's debt securities classified as Level 3 are valued based on the custodian bank's external pricing vendors or an alternative pricing source, utilizing inputs such as stale prices, cash flow models, broker bids, or cost. Cost or book value may be used as an estimate of fair value when there is lack of an independent pricing source.

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

The investment ordinance and policy include governmental and trustee deposits controlled by the City and all agency funds investments. The investment ordinance and policy shall not be interpreted or construed to override any specific provision contained in any bond resolution of the City relating to the investment of bond proceeds. The City assumes that its callable investments, which consist of the federal agency bonds and notes, will not be called.

**E. CITY INVESTMENT RISK DISCLOSURES**

**Interest Rate Risk (Effective Duration)**

Interest rate risk is the risk that as market rates change the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rate. The City's investment policy limits the maturity of an investment to a maximum of 12 months in the short term portfolio and maximum of 10 years with a weighted average maturity between 2 to 6 years for the core portfolio and the Water Cost Stabilization Portfolio, taking into consideration the City's investment risk constraints and cash flow requirements. The respective durations were based on the securities maturity date, not the call date. As of September 30, 2016, the City had the following fixed income investments with the corresponding effective duration by portfolio:

	Effective Duration 0-1 Years	Effective Duration 1-5 Years	Effective Duration 5-10 Years	Total Fair Value
<u>City General Investment Policy</u>				
Core Portfolio				
U.S. Treasury	\$ -	23,686,275	-	\$ 23,686,275
U.S. Instrumentalities Bonds & Notes	15,593,710	40,527,207	20,903,650	77,024,567
Taxable Municipals	5,984,444	70,172,744	3,504,339	79,661,527
Non-Taxable Municipals	-	574,452	-	574,452
Corporate Bonds	15,197,960	53,375,360	15,948,050	84,521,370
Collateralized Mortgage Obligations	370,411	403,843	-	774,254
Columbia Strategic Cash (now BlackRock)	1,187,738	-	-	1,187,738
Total Core Portfolio	<u>38,334,263</u>	<u>188,739,881</u>	<u>40,356,039</u>	<u>267,430,183</u>
Debt Service Related Portfolio				
Corporate Bonds	2,087,140	-	-	2,087,140
Total Debt Service Related Portfolio	<u>2,087,140</u>	<u>-</u>	<u>-</u>	<u>2,087,140</u>
Bond Proceeds Portfolio				
U.S. Treasury	16,037,420	14,013,660	-	30,051,080
U.S. Instrumentalities Bonds & Notes	18,065,760	1,005,090	-	19,070,850
Total Bond Proceeds Portfolio	<u>34,103,180</u>	<u>15,018,750</u>	<u>-</u>	<u>49,121,930</u>
Water Cost Stabilization Portfolio				
U.S. Instrumentalities Bonds & Notes	-	17,329,355	-	17,329,355
Taxable Municipals	-	15,046,844	-	15,046,844
Corporate Bonds	-	10,728,710	9,235,620	19,964,330
Collateralized Mortgage Obligations	423,592	55,716	-	479,308
Total Water Cost Stabilization Portfolio	<u>\$ 423,592</u>	<u>43,160,625</u>	<u>9,235,620</u>	<u>\$ 52,819,837</u>
Total General Investment Policy	<u>\$ 74,948,175</u>	<u>246,919,256</u>	<u>49,591,659</u>	<u>\$ 371,459,090</u>

The City's general investment portfolio's average years to maturity is 4.4 years and average coupon of bond holdings is 3.14% at par value weighted calculation. At market value weighted calculation the portfolio has a 3.01% current yield of portfolio and 1.32% average yield to maturity.

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

	Effective Duration 0-1 Years	Effective Duration 1-5 Years	Effective Duration 5-10 Years	Total Fair Value
<u>City Alternate Investment Policy</u>				
Parks Preservation Portfolio				
US Treasury	\$ 304,024	1,122,276	-	\$ 1,426,300
US Instrumentalities Bonds & Notes	-	358,366	-	358,366
Corporate Bonds	572,869	2,278,747	-	2,851,616
Total Alternate City Investment Policy	<u>\$ 876,893</u>	<u>3,759,389</u>	<u>-</u>	<u>\$ 4,636,282</u>

The City's alternate investment portfolio's average years to maturity is 3.0 years and average coupon of bond holdings is 1.87% at par value weighted calculation. At market value weighted calculation the portfolio has a 1.85% current yield of portfolio and 1.10% average yield to maturity.

**Credit Risk (Credit Ratings)**

The City's investment policy (the Policy), minimizes credit risk by restricting authorized investments to the highest ratings of at least one of the nationally recognized statistical rating organizations (NRSROs). Commercial paper and bankers acceptances must have the highest letter and numerical rating as provided for by at least one NRSRO. The credit ratings on the prior page were consistent among the three major rating agencies (Moody's, Standard and Poor's, and Fitch). As of September 30, 2016, the City had the following investments with the corresponding Moody's credit ratings:

	Credit Rating	Market Value
<u>City Investment Policy (General):</u>		
AIM Investment Money Market	Aaa	\$ 6,513,059
Morgan Stanley Money Market	Aaa	17,517,286
U.S. Instrumentalities Bonds & Notes	Aaa-Aa2	109,619,222
	Aa2	3,805,550
Taxable Municipals	Aaa	12,370,338
	Aa1	23,246,755
	Aa2	8,702,209
	Aa3	11,302,060
	A1	3,096,846
	A2	1,512,150
	A3	7,997,840
	S&P AA+	1,030,260
	S&P A+	10,769,300
Non-Taxable Municipals	A2	574,452
Corporate Bonds	Aaa	10,957,786
	Aa1	-
	Aa2	4,802,220
	Aa3	7,357,090
	A1	30,879,889
	A2	23,843,915
	A3	31,694,075
	Baa1	11,718,480
Collateralized Mortgage Obligations	Aaa	1,253,562
Columbia Strategic Cash (now BlackRock)	Aaa to NR*	1,187,739
Total General City Investment Policy		<u>\$ 341,752,083</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

	Credit Rating	Market Value
<u>City Alternate Investment Policy:</u>		
Parks Preservation Portfolio		
US Instrumentalities Bonds & Notes	Aaa	\$ 358,366
Corporate Bonds	Aaa	350,553
	Aa2	285,247
	Aa3	97,123
	A1	287,668
	A2	296,191
	A3	577,069
	Baa1	475,819
	Baa2	243,975
	Baa3	97,335
	S&P AAA	140,636
Total Alternate City Investment Policy		\$ 3,209,982

The City's investments in U.S. Treasuries or U.S. agencies that are backed by the U.S. Government were not included in the above table. The City has a taxable municipal bond due to the Fort Pierce, Florida Capital Revenue Bond converting from taxable to nontaxable municipal bond after purchase.

\*Blackrock's portfolio credit ratings from Moody's range from Aaa to NR with the breakout as follows: investment grade \$706,966, speculative grade \$285,961, and the remaining not rated by Moody's. In the amounts not rated by Moody's \$81.163 was rated CCC by Fitch and the remaining were not rated by any of the three major rating agencies.

**Custodial Credit Risk**

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Wells Fargo is the City's custodial bank for the City's General Investment Portfolio and Alternate Investment Portfolio and has certain sub-custodial relationships with counterparties.

The City's investments are either held by the City or by counterparties in the City's name; therefore the City's investments had no custodial credit risk at September 30, 2016.

**Concentration of Credit Risk (Percent of Portfolio)**

The City's Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. Without exception, the City's total investments with any one issuer cannot exceed 5% of the issuer's outstanding debt.

The City's Investment (excluding the amounts covered under the Alternative Investment Policy) Policy includes the following diversification schedule:

- A maximum of 25% of the short term portfolio, bond proceeds, debt service and water cost stabilization portfolios may be invested in either the Local Governments Surplus Funds Trust Fund.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

- A maximum of 25% of the short term portfolio and 100% of the bond proceeds and debt service portfolios may be invested in checking and savings accounts and other investment contracts.
- Each portfolio may invest a maximum of 30% in non-negotiable CD's and BIC's.
- A maximum of 20% of the short term portfolio and 5% of the bond proceeds and debt service portfolios may invest in repurchase agreements.
- A maximum of 100% of the short term, bond proceeds and debt service portfolios and 20% of the water cost stabilization portfolio may be invested in money market funds (government only).
- A maximum of 20% of the short term portfolio may be invested in bankers acceptances.
- A maximum of 100% of the total short term, core and water cost stabilization portfolio and 80% of the debt service and bond proceeds portfolios may be invested in U.S. Government Treasuries.
- A maximum 50% in the short term portfolio, 100% in the core portfolio and water cost stabilization portfolio and 80% in the debt service and bond proceeds portfolios may be invested in U.S. Government Agency securities and U.S. Federal Instrumentalities (GSE).
- There should be no more than 50% in step ups in the short term, core and water cost stabilization portfolios.
- A maximum 20% in the short term and water cost stabilization portfolios may be invested in agency mortgage backed securities and collateralized mortgage obligations. A maximum 30% in the core and water cost stabilization portfolios may be invested in corporate notes and bonds.
- Commercial paper is limited to 20% of each of the short-term and core portfolios. Certificates of deposit for the short term, core, debt service, and water cost stabilization portfolios are limited to 30% of each portfolio, respectively.
- A maximum of 10% of the short-term portfolio and 5% of the core portfolio may be invested in the Columbia Strategic Fund.
- A maximum 10% in the core portfolio and 20% in the water cost stabilization portfolios may be invested in corporate asset backed securities. The debt service and bond proceeds portfolios may invest in tax exempt municipal obligations as needed.
- A maximum of 30% of the core and water cost stabilization portfolios may be invested in taxable municipal obligations.
- Guaranteed investment contracts (GICs) may be invested at a maximum of 30% in the core and water cost stabilization portfolio and 50% in the bond proceeds and debt service portfolios.

The internally managed funds in the alternative investment policy may be invested in equity index/ETF funds for twenty-five percent of the investable balance within the Water Cost Stabilization Fund. The Alternative Investment Policy also has externally managed funds where they are limited to the Parks Preservation Fund and the Environmental Preservation Fund where the corpus of the funds balance is intended by City Council to remain intact, whereas only the investment income is used for appropriations. Externally managed funds may be invested in 60% equity and 40% fixed income allocation, with further diversification limited by asset class ranges, and guided by targets within each asset class as defined within the City's Alternate Investment Policy. Amounts covered by the Alternative Investment Policy have asset class limits, ranges, and targets to achieve diversification to minimize concentration risk. Amounts covered by the

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

Alternative Investment Policy are limited to specific funds approved through policy to minimize concentration risk.

At September 30, 2016, individual issuers that represent 5% or more of total financial instruments by reporting unit were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Investment %</u>
Federal Home Loan Bank	Agency Bond	10.1%
Fannie Mae	Agency Bond	9.60%
Bank United	Certificates of Deposit	18.6%

**F. PENSION PLANS DEPOSITS AND INVESTMENTS FAIR VALUE MEASUREMENT**

The City maintains the City of St. Petersburg Employee’s Retirement System (“ERS”), the City of St. Petersburg Firefighters’ Retirement System (“Fire”) and the City of St. Petersburg Police Officers’ Retirement System (“Police”) as three separate single employer defined benefit retirement systems (collectively “the pension plans”). Each pension plan is maintained in a fiduciary pension fund at the City and have separate investment policies approved by their respective pension boards. Investment policies are detailed in footnote 18(C).

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The pension plans also have investments held through a real estate investment trust and hedge fund of funds for which fair value is estimated through the NAV reported by the investment manager as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset of liability. The pension plans have the following recurring fair value measurements as of September 30, 2016:

	Employees' Retirement System	Firefighters' Retirement System	Police Officers' Retirement System	Total	Level
Cash Equivalents					
Institutional money markets	\$ 22,672,017	963,841	9,668,864	\$ 33,304,722	1
Total Cash Equivalents	<u>22,672,017</u>	<u>963,841</u>	<u>9,668,864</u>	<u>33,304,722</u>	
Equity Investments:					
Common and Preferred Stock	191,506,379	12,693,974	221,573,837	425,774,190	1
Common and Preferred Stock	43,030,366	1,678,734	26,494,914	71,204,014	2
Mutual Funds - Equity	988,326	163,934,041	27,172,105	192,094,472	1
Pooled, Common and Collective Fund	-	8,282,676	-	8,282,676	1
DROP Investments - Mutual Funds	9,403,574	23,946,583	23,569,736	56,919,893	1
Fixed Income Investments:					
U.S. Treasuries securities	19,844,356	5,333,058	5,061,985	30,239,399	1
U.S. Agencies securities	14,555,941	14,244,257	12,444,830	41,245,028	2
Mutual Funds - Debt	-	-	4,170,677	4,170,677	2
Municipal Bonds	-	282,084	-	282,084	2
Corporate Bonds	52,947,379	36,956,737	35,257,830	125,161,946	2
Total investments at fair value	<u>332,276,321</u>	<u>267,352,144</u>	<u>355,745,914</u>	<u>955,374,379</u>	
Investments measured at NAV:					
Private equity funds	17,930,160	-	8,896,413	26,826,573	
Real estate fund	22,951,441	-	26,352,864	49,304,305	
Total investments at NAV	<u>40,881,601</u>	<u>-</u>	<u>35,249,277</u>	<u>76,130,878</u>	
Total investments	<u>\$ 373,157,922</u>	<u>267,352,144</u>	<u>390,995,191</u>	<u>\$ 1,031,505,257</u>	

Equity and debt securities classified as Level 1 are valued using prices quoted in active markets for those securities.

The City's fixed income securities classified as Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. These securities have nonproprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Pooled, common and collective funds classified in Level 2 are valued using prices quoted in active markets for those investment types and the readily determinable fair value per share (unit) which is determined based on the publication of the price or on the basis of current transactions.

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

Investments in Entities that Calculate Net Asset Value per Share

The Plans holds shares or interests in investments companies at where the fair value of the investments are measured on a recurring basis using NAV per share (or its equivalent) of the investment companies as a practical expedient.

The valuation method for investments measured at NAV per share (or its equivalent) is presented on the following table:

**Investments Measured at the NAV:**

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Multi-strategy funds (1)	\$ 26,826,573	None	Semi-Annual	95 days written notice
Real estate funds (2)	49,304,305	None	Quarterly	60 days written notice
Total Investments Measured at the NAV	<u>\$ 76,130,878</u>			

(1) The multi strategy hedge funds class invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this class includes investments in approximately 32.6% cash and cash equivalents, 9.9% equities, 53.6% interest rate and credit and 3.9% other. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. The Private Advisors Stable Value Fund is currently redeeming and is expected to be fully paid out by the end of 2018. In April 2016, Private Advisors, LLC announced the closure of the Private Advisors Stable Value funds due to a higher than expected level of redemptions in Q1 2016 as a result of the current market environment and recent performance. It is the intention of Private Advisors, LLC to return the full 100% of the assets, with a small remainder coming after the 12/31/2018 distribution date (first distribution was received by both plans in August). It is also important to point out that the remaining investments will be subject to market value fluctuations; so the total capital returned may be higher or lower than what has been estimated. Effective June 30th, the funds were not charged management or performance fees. The second compulsory redemption of 15.85% of Private Advisors June 30, 2016 account balances occurred on November 15, 2016. This brings the cumulative distribution amount to approximately 65% of the beginning capital amount on June 30, 2016.

(2) The real estate funds investment primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated.

**G. PENSION PLANS INVESTMENT RISK DISCLOSURES**

**Custodial Risk**

As of September 30, 2016, the pension plans had no deposits or investments with custodial risk. Wells Fargo is the City's custodial bank for the three pension plans and ICMA-RC is the third party administrator and trust for the DROP investments.

**Interest Rate Risk (Weighted Average)**

The investment policies for the pension plans do not place limits on investment maturities. The pension funds are exposed to the risk of fair value losses arising from increasing interest rates based on the weighted average of fixed income instruments.

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

As of September 30, 2016, the pension plans had the following fixed income investments with the corresponding effective duration by plan:

	Employees' Retirement System		Firefighters' Retirement System		Police Officers' Retirement System	
	Fair Value	Weighted Average (Years)	Fair Value	Weighted Average (Years)	Fair Value	Weighted Average (Years)
U.S. Treasury	\$ 19,844,356	6	\$ 5,333,058	12	\$ 5,061,985	5
U.S. Instrumentalities Bonds & Notes	14,555,941	7	14,244,257	23	12,444,830	12
Municipal Bonds	-		282,084	24	-	
Corporate Bonds	52,947,379	4	36,956,737	5	35,257,830	5
Total Pension Investments	<u>\$ 87,347,676</u>		<u>\$ 56,816,136</u>		<u>\$ 52,764,645</u>	

**Credit Risk (Credit Rating)**

The investment policies of the pension plans limit investments to the top four ratings of a nationally recognized rating agency.

As of September 30, 2016, the pension plans had the following fixed income investments with the corresponding credit ratings by plan:

City Pension Investment Policy	Credit Rating	Employees' Retirement System	Firefighters' Retirement System	Police Officers' Retirement System
		Market Value	Market Value	Market Value
U.S. Treasuries securities	Aaa	\$ 19,844,356	\$ 5,333,058	\$ 5,061,985
U.S. Agencies securities	Aaa	9,408,390	693,659	5,611,189
	Not Rated	5,147,551	13,550,598	6,833,641
Municipal Bonds	A3	-	282,084	-
Corporate Bonds	Aaa	7,299,574	2,175,048	2,995,649
	Aa1	1,478,639	1,169,107	1,018,150
	Aa2	1,271,794	1,239,386	1,800,745
	Aa3	1,498,199	1,060,116	2,435,361
	A1	5,248,968	3,755,110	6,211,647
	A2	8,265,506	9,060,830	12,908,011
	A3	4,961,355	6,919,212	5,608,426
	Baa1	8,349,039	8,836,756	2,279,841
	Baa2	8,945,740	1,662,632	-
	Baa3	3,516,865	335,028	-
	Not Rated	2,111,700	743,512	-
Total City Pension Investment Policy		<u>\$ 87,347,676</u>	<u>\$ 56,816,136</u>	<u>\$ 52,764,645</u>

The pension plans investments in U.S. Treasuries or U.S. agencies that are backed by the U.S. Government were not included in the above table. The corporate bonds not rated made the decision not to rate.

**Concentration of Credit Risk (Percent of Portfolio)**

The investment policy of the Employees' Retirement System limits investment in any single issuer to 10% of the total portfolio. The Firefighters' Retirement System and Police Officers' Retirement System limit investment in any single issuer to 5% of the total portfolio. Investments in shares of companies that have been publicly traded for less than one year are limited to no more than 15% of an investment managers total equity portfolio for both the Firefighters' Retirement System and Police Officers' Retirement System.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)**

At September 30, 2016, individual issuers that represent 5% or more of total financial instruments (other than investments issued or explicitly guaranteed by the U.S. Government and mutual funds) were as follows:

- In the Employees’ Retirement System, the issuer UBS held 6.1% of the investment portfolio in alternative real estate funds.
- Firefighters’ Retirement System Vanguard, the issuer Vanguard held 47.3% of the investment portfolio in mutual funds (equity).
- Police Officers’ Retirement System, the issuer UBS held 9.1% of the investment portfolio in alternative real estate funds.

**Foreign Currency Risk**

The Employees’ Retirement System and Police Officers’ Retirement System respective investment policies permit investments of up to 10% of the total portfolio in foreign currency-denominated investments. The Firefighters’ Retirement System permits investments up to 25% and the current position is 15% in equity co-mingled funds.

**NOTE 6 - RECEIVABLES**

Receivables as of year end for the City’s individual major funds and nonmajor funds, and internal service funds (which are consolidated with the governmental funds on the Government-Wide Statement of Net Position for the Governmental Activities) in the aggregate, including the applicable allowances for uncollectible accounts, are as follows (in thousands of dollars):

Governmental Activities	General	Community Redev. Districts	Downtown Redev. Districts	LOSSI (*)	Grants	Nonmajor Governmental	Internal Service	Total
Accounts	\$ 1,410	\$ -	\$ -	\$ 24	\$ 301	\$ 795	\$ 1,705	\$ 4,235
Taxes	4,595	-	-	-	-	-	-	4,595
Accrued Interest	-	-	-	-	-	185	-	185
Notes	1,216	-	-	-	27,423	14,799	-	43,438
Assessments	82	-	-	-	-	-	-	82
Total Governmental	7,303	-	-	24	27,724	15,779	1,705	52,535
Less: Allowance for uncollectible	(46)	-	-	-	(22,154)	(8,714)	(100)	(31,014)
Net Governmental Receivable	\$ 7,257	\$ -	\$ -	\$ 24	\$ 5,570	\$ 7,065	\$ 1,605	\$ 21,521

\*Local Option Sales Surtax Improvement

Internal service fund receivables are related to charges for services that Billings & Collections collects for utility billing on behalf of other governmental entities.

Business-Type Activities	Water Resource	Stormwater	Sanitation	Tropicana Field	Nonmajor Enterprise Funds	Total
Accounts	\$ 6,433	\$ 947	\$ 2,268	\$ -	\$ 4,366	\$ 14,014
Accrued Interest	1,120	-	-	-	-	1,120
Unbilled Revenues	4,032	-	113	-	-	4,145
Assessments	10	-	5,397	-	-	5,407
Total Business-Type	11,595	947	7,778	-	4,366	24,686
Less: Allowance for uncollectible	(432)	(318)	(1,370)	-	(3,780)	(5,900)
Net Business Type Receivable	\$ 11,163	\$ 629	\$ 6,408	\$ -	\$ 586	\$ 18,786

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 6 – RECEIVABLES – (Continued)**

Amounts actually written off during the year were \$158,897 for the General Fund, \$287,304 for the Water Resources Fund, \$55,640 for the Stormwater Fund, \$79,377 for the Sanitation Fund, \$28,462 for the nonmajor Enterprise Funds and \$82,498 for internal service funds. The City had a recovery of \$20,436 to the nonmajor Governmental Funds.

The City had notes receivable in the following funds at September 30, 2016. The allowance for uncollectible notes relates to deferred and forgiven loans. The net accounts receivable balance is representative of amortized loans.

GENERAL FUND		
0.00%	Note from Neighborhood Lending Partners of West Florida (NLP) for \$ construction and leasehold improvements to the Tangerine Plaza Shopping Center. Monthly principal payments of \$4,167 for twenty seven years begin July 15, 2015 however no payments were made in Fiscal Year 2015 or 2016. NLP is currently in foreclosure with the City pursuing a leasehold interest. The note receivable is also fully deferred in the General Fund deferred in flow from notes receivable.	1,216,214
		\$ 1,216,214
GRANTS FUND		
Community Development Block Grants	Mortgage notes of various term dates and interest rates for residential rehabilitation loans from the Community Development Block Grants, due in various monthly payments	168,375
Various %		
Neighborhood Stabilization Program	Mortgage notes of various term dates from individuals for home-buyer assistance loans from the Neighborhood Stabilization Program, due in various monthly payments.	138,140
Various %		
HOME Grants	Mortgage notes of various term dates from individuals for residential rehabilitation and home buyer assistance loans, and from multi-family developers for acquisition, rehabilitation and or construction loans from the HOME Grants, due in various monthly payments.	4,962,396
Various %		
		\$ 5,268,911
SPECIAL REVENUE FUNDS		
Local Housing Assistance Trust		
0.00%	Mortgage notes of various term dates from individuals for residential rehabilitation and home buyer assistance loans, and from multi-family developers for acquisition, rehabilitation and or construction loans from the State Housing Initiative Partnership Program, due in various monthly payments	4,026,779
Community Housing Trust		
Various%	Mortgage notes of various dates and interest rates for multi-family developer acquisition and rehabilitation/construction notes from the Community Housing Trust Grants, due in monthly payments including interest.	2,507,879
		\$ 6,534,658

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 6 – RECEIVABLES – (Continued)**

CAPITAL PROJECTS FUNDS

Housing Capital Improvement

Various %	Mortgage notes of various dates from individuals for down payments, \$ closing costs, and disabled retrofit of homes due in various monthly payments and due dates.	59,963
Total Governmental Notes Receivable		\$ 13,079,746

**NOTE 7 - CONTRACTS RECEIVABLE - DUE FROM OTHER GOVERNMENTAL AGENCIES**

The City had contracts receivable due from other Governmental Agencies in the following funds at September 30, 2016.

ENTERPRISE FUNDS

Water Resources

4.84% - 5.03%	Contract receivable from Tampa Bay Water Authority for sale of \$ well fields and pipelines, due in monthly payments of \$139,481 including interest, through September 2028.	14,812,527
Less Current Portion		(930,602)
Total Non-Current Portion		\$ 13,881,925

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2016 is presented in the following schedules:

Primary Government

<u>Governmental Activities</u>	Beginning Balance	Increases	Decreases	Transfer	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 120,595,752	\$ 3,678,449	\$ (3,726,784)	\$ -	\$ 120,547,417
Construction in progress	5,602,109	22,437,013	(12,689,615)	(7,319,614)	8,029,893
Total Capital Assets, not being depreciated	126,197,861	26,115,462	(16,416,399)	(7,319,614)	128,577,310
Capital assets, being depreciated:					
Buildings and systems	137,040,373	-	(812,319)	(163,970)	136,064,084
Improvements and Infrastructure	407,448,669	5,326,950	(1,169,462)	299,800	411,905,957
Utility Systems	-	56,840	-	(56,840)	-
Machinery and equipment	125,321,718	12,741,768	(7,543,943)	636,335	131,155,878
Other Asset (Intangible)	-	2,100,000	-	-	2,100,000
Total Capital Assets being depreciated	669,810,760	20,225,558	(9,525,724)	715,325	681,225,919
Less accumulated depreciation for:					
Buildings and systems	(68,140,596)	(2,971,641)	616,182	3,006	(70,493,049)
Improvements and Infrastructure	(245,289,345)	(12,338,494)	1,035,184	-	(256,592,655)
Machinery and equipment	(94,242,954)	(10,524,098)	7,490,456	(1,025)	(97,277,621)
Total accumulated depreciation	(407,672,895)	(25,834,233)	9,141,822	1,981	(424,363,325)
Total Capital Assets, being depreciated, net	262,137,865	(5,608,675)	(383,902)	717,306	256,862,594
Governmental activities Capital Assets, net	\$ 388,335,726	\$ 20,506,787	\$ (16,800,301)	\$ (6,602,308)	\$ 385,439,904

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 8 - CAPITAL ASSETS - (Continued)**

<u>Business Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfer</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 29,789,081	\$ -	\$ -	\$ -	\$ 29,789,081
Construction in progress	13,532,740	38,214,976	(33,613,958)	5,287,924	23,421,682
Total Capital Assets, not being depreciated	<u>43,321,821</u>	<u>38,214,976</u>	<u>(33,613,958)</u>	<u>5,287,924</u>	<u>53,210,763</u>
Capital assets, being depreciated:					
Buildings and systems	271,606,298	-	(1,429,034)	163,970	270,341,234
Improvements other the buildings	84,179,950	3,335,376	(538,980)	1,134,204	88,110,550
Machinery and equipment	41,241,710	2,720,771	(2,528,564)	(38,649)	41,395,268
Utility Systems	983,799,312	29,527,709	(5,650,637)	56,840	1,007,733,224
Total Capital Assets being depreciated	<u>1,380,827,270</u>	<u>35,583,856</u>	<u>(10,147,215)</u>	<u>1,316,365</u>	<u>1,407,580,276</u>
Less accumulated depreciation for:					
Buildings and systems	(116,089,757)	(5,434,820)	1,319,350	(3,006)	(120,208,233)
Improvements other than buildings	(58,731,667)	(4,910,561)	538,709	-	(63,103,519)
Machinery and equipment	(33,160,254)	(2,496,889)	2,559,081	1,025	(33,097,037)
Utility Systems	(388,693,780)	(20,499,692)	4,101,891	-	(405,091,581)
Total accumulated depreciation	<u>(596,675,458)</u>	<u>(33,341,962)</u>	<u>8,519,031</u>	<u>(1,981)</u>	<u>(621,500,370)</u>
Total Capital Assets, being depreciated, net	<u>784,151,812</u>	<u>2,241,894</u>	<u>(1,628,184)</u>	<u>1,314,384</u>	<u>786,079,906</u>
Business-type Activities Capital Assets, net	<u>\$ 827,473,633</u>	<u>\$ 40,456,870</u>	<u>\$ (35,242,142)</u>	<u>\$ 6,602,308</u>	<u>\$ 839,290,669</u>

**Depreciation Expense**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 826,730
Community and Economic Development	1,675,821
Public Safety – Police	1,322,246
Public Safety – Fire and EMS	1,517,026
Public Works, including depreciation of general infrastructure assets	15,016,735
Recreation, Culture and Social	5,475,675
Total depreciation expense – governmental activities	<u>\$ 25,834,233</u>

Business-type Activities:

Water Resources	\$ 17,432,012
Stormwater	6,062,605
Sanitation	1,793,189
Tropicana	3,571,944
Other nonmajor business-type funds	4,482,212
Total depreciation expense – business-type activities	<u>\$ 33,341,962</u>

**Police Training Annex and Headquarters**

The Police Training Annex and parking lot was demolished in August 2016. The site will become the location of the new Police Headquarters, with construction expected to begin July 2017.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 8 - CAPITAL ASSETS - (Continued)**

**Pier & Albert Whitted Water Reclamation Facility (WRF) Closures**

The City-owned Pier, which is operated as an enterprise fund, closed May 31, 2013 as scheduled and is currently under demolition to prepare for the construction of the new pier design. The Albert Whitted WRF at Albert Whitted Airport was decommissioned in fiscal year 2015 with all capacity redirected to other efficient facilities with capacity availability.

The estimated useful life for the Pier and Albert Whitted WRF's building and improvements were recalculated reflecting the remaining service life of the facilities. Albert Whitted WRF capital assets depreciation was accelerated in order to fully depreciate the assets as of September 30, 2015 in accordance with the closures. The Pier assets were fully depreciated as of the expected closure date, May, 31 2013.

**Construction Commitments**

Encumbrance commitments in the City's capital projects funds represent construction contracts and special order equipment outstanding for the City's capital improvement projects. The capital project encumbrances outstanding at September 30, 2016 as well as the estimate of additional costs to complete open capital projects in progress in each of the City's capital project funds is summarized as follows:

	Capital Projects Encumbrances	Estimated Additional Costs to Complete Projects in Progress	Total Additional Costs to Complete Projects in in Progress
<b>CAPITAL PROJECTS FUNDS</b>			
General Capital Improvement	\$ 7,074,293	\$ 66,615,267	\$ 73,689,560
Local Option Sales Surtax Improvement	6,749,211	31,183,348	37,932,559
Transportation Improvement	143,894	4,459,587	4,603,481
Housing Improvement	-	286,723	286,723
Downtown Parking Garage	18,664	1,371,990	1,390,654
Weeki Wachee	1,311,524	1,858,482	3,170,006
Total Capital Projects Funds	<u>\$ 15,297,586</u>	<u>\$ 105,775,397</u>	<u>\$ 121,072,983</u>
<b>ENTERPRISE FUNDS</b>			
Water Resources	\$ 30,980,099	\$ 58,179,347	\$ 89,159,446
Stormwater	1,175,190	4,994,237	6,169,427
Tropicana	-	940,659	940,659
Other nonmajor business-type funds	517,257	4,680,377	5,197,634
Total Enterprise Funds	<u>\$ 32,672,546</u>	<u>\$ 68,794,620</u>	<u>\$ 101,467,166</u>

**Consent Order and Plan for the City's Public Utilities System:**

On September 16, 2016, the City received a proposed Consent Order from the FDEP to address the issues associated with the wastewater discharges from the collections system and Water Reclamation Facilities owned and operated by the City. The proposed Consent Order contemplates a number of corrective actions previously submitted by the City to the FDEP which are designed to increase capacity and mitigate overflows and discharges during future wet weather events. The proposed plan to address certain issues related to the Public Utilities System would increase capital improvement projects over the next five fiscal years by \$142 million.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 8 - CAPITAL ASSETS - (Continued)**

It is anticipated that any increase in these projects would be funded through a variety of means including utility rate increases and additional debt issuances. The City anticipates that a final Consent Order will be negotiated and implemented to mitigate future wet weather overflows and discharges.

**NOTE 9 - DISCRETELY PRESENTED COMPONENT UNIT**

St. Petersburg Health Facilities Authority  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual

	Original and Final Budget	Actual	Variance With Final Budget Over /Under
Revenues	\$ 15,000	\$ 1,902	\$ (13,098)
Expenditures	14,000	175	13,825
Excess of Revenues Over Expenditures	1,000	1,727	727
Budgetary Fund Balance October 1, 2015	68,893	69,130	237
Reserve for Encumbrances – October 1, 2015	-	-	-
Budgetary Fund Balance September 30, 2016	\$ 69,893	70,857	\$ 964

**NOTE 10 - INTERFUND RECEIVABLES, PAYABLES, TRANSFERS, AND ADVANCES**

The composition of due to/from other funds as of September 30, 2016, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 383,361
	Nonmajor Enterprise Fund	2,932,324
	Total	\$ 3,315,685

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing between receiving and recognizing certain revenues including overdrafts related to equity in pooled cash and investments.

The composition of advances to/from other funds as of September 30, 2016, is as follows:

Advances to Other Funds	Advances from Other Funds	Amount
General Fund	Nonmajor Enterprise Funds	\$ 3,770,233
	Total	\$ 3,770,233

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 10 - INTERFUND RECEIVABLES, PAYABLES, TRANSFERS, AND ADVANCES - (Continued)**

The General Fund advanced monies to Jamestown, the Golf Course and the Airport in 2013, 2014, 2015 and 2016 as part of the budget cleanup ordinance due to lower than expected revenues or for capital projects underway. These advances are considered long term and are expected to be repaid through future earnings.

The composition of interfund transfers during fiscal year 2016 are as follows:

**Interfund Transfers of Financial Assets:**

	General Fund	Community Redevelopment District	Downtown Redevelopment District	Grants	Nonmajor Governmental	Water Resources	Tropicana	Nonmajor Business-Type	Internal Service	Total Transfers Out
General Fund	\$ -	\$ 777,998	\$ 6,434,352	\$ 1,386	\$ 3,425,347	\$ -	\$ 1,807,000	\$ 1,014,587	\$ -	\$ (13,460,670)
Community Redevelopment	50,000	-	-	-	418,163	-	-	-	-	(468,163)
Downtown Redevelopment	-	-	-	-	5,827,944	-	-	-	-	(5,827,944)
LOSSI*	69,100	-	-	-	-	-	-	-	-	(69,100)
Grants	-	-	-	-	303,598	-	-	-	-	(303,598)
Nonmajor Governmental	1,274,714	-	-	-	66,526,984	4,093	-	55,310	-	(67,861,101)
Internal Service	290,325	-	-	-	740,000	-	-	-	-	(1,030,325)
Water Resources	11,806,888	-	-	-	-	-	-	-	60,489	(11,867,377)
Stormwater	2,118,960	-	-	-	-	-	-	-	-	(2,118,960)
Sanitation	2,941,440	-	-	-	-	-	-	-	-	(2,941,440)
Nonmajor Business-type	1,713,352	-	-	-	894,000	-	-	-	-	(2,607,352)
Total Transfers in	\$ 20,264,779	\$ 777,998	\$ 6,434,352	\$ 1,386	\$ 78,136,036	\$ 4,093	\$ 1,807,000	\$ 1,069,897	\$ 60,489	\$ -

\*Local Option Sales Surtax Improvement

Bond covenants and City financial policies require the use of interfund transfers to move financial resources from funds legally designated to receive them to funds required to expend the resources. Business-type fund payments-in-lieu of taxes are also reported as interfund transfers to the General Fund. During 2016 the Fire Rescue & EMS Awards permanent fund received a transfer in of \$31,840 as part of the reclassification from a donations special revenue fund to a permanent fund.

**NOTE 11 – OPERATING LEASES**

The City (as lessee) has entered into several non-cancelable operating lease agreements for equipment which end on various dates through 2020, some with options for additional terms. The total cost of the fiscal year was \$590,769. The following is a schedule by years of the future rentals on non-cancelable leases as of September 30, 2016:

Fiscal Year Ending September 30:	2017	\$ 170,188
	2018	102,308
	2019	44,758
	2020	12,910
	2021	-
Total Minimum Future Rentals		<u>\$ 330,164</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 12 - LONG - TERM OBLIGATIONS**

The following is a summary of changes in long-term liabilities of the City for the fiscal year ended September 30, 2016 (in thousands of dollars):

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Bonds &amp; Notes Payable:</b>					
Revenue Bonds	\$ 24,075	\$ 56,205	\$ (7,735)	\$ 72,545	\$ 1,895
Notes	19,859	-	(6,441)	13,418	3,347
	<u>43,934</u>	<u>56,205</u>	<u>(14,176)</u>	<u>85,963</u>	<u>5,242</u>
Bonds - Unamortized Premiums/Discounts	76	4,441	(76)	4,441	-
Notes - Unamortized Premiums/Discounts	13	-	(13)	-	-
Total Bonds and Notes Payable	<u>44,023</u>	<u>60,646</u>	<u>(14,265)</u>	<u>90,404</u>	<u>5,242</u>
Claims and Judgments	51,629	48,953	(49,950)	50,632	13,083
Compensated Absences	14,509	845	(861)	14,493	861
Supplemental Payments Liability	1,182	-	(20)	1,162	-
Contingent Liability	1,601	-	(37)	1,564	37
Subtotal before Pension and OPEB Liabilities	<u>112,944</u>	<u>110,444</u>	<u>(65,133)</u>	<u>158,255</u>	<u>19,223</u>
Net Pension Liability	29,962	27,977	-	57,939	-
OPEB Liability	<u>49,264</u>	<u>7,811</u>	<u>-</u>	<u>57,075</u>	<u>-</u>
Governmental Activity Long-term Liabilities	<u>\$ 192,170</u>	<u>\$ 146,232</u>	<u>\$ (65,133)</u>	<u>\$ 273,269</u>	<u>\$ 19,223</u>

<u>Business Type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Bonds, Notes Payable:</b>					
Revenue Bonds	\$ 348,160	\$ 79,945	\$ (55,840)	\$ 372,265	\$ 6,465
Notes	26,942	3,549	(3,526)	26,965	3,637
	<u>375,102</u>	<u>83,494</u>	<u>(59,366)</u>	<u>399,230</u>	<u>10,102</u>
Bonds - Unamortized Premiums/Discounts	7,088	902	(560)	7,430	-
Notes - Unamortized Premiums/Discounts	(12)	-	3	(9)	-
Total Bonds, Notes Payable	<u>382,178</u>	<u>84,396</u>	<u>(59,923)</u>	<u>406,651</u>	<u>10,102</u>
Compensated Absences	3,796	278	(147)	3,927	147
Subtotal before Pension and OPEB Liabilities	<u>385,974</u>	<u>84,674</u>	<u>(60,070)</u>	<u>410,578</u>	<u>10,249</u>
Net Pension Liability	9,427	4,867	-	14,294	-
OPEB Liability	<u>13,060</u>	<u>2,195</u>	<u>-</u>	<u>15,255</u>	<u>-</u>
Business Type Activity Long-term Liabilities	<u>\$ 408,461</u>	<u>\$ 91,736</u>	<u>\$ (60,070)</u>	<u>\$ 440,127</u>	<u>\$ 10,249</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)**

For more information on the liquidation of governmental long term obligations such as bond payments, note payments, claims, compensated absences pension obligation and other post-employment obligations in governmental funds see Note 1 (8). Liabilities are liquidated based on the individual employees or retirees fund and department of employment.

**Overview**

The City of St. Petersburg issues revenue bonds for the purposes of acquiring or constructing capital assets or to refund previously issued debt in order to take advantage of favorable interest rate conditions. Revenue bonds are secured by specific revenue streams to be used to pay debt service. The City has no general obligation debt, which is debt that is secured by Ad Valorem Real Property Tax Revenues.

The authority resolutions for various revenue bonds and loan agreements of the City require deposits to restricted accounts throughout the fiscal year and the maintenance of required minimum balances to be on deposit in such accounts. At September 30, 2016, the City believes it is in compliance with these requirements.

**Summary of New Debt Issuances**

On November 19, 2015, the City issued \$30,190,000 in Public Utility Revenue Bonds, Series 2015. The bond proceeds were used to fund capital projects in the Water Resources Fund. The bonds were competitively bid with a true interest cost of 3.47% and mature in 2045.

On March 9, 2016, the City issued \$37,695,000 and \$18,510,000 in Public Service Tax Revenue Bonds, Series 2016A and 2016B, respectively. The bond proceeds were used to fund the Pier (2016A) and the Pier Approach (2016B) capital projects in the General Capital Improvements Fund. The bonds were competitively bid with a true interest cost of 2.52% and mature in 2031.

On August 16, 2016, the City issued \$49,755,000 in Public Utility Refunding Revenue Bonds, Series 2016A. The bond proceeds were used to refund the Public Utility Revenue Bonds, Series 2006. The bonds have a true interest cost of 1.75% and mature in 2028. As a result of the refunding, the City reduced its total debt service requirements by \$10,271,465, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) by \$9,218,757 or 18.5% of the refunded bond.

**Contingent Liabilities**

On December 21, 2007, the City entered into an agreement with The Young Men's Christian Association of Greater St. Petersburg, Florida, Inc. (YMCA). The agreement laid out the terms of a new construction project at the Child's Park Sports Complex. The YMCA agreed to build, operate and manage a new YMCA Community Center and the City desired to operate a branch of the City's library system and provide for a community meeting room/auditorium for the benefit and use by the citizens of St. Petersburg within the newly constructed complex. The City committed to contributing \$1,000,000 towards the construction.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)**

The building was completed in October 2008. Per the terms of the agreement, upon completion, the YMCA donated the building to the City and the City subsequently leased it back to the YMCA for \$30 for thirty years, with an extension option for another thirty years. (The building is included in Buildings and Systems under Governmental Activities in Note 8 – Capital Assets). In the event of early termination of the lease by the City or if the City refuses to grant a request for the new lease extension, the City shall reimburse the YMCA for the unamortized portion of its total project costs less the \$1,000,000 that the City has already contributed. This liability is contingent upon the City terminating the lease. The YMCA’s portion of the cost (net of the \$1,000,000 paid by the City) of \$1,860,910 shall be amortized over a 50-year period, per the terms of the lease. The annual amortization of \$37,218 will be recognized as contribution revenue. During fiscal year 2016, \$37,218 was amortized and recognized as contribution revenue on the city wide financial statements leaving a balance of \$1,563,165 at September 30, 2016, which is included in summary of the long term obligations for Governmental Activities.

**State Revolving Fund Loans**

Since 1998, the City has requested and received loans from the Florida Department of Environmental Protection (FDEP) under its State Revolving Fund (SRF) loan program. The loans represent direct grants from the U.S. Environmental Protection Agency. The City has entered into seven SRF agreements for wastewater facilities, five with the FDEP and two with the FL Water Pollution Control Financing Corporation. The City is required to make semi-annual principal and interest payments over twenty years beginning two years after the state loans approval. The following loans, interest rates, and maturities are included in the business-type activities notes payable (in thousands of dollars):

<u>Loan Approval Date</u>	<u>Issue Date</u>	<u>Loan Number</u>	<u>Original Loan Amount</u>	<u>Remaining Loan Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
April 17, 1998	09/15/00	CS120521010	\$ 13,228	\$ 3,459	3.11% -3.18%	09/15/20
May 4, 2000	11/15/02	CS120521020	3,587	1,430	3.33%	11/15/22
Nov 2, 2001	09/15/03	CS12052104P	446	187	3.05%	09/15/23
Nov 8, 2001	09/15/04	CS120521030	5,852	2,472	2.93% - 3.05%	09/15/23
Dec 5, 2003	01/15/04	WW52105L	4,519	1,998	2.96%	01/15/24
May 18, 2011	04/08/14	WW520600	6,487	5,505	2.67%	11/15/32
			34,119	15,051		

Loans Currently in Drawdown:

Feb 3, 2016	N/A	WW520630	\$ 3,550
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In February 2016, the City executed a Clean Water State Revolving Fund Construction Loan Agreement with the Florida Department of Environmental Protection for an authorized award amount of \$40,000,000 as loan WW520630 with a financing rate of 0.45% per annum. In August 2016, the City was awarded additional segment funding under this award in the amount of \$9,884,249. The loan is to finance the \$49,884,249 in construction of wastewater pollution control facilities as approved by the Florida Department of Environmental Protection.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)**

The agreement is effective as of November 10, 2015 and any invoices submitted for work on or after that date are eligible for reimbursement. The project is scheduled for completion July 15, 2019, at such time the loan debt service account should be established and monthly loan deposits should begin no later than July 15, 2019. After the final disbursement of loan proceeds, the 40 semiannual loan payments will be based on actual project costs, the actual loan service fee and loan service fee capitalized interest. As of September 30, 2016, the City has expended \$3,549,669 in eligible costs under the loan agreement.

**Annual Debt Service Requirements to Maturity**

Debt Service requirements at September 30, 2016 were as follows (in thousands of dollars):

Year End	<u>Governmental Activities</u>			
	<u>Revenue Bonds</u>		<u>Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,895	\$ 2,443	\$ 3,347	\$ 249
2018	2,080	2,335	3,318	181
2019	2,230	2,265	3,214	113
2020	2,440	2,186	3,120	47
2021	2,705	2,096	419	7
2022-2026	29,925	7,447	-	-
2027-2031	25,675	2,762	-	-
2032	5,595	84	-	-
	<u>\$ 72,545</u>	<u>\$ 21,618</u>	<u>\$ 13,418</u>	<u>\$ 597</u>

Year End September 30	<u>Business-Type Activities</u>						<u>Stormwater</u>	
	<u>Revenue Bonds</u>			<u>Water Resources</u>			<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>(1) Subsidy</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$ 6,465	\$ 14,345	\$ (1,094)	\$ 1,882	\$ 430	\$ -	\$ 218	
2018	7,860	14,332	(1,170)	1,941	372	370	345	
2019	8,174	14,004	(1,164)	2,000	312	376	339	
2020	7,625	13,718	(1,158)	2,062	250	1,770	320	
2021	7,850	13,480	(1,151)	1,191	194	1,800	289	
2022-2026	43,269	63,112	(5,642)	3,515	525	9,486	954	
2027-2031	57,210	54,590	(5,401)	1,854	219	6,100	161	
2032-2036	78,225	41,746	(5,063)	606	17	-	-	
2037-2041	98,485	21,415	(3,189)	-	-	-	-	
2042-2046	37,200	2,546	-	-	-	-	-	
Total	<u>\$ 352,363</u>	<u>\$ 253,288</u>	<u>\$ (25,032)</u>	<u>\$ 15,051</u>	<u>\$ 2,319</u>	<u>\$ 19,902</u>	<u>\$ 2,626</u>	

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)**

Year End September 30	Business-Type Activities			
	Sanitation		Non-Major Business Activities	
	Notes			
	Principal	Interest	Principal	Interest
2017	\$ 1,230	\$ 61	\$ 525	\$ 141
2018	1,250	44	545	120
2019	1,260	25	570	98
2020	280	14	590	75
2021-2025	860	19	1,255	78
Total	<u>\$ 4,880</u>	<u>\$ 163</u>	<u>\$ 3,485</u>	<u>\$ 512</u>

*Note 1: Anticipated Direct Subsidy Payments for the 2010A Public Utility Revenue Bonds (Build America Bonds) and the 2010B Public Utility Revenue Bonds not reduced by possible sequestration reductions (Recovery Zone Economic Development Bonds). Outstanding amount to be received in FY 2017 is reduced by 6.90% sequestration while remaining years are not reduced.*

*Note 2: Does not include Clean Water State Revolving Fund Construction loan WW520630 executed in February 2016 for \$40,000,000 with additional segment funding of \$9,884,249 issued in August 2016. The total amount expended is \$3,549,668 as of September 30, 2016.*

**Deferred Outflows of Resources - Debt Refunding**

At September 30, 2016 the City reported the following changes in deferred outflows of resources related to the deferred amounts on refunding for bonds.

	Governmental Activities	Business-Type Activities	Total
Balances, Beginning	\$ 1,111,821	\$ 5,065,166	\$ 6,176,987
Additions (new issuances)	-	1,069,905	1,069,905
Reductions	(198,531)	(1,712,119)	(1,910,650)
Balances, Ending	<u>\$ 913,290</u>	<u>\$ 4,422,952</u>	<u>\$ 5,336,242</u>

See Note 18 for the changes in deferred outflows of resources related to pension resources.

**City of St. Petersburg, Florida**  
**Notes to the Financial Statements**  
**September 30, 2016**

**NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)**

**Debt Payable and Interest Requirements to Maturity**

Bonds and Notes outstanding at September 30, 2016 mature in varying amounts during succeeding fiscal years through 2046. Interest rates are as follows: 1.75% to 6.60% on Revenue Bonds and 1.44% to 5.50% on Notes Payable. For detailed information on the City's debt, also refer to the Debt Supplement Report prepared by the Finance Department available on the City's web site. Debt payable and interest requirements at September 30, 2016 were as follows (in thousands of dollars):

	Original Issue Par	Debt Payable 9/30/16	Interest Requirements To Maturity	Total
<b>Revenue Bonds</b>				
2014 Professional Sports Facility	\$ 16,340	\$ 16,340	\$ 2,185	\$ 18,525
2016A Public Service Tax Revenue Bonds	37,695	37,695	13,452	51,147
2016B Public Service Tax Revenue Bonds	18,510	18,510	5,982	24,492
2009A Public Utility Revenue	53,015	49,670	48,332	98,002
2009B Public Utility Refunding Revenue	23,375	8,880	681	9,561
2010A Public Utility Revenue - Build America Bonds	29,685	28,160	31,130	59,290
2010B Public Utility Revenue - Recovery Zone Economic Development Bonds	19,695	19,695	31,591	51,286
2013A Public Utility Revenue	41,925	40,760	29,529	70,289
2013B Public Utility Refunding Revenue	43,500	42,685	22,274	64,959
2013C Public Utility Revenue	24,995	24,995	21,677	46,672
2014A Public Utility Revenue	34,245	34,245	20,320	54,565
2014B Public Utility Refunding Revenue	43,230	43,230	24,298	67,528
2015 Public Utility Refunding Revenue	30,190	30,190	19,598	49,788
2016A Public Utility Refunding Revenue	49,755	49,755	6,563	56,318
Total Revenue Bonds	<u>\$ 466,155</u>	<u>444,810</u>	<u>277,612</u>	<u>722,422</u>
Less: Direct Subsidy Payments (Note 1)		-	(25,032)	(25,032)
Less: Unamortized Premiums and Discounts		11,871	-	11,871
Net Revenue Bonds		<u>456,681</u>	<u>252,580</u>	<u>709,261</u>
<b>Notes Payable</b>				
2007 FFGFC Note	\$ 7,430	3,485	512	3,997
2008B Bank of America Note	1,874	875	112	987
2010 BB&T Note	4,520	1,080	56	1,136
2011 JP Morgan Chase Note	21,522	11,463	429	11,892
2014 Hancock Bank Note	6,075	4,880	163	5,043
State Revolving Loans (2)	34,118	15,051	2,319	17,370
Total Notes Payable	<u>\$ 75,539</u>	<u>36,834</u>	<u>3,591</u>	<u>40,425</u>
Less: Unamortized Premiums and Discounts		(9)	-	(9)
Net Notes Payable		<u>36,825</u>	<u>3,591</u>	<u>40,416</u>
Total Bonds and Notes		<u>\$ 493,506</u>	<u>\$ 256,171</u>	<u>\$ 749,677</u>

*Note 1: Anticipated Direct Subsidy Payments for the 2010A Public Utility Revenue Bonds (Build America Bonds) and the 2010B Public Utility Revenue Bonds not reduced by possible sequestration reductions (Recovery Zone Economic Development Bonds). Outstanding amount to be received in FY 2017 is reduced by 6.90% sequestration while remaining years are not reduced.*

*Note 2: Excludes State Revolving Loan WW520630.*

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)**

**Pledged Revenue**

The City has pledged certain revenues to repay bonds and notes outstanding as of September 30, 2016. The following table reports the revenues pledged for each debt issue; the amounts of such revenues received in the current year; the current year principal and interest paid on the debt; the approximate percentage of each revenue pledged to meet the debt obligation; the maturity date of each debt agreement; and the total pledged future revenues for each debt issuance, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2016 (in thousands of dollars).

Description of Issue	Pledged Revenue	Revenue Received	Principal & Interest Paid	Estimated % of Revenues Pledged	Outstanding Principal & Interest	Pledged Through
<b>Governmental Activities</b>						
Excise Tax Refunding Revenue Bonds, Series 1993 (Refunding Series 1984 Bonds: Tropicana Field)	State Revenue Sharing, State Sales Tax, Tourist Development Tax	\$ 26,803	\$ 7,928	29.58	%	\$ - 2015
Professional Sports Facility Sales Tax Refunding Revenue Bonds, Series 2014 (Refunding Series 2003 Bonds: Tropicana Field and Parking)	State Sales Tax	\$ 2,000	\$ 430	21.50	%	\$ 18,525 2025
Bank Of America N.A. Taxable Non Ad Valorem Revenue Note, Series 2008B (Refinance Sunshine State Governmental Financing Commission Notes: Section 108 HUD Loan)	Legally Available Non Ad-Valorem Revenues	\$ 165,251	\$ 195	0.12	%	\$ 986 2021
BB&T Non Ad Valorem Revenue Note, Series 2010 (Projects at the Progress Center for the Arts, the Pier and Grant Funds for the Salvador Dali Museum)	Legally Available Non Ad-Valorem Revenues	\$ 165,251	\$ 775	0.47	%	\$ 1,136 2020
First Florida Governmental Financing Commission Note, Series 2001 (Refinance FFGFC Series 1996 & 1997: Tropicana Field)	Legally Available Non Ad-Valorem Revenues & State Sales Tax	\$ 167,251	\$ 2,690	1.61	%	\$ - 2016
JP Morgan Chase Non Ad Valorem Refunding Revenue Note, Series 2011 (Refinance Bank of America 2008A Notes: Section 108 HUD Loan, FL International Museum & Mahaffey Theater Project)	Legally Available Non Ad-Valorem Revenues	\$ 165,251	\$ 3,245	1.96	%	\$ 11,892 2020
Public Service Tax Revenue Bonds, Series 2016A and 2016B (Pier and Pier Approach Projects)	Public Service Tax	\$ 27,599	\$ -	-	%	\$ 75,639 2020
Total Governmental Activities			<u>\$ 15,263</u>			<u>\$ 108,178</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)**

Description of Issue	Pledged Revenue	Revenue Received	Principal & Interest Paid (1) (2)	Estimated % of Revenues Pledged	Outstanding Principal & Interest (1)	Pledged Through
<b><u>Business Type Activities</u></b>						
Public Utility Revenue Bonds, Series 2005, 2009A, 2010A, 2010B, 2013A, 2013C, 2014A, 2015 and Public Utility Refunding Revenue Bonds, Series 2006, 2009B, 2013B, 2014B, 2016A (Water, Wastewater and Reclaimed Water Projects)	Net Operating Revenues of the Water & Wastewater System	\$ 42,212	\$ 89,719	212.54 %	\$ 628,179	2043
Hancock Bank Revenue Notes, Series 2014	Legally Available Non Ad-Valorem Revenues	\$165,251	\$ 1,274	0.77 %	\$ 5,043	2023
State Revolving Fund Loans (Construction and Improvement Projects to Wastewater Facilities) (3)	Net Operating Revenues of the Water & Wastewater System	\$ 42,212	\$ 2,312	5.48 %	\$ 17,370	2032
First Florida Governmental Financing Commission Note, Series 2007 (Marina Improvements and new Marina Pier)	Legally Available Non Ad-Valorem Revenues	\$ 165,251	\$ 665	0.40 %	3,997	2022
Total Business-Type Activities			<u>\$ 93,970</u>		<u>\$ 654,589</u>	

*Note 1: Not reduced by Interest Subsidies received for the 2010A and 2010B Public Utility Revenue Bonds.*

*Note 2: Principal and interest paid on Public Utility Revenue Bonds includes \$50 million in principal reductions and \$18 million in interest reductions due to the early payoff of Public Utility Revenue Bonds, Series 2006 that was refunded with Public Utility Refunding Revenue Bonds, Series 2016A.*

*Note 3: Does not include Clean Water State Revolving Fund Construction loan WW520630 executed in February 2016 for \$40,000,000 with additional segment funding of \$9,884,249 issued in August 2016. The total amount expended is \$3,549,668 as of September 30, 2016.*

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)**

**Debt Service to Maturity by Revenue Source**

**Governmental Activities** (in thousands of dollars):

Fiscal Year	Tax Increment Financing		State Awards	Federal Awards	Fund Balance	Total
	City	County				
2017	\$ 2,562	3,260	1,920	303	(111)	\$ 7,934
2018	2,555	3,252	1,925	298	(116)	7,914
2019	2,542	3,235	1,924	293	(173)	7,821
2020	2,554	3,251	1,921	290	(223)	7,793
2021	2,637	3,356	1,928	199	(2,892)	5,228
2022-2026	12,679	16,137	7,196	-	1,361	37,373
2027-2031	12,676	16,133	-	-	(373)	28,436
2032	-	-	-	-	5,679	5,679
	<u>\$ 38,205</u>	<u>48,624</u>	<u>16,814</u>	<u>1,383</u>	<u>3,152</u>	<u>\$ 108,178</u>

**Business Type Activities** (in thousands of dollars):

Fiscal Year	Water Resources Operating	Stormwater Operating	Sanitation Operating	Marina Operating	BAB's Interest Subsidy	Earnings on Investments	Fund Balance	Total
2017	\$ 24,730	718	1,303	672	1,094	158	(4,472)	\$ 24,203
2018	23,354	718	1,295	671	1,170	144	(1,343)	26,009
2019	22,478	2,105	296	674	1,164	137	(860)	25,994
2020	21,999	2,104	297	671	1,158	148	(831)	25,546
2021	21,534	2,105	293	672	1,151	155	(1,295)	24,615
2022-2026	104,470	10,524	294	672	5,642	789	(5,922)	116,469
2027-2031	111,659	4,210	-	-	5,401	782	(7,319)	114,733
2032-2036	116,524	-	-	-	5,063	756	(6,812)	115,531
2037-2041	97,756	-	-	-	3,189	793	14,973	116,711
2042-2046	21,482	-	-	-	-	310	17,954	39,746
	<u>\$ 565,986</u>	<u>22,484</u>	<u>3,778</u>	<u>4,032</u>	<u>25,032</u>	<u>4,172</u>	<u>4,073</u>	<u>\$ 629,557</u>

**NOTE 13 – ARBITRAGE REBATE**

In accordance with the Tax Reform Act of 1986, any interest earnings on borrowed construction funds in excess of the interest costs are required to be rebated to the federal government.

There is no arbitrage rebate liability as of September 30, 2016.

**NOTE 14 – CONDUIT DEBT OBLIGATION**

The City has issued Private Activity Bonds to provide tax exempt borrowing to private-sector entities for the acquisition and construction of industrial, commercial and health facilities deemed to be in the public's interest.

The bonds are secured by the property and the net operating revenues of the borrowing entity and are payable solely from these sources.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 14 – CONDUIT DEBT OBLIGATION - (Continued)**

Upon repayment of the bonds, ownership of the acquired facilities is transferred to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision therefore is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2016, there were six series of Private Activity Bonds outstanding relating to health facilities that have been issued since April 23, 2009, with original issue amounts of \$243.9 million. At September 30, 2016, the aggregate principal amount of all Outstanding Private Activity Bonds is \$168.3 million.

**NOTE 15 – NET INTEREST EXPENSE ON DEBT**

The computation of interest expense on debt in the Enterprise Funds, net of capitalized interest at September 30, 2016 is shown below:

	Water Resources	Stormwater	Sanitation	Marina
Interest Paid on Debt	\$ 14,963,012	\$ 877,373	\$ 78,876	\$ 159,907
Less: Accrued Interest 9/30/15	(7,443,337)	(440,446)	(43,740)	(39,977)
Plus: Accrued Interest 9/30/16	7,279,746	43,536	35,136	35,242
Interest Expense on State Revolving Loan	486,137	-	-	-
Amortization of Deferred Gain/Loss on Bond Refunding	1,166,482	545,635	-	-
Total Interest Cost	16,452,040	1,026,098	70,272	155,172
Less: Capitalized Interest	(2,247,225)	-	-	-
Net Interest Expense on Debt Before Interest Subsidy	14,204,815	1,026,098	70,272	155,172
Interest Subsidy	(1,178,819)	-	-	-
Accrued Interest Subsidy 9/30/15	547,292	-	-	-
Accrued Interest Subsidy 9/30/16	(547,827)	-	-	-
Net Interest Subsidy	(1,179,354)	-	-	-
Net Interest Expense on Debt	<u>\$ 13,025,461</u>	<u>\$ 1,026,098</u>	<u>\$ 70,272</u>	<u>\$ 155,172</u>

**NOTE 16 – RESTRICTED ASSETS**

The balances of the restricted asset accounts for debt service principal and interest and utility systems renewal and replacement in the business-type activities are as follows:

Revenue bonds current debt service amount	\$ 14,954,549
Revenue bonds and notes payable debt service reserve	19,662,021
Bond proceeds for construction (unexpended)	47,283,902
Total	<u>\$ 81,900,472</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 16 – RESTRICTED ASSETS - (Continued)**

The balances of the restricted asset accounts for debt service principal and interest and construction of the Pier and Pier Approach in the governmental activities are as follows:

Revenue bonds current debt service amount	\$ 3,186,428
Bond proceeds for construction (unexpended)	49,518,211
Total	<u>\$ 52,704,639</u>

**NOTE 17 – RISK MANAGEMENT**

The City's self insurance programs are accounted for in the Insurance Internal Service Fund. The City is self-insured for the following types of risk exposures, which are limited by insurance coverage as noted. Settled liability, workers' compensation claims, and health insurance claims have not exceeded the self insured statutory limits in any of the past five years. The City has not made any claims under the City's property insurance policies in the past five years.

**General and Automotive Liability:**

State statutes limit municipal liability associated with tort actions to \$200,000 per person and \$300,000 per occurrence (for occurrences after October 1, 2011) except under certain circumstances. The State Statute limited claims to \$100,000 per person and \$200,000 before October 1, 2011. The City obtained an actuarial valuation of the outstanding claims as of September 30, 2016.

**Property Damage:**

The City has established an account to fund the premium on the property insurance policies that cover City facilities on a blanket basis. The unrestricted net position of the Insurance Fund would be used to fund the damages under the insurance deductibles.

**Workers' Compensation:**

The City is self-insured for all Workers' Compensation benefits as defined by State Statute. The funding is provided by charges to the various departments of the City based on payroll and the workers' compensation rates as defined in the State classification codes. The Workers Compensation rates are charged by payroll class and claims. These are reviewed annually by the Bureau of Self Insurance, Division of Workers' Compensation, Department of Labor and Employment Security, State of Florida. Non incremental claims adjustment expenses are included as part of the liability for claims. Historically, the city self-administered its Workers' Compensation claims, and beginning May 2016 the City contracted with Commercial Risk Management, Inc. for third party administrative services. The City obtained an actuarial valuation of the outstanding claims as of September 30, 2016.

**Group Medical:**

The City was fully insured for group medical coverage through March 31, 2011. On April 1, 2011, the City contracted with United Health Care to administer the self-funded group medical insurance plan. The plan is funded by employee contributions and by City contributions and is maintained in the City's Insurance internal service fund. The City contributions are allocated to the different funds of the City based on employee participation in the plan.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 17 – RISK MANAGEMENT - (Continued)**

At September 30, 2016, the health insurance fund had net position of \$14,867,124. Included as a liability of the fund at September 30, 2016 was incurred but not reported claims (IBNR) of \$3,442,407.

Life Insurance – Public Safety Officers:

Florida State Statutes require the employer of any public safety officer under 70 years of age, who, while on duty, is killed or injured resulting in death within 180 days of the injury, to pay a \$50,000 death benefit to the officer's designated beneficiary. In addition, thru the collective bargaining agreement, the city has agreed to provide life insurance, at no cost to the employee, in an amount equal to annual base pay rounded to the nearest thousand dollars for officers, sergeants and lieutenants.

The City provides life insurance in the amount \$35,000 for fire captains and fire district chiefs. The City also provides a short term disability program for management employees as a supplement to the extended illness leave program. The City is self-insured for these liabilities.

Operating funds are charged premiums, based on risk for workers' compensation; employee participation for health and life insurance; loss experience for general and auto liability; and the premium portion of insured risks by the Insurance Internal Service Fund. The claim liabilities were determined by an actuarial valuation using a discount rate of 2.5% for September 30, 2016, 2015, and 2014. Non-incremental claims adjustment expenses are included as part of the liability for claims. Estimated claims liabilities for all self-insured risks are reported as accrued claims in the Insurance Fund which includes an estimate for incurred but not reported claims.

The incurred claims in the following reconciliation of claims liabilities includes prior years' estimated claims settled without payment and year-end adjustment to estimated claims liability.

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Auto &amp; General Liability</u>	<u>Total</u>
Balance 9/30/13	\$ 2,435,199	\$ 26,320,000	\$ 6,588,000	\$ 35,343,199
Paid Claims	(34,907,267)	(6,025,401)	(451,640)	(41,384,308)
Incurred Claims	35,379,980	15,473,401	2,640	50,856,021
Balance 9/30/14	<u>2,907,912</u>	<u>35,768,000</u>	<u>6,139,000</u>	<u>44,814,912</u>
Balance 9/30/14	2,907,912	35,768,000	6,139,000	44,814,912
Recoveries (Paid) Claims	(38,398,447)	(4,528,191)	2,419,018	(40,507,620)
Incurred Claims	37,886,206	8,341,191	1,094,982	47,322,379
Balance 9/30/15	<u>2,395,671</u>	<u>39,581,000</u>	<u>9,653,000</u>	<u>51,629,671</u>
Balance 9/30/15	2,395,671	39,581,000	9,653,000	51,629,671
Recoveries Claims	(40,436,322)	(6,434,133)	(3,079,827)	(49,950,282)
Incurred Claims	41,483,058	7,332,133	137,827	48,953,018
Balance 9/30/16	<u>\$ 3,442,407</u>	<u>\$ 40,479,000</u>	<u>\$ 6,711,000</u>	<u>\$ 50,632,407</u>

Current portion of claims liabilities were estimated at \$3,442,407 for Health Insurance, \$7,714,000 for Workers' Compensation and \$1,927,000 for Auto and General Liability as of September 30, 2016. Actuarial valuation of the claims liabilities were calculated as of September 30, 2014, 2015 and 2016, respectively.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS**

*Fiduciary Net Position – Pension Trust Fund*  
 September 30, 2016

	<b>Employees Retirement Fund</b>	<b>Fire Pension Fund</b>	<b>Police Pension Fund</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 286,734	\$ 240,297	\$ 536,609	\$ 1,063,640
Trustee Accounts	22,672,017	963,841	9,668,864	33,304,722
Receivables:				
Interest and Dividends	720,156	522,898	658,359	1,901,413
Accounts	10,515	-	-	10,515
Unsettled Investment Sales	-	93,042	83,863	176,905
Prepays and Deposits	6,877	6,877	6,877	20,631
Investments, at Fair Value:				
DROP Investments	9,403,574	23,946,583	23,569,736	56,919,893
Government Securities	34,400,297	19,859,399	17,506,815	71,766,511
Corporate Bonds	52,947,379	36,956,737	35,257,830	125,161,946
Common and Preferred Stock	234,536,745	14,372,708	248,068,751	496,978,204
Mutual Funds	988,326	163,934,041	31,342,782	196,265,149
Alternative Investments	40,881,601	8,282,676	35,249,277	84,413,554
<b>Total Assets</b>	<b>396,854,221</b>	<b>269,179,099</b>	<b>401,949,763</b>	<b>1,067,983,083</b>
<b>Liabilities</b>				
Accounts	21,501	22,021	24,220	67,742
Unsettled Investment Purchases	76,728	-	-	76,728
DROP Liability	9,403,574	23,946,583	23,569,736	56,919,893
<b>Total Liabilities</b>	<b>9,501,803</b>	<b>23,968,604</b>	<b>23,593,956</b>	<b>57,064,363</b>
<b>Net Position</b>				
Net Position Restricted for Pensions	387,352,418	245,210,495	378,355,807	1,010,918,720
<b>Total Net Position</b>	<b>\$ 387,352,418</b>	<b>\$ 245,210,495</b>	<b>\$ 378,355,807</b>	<b>\$ 1,010,918,720</b>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

*Changes in Fiduciary Net Position – Pension Trust Fund*  
*Fiscal Year Ended September 30, 2016*

	<b>Employees Retirement Fund</b>	<b>Fire Pension Fund</b>	<b>Police Pension Fund</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions				
Employer (Charges to Other Funds)	\$ 11,198,451	\$ 4,477,204	\$ 7,770,299	\$ 23,445,954
Employees	1,465,224	1,032,503	2,191,312	4,689,039
State Insurance Fund	-	1,805,108	1,897,530	3,702,638
Total Contributions	<u>12,663,675</u>	<u>7,314,815</u>	<u>11,859,141</u>	<u>31,837,631</u>
Investment Income				
Net Increase (Decrease) in Fair Value of Investments	19,503,127	19,982,287	21,702,175	61,187,589
Interest on Investments	2,261,244	2,525,863	1,667,343	6,454,450
Dividends on Stock	5,954,512	3,464,296	7,531,442	16,950,250
Total Investment Income	<u>27,718,883</u>	<u>25,972,446</u>	<u>30,900,960</u>	<u>84,592,289</u>
Less Investment Expense	<u>(1,576,376)</u>	<u>(416,070)</u>	<u>(1,434,088)</u>	<u>(3,426,534)</u>
Net Investment Income	<u>26,142,507</u>	<u>25,556,376</u>	<u>29,466,872</u>	<u>81,165,755</u>
<b>Total Additions</b>	<u>38,806,182</u>	<u>32,871,191</u>	<u>41,326,013</u>	<u>113,003,386</u>
<b>DEDUCTIONS</b>				
Benefits	18,895,511	14,150,749	21,448,319	54,494,579
Deferred Retirement Option Contributions	2,019,021	3,425,528	5,284,103	10,728,652
Refunds on Contributions	201,869	40,575	138,611	381,055
Administrative Expenses	27,882	30,454	63,443	121,779
<b>Total Deductions</b>	<u>21,144,283</u>	<u>17,647,306</u>	<u>26,934,476</u>	<u>65,726,065</u>
<b>Change in Net Position</b>	<u>17,661,899</u>	<u>15,223,885</u>	<u>14,391,537</u>	<u>47,277,321</u>
<b>Net Position - October 1</b>	<u>369,690,519</u>	<u>229,986,610</u>	<u>363,964,270</u>	<u>963,641,399</u>
<b>Net Position - September 30</b>	<u>\$ 387,352,418</u>	<u>\$ 245,210,495</u>	<u>\$ 378,355,807</u>	<u>\$ 1,010,918,720</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting. The pension plans are reported using the economic resources measurement focus and the accrual basis of accounting. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred.

Investments. For financial reporting, the pension plans' investments are reported at fair value. Corporate bonds, the shares of mutual funds, common and preferred stocks, and U.S. government securities are valued at the closing price reported on the active market on which the individual securities are traded. Alternative investments are valued at the net asset value ("NAV") of share held by the plan at year end. For actuarial valuation, the difference between the actual investment rate of return and the expected investment return (8% assumption for fire & police, 7.75% for general employees) each year is recognized over 5 years. In order to be used as valuation assets, the smoothed value must be within the range of 80% to 120% of market value.

Internal Loans. The pension plans do not allow participant loans.

Administrative Expenditures. The City incurs most of the administrative costs of the retirement systems in the General Fund, however, administrative costs which are charged to the retirement systems are funded from system contributions and earnings; they are also expended annually in the actuarial valuations.

B. DESCRIPTION OF THE PLANS

The City maintains the City of St. Petersburg Employees' Retirement System ("ERS"), the City of St. Petersburg Firefighters' Retirement System ("Fire") and the City of St. Petersburg Police Officers' Retirement System ("Police") as three separate single employer defined benefit retirement systems (collectively "the pension plans").

Each of the three pension plans has a prior plan and supplemental plan component. The prior plan component covers employees prior to January 1, 1964, for ERS and prior to October 1, 1970, for Police and Fire employees and does not include Social Security coverage.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

The supplemental plan component of each pension plan provides for Social Security coverage after the previously noted dates. There are no active employees in the prior plans.

The pension plans cover full-time City employees and are maintained as Pension Trust Funds and reported on herein as part of the City's reporting entity; therefore the pension plans do not issue stand-alone financial reports.

Management employees and employees not covered by a collective bargaining agreement (effective 10/22/09) have the option of a defined contribution plan under ICMA Retirement Corporation in lieu of membership in ERS.

Plan Administration. Each pension plan has a board of trustees which administer the systems. The composition of the board of trustees is as follows:

- The ERS board consists of the City's Finance Director, the Mayor or his designee, two employee elected members who shall each serve a term of four years and one individual chosen by a majority of the previous four members for a four year term.
- The Fire board consists of two individuals who reside within City limits appointed by City Council for a period of four years, two employee elected members who each serve for a period of two years, and one individual chosen by a majority of the previous four members and appointed by City Council, acting in its ministerial capacity for a period of four years.
- The Police board consists of two individuals who reside within City limits appointed by City Council for a period of four years, two employee elected members who each serve for a period of four years, and one individual chosen by a majority of the previous four members and appointed by City Council, acting in its ministerial capacity for a period of four years.

City Ordinance is the establishing and amending authority for all the supplemental plans included in the three pension plans and the ERS prior plan. The Police and Fire prior plans establishing and amending authority is through Special State Act.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

Plan Membership. The pension plans have the following classes and number of plan members as of the latest actuarial valuation 10/1/2015:

<b>Number of Participants</b>	<b>Employees' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Police Officers' Retirement System</b>
Retirees and beneficiaries receiving benefits	1,250	467	658
Terminated plan participants entitled to but not yet receiving benefits	208	8	52
Active plan participants	1,519	237	431
Total	2,977	712	1,141

Benefits Provided. The authority under which benefit terms are established or may be amended is at the City Ordinance level for the supplemental plans included in the three retirement systems and the prior plan in ERS. The authority under which benefit terms are established or may be amended for the prior plans included in the Police and Fire plans is through Special State Act. The Fire and Police plans receive funds from the State pursuant to Chapters 175 and 186, Florida Statutes, respectively.

All pension plans provide retirement, disability and death benefits. Benefit provisions under the three pension plans are shown individually below.

**Employees' Retirement System**

Members age 60, or age 55 with 25 years of credited services, or age 50 with 30 years of credited service are eligible for normal retirement benefits. Normal retirement benefits for the members under the prior plan are average monthly salary (the highest five years during all years of credited service) times the sum of 2% times years of credited service prior to October 1, 1972 and 2.5% times years of credited service earned after October 1, 1972. Normal retirement benefits for the members under the supplemental plan are average monthly salary times a percentage derived as follows:

<b>Years of credited service during:</b>	<b>Percentage</b>
Before January 1, 1964	2.00%
January 1, 1964 to September 30, 1972	1.00%
October 1, 1972 to February 29, 1980	1.50%
March 1, 1980 to February 28, 1990	2.00%
March 1, 1990 to February 29, 2000	1.50%
March 1, 2000 and later	2.00%

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

Members that are totally and permanently service incurred disabled before normal retirement eligibility and approved by the pension board are entitled to disability benefits, reduced by amounts payable under worker's compensation. Service incurred disability benefits under the prior plan are 65% of average monthly salary. Service incurred disability benefits under the supplemental plan are the member's accrued pension benefit based on average monthly salary at the date of disability and credited service projected to age 65 (this benefit plus initial social security benefit cannot exceed covered salary at the date of disability, nor can it be less than 65% of average monthly salary). For non-service incurred disabilities, both the prior and supplemental plan provide benefits if the disability occurs after the member attains seven years of credited service. The non-service incurred disability benefit is greater of the member's accrued pension benefit at the date of disability or 30% of average monthly salary. The Employee's Retirement System provides death of disabled member benefits and pre-retirement death benefits under both the prior and supplemental plan.

A plan member who leaves City service may withdraw his or her accumulated contribution with interest of 3% plus, if employed on or before September 30, 1989, the specified employer contributions deposited on the member's behalf, without interest. If accumulated contributions are not withdrawn from the plan, the vested accrued benefit is payable to the member beginning at age 60 for life.

Benefit terms provide that a cost of living adjustment factor shall be applied to the current benefit of all eligible retirees and beneficiaries each year. Such adjustments shall not be greater than 2% for any retiree under the prior plan or 1.5% under the supplemental plan.

**Firefighters' Retirement System**

Members with 20 years of credited service under the prior plan and members at the earlier of 30 years of credited service, age 50 with 10 years of credit service, 20 years of credited service before reaching 50 (benefits commence at 50) or attaining age 55, under the supplemental plan are eligible for normal retirement benefits. Retirement benefits for the members under the prior plan are 50% of the highest pay step of the lowest rank held during the 3 previous years, plus 2% for each year of service in excess of 20 years (maximum amount of 60%). Retirement benefits for the members under the supplemental plan are 3% per year of credited service times average monthly salary (average monthly salary during highest 3 years of creditable service) effective January 1, 2004.

Members in the supplemental plan with 25 years of credited service are eligible for early retirement benefits. Early retirement benefits are normal retirement benefits reduced 2% for each year prior to age 50, or if earlier, the date 30 years of credited service would be attained.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

Members that are totally and permanently service incurred disabled before normal retirement eligibility are entitled to disability benefits. Service incurred disability benefits under the prior plan are 60% of the highest pay step of rank at the time of disability. Service incurred disability benefits under the supplemental plan are the greater of the member's accrued pension benefit at the date of disability or 60% of average monthly salary, reduced by certain amounts payable under workers' compensation. For non-service incurred disabilities under the prior plan the benefit is 2.5% of the prevailing wage rank held for each year of service, plus 7.5% for each child under 18; total not to exceed 50%. For non-service incurred disabilities under the supplemental plan the benefit is the greater of the member's accrued pension benefit at the date of disability or 25% of average monthly salary plus 7.5% of earnings base for each unmarried child under 18. The Firefighters' Retirement System also provides death of disabled member benefits and pre-retirement death benefits under both the prior and supplemental plan.

A member who leaves City service with less than ten years of credited service may withdraw his or her accumulated contributions without interest. If accumulated contributions are not withdrawn from the plan, the vested accrued benefit is payable to the member beginning at age 50.

In the supplemental plan, benefit terms provide that a cost of living adjustment factor shall be applied to members available only upon recommendation of the Mayor and approval of the City Council. In addition, members retired on or after October 1, 2008 who are at least 60 receive a 2% annual adjustment subject to availability of State premium tax reserve funding. In the prior plan, cost of living adjustments are in accordance with changes in compensation of rank held.

**Police Officers' Retirement System**

Members with 20 years of credited service under the prior plan and members at the earlier of 25 years of credited service or age 55 under the supplemental plan are eligible for normal retirement benefits. Retirement benefits for the members under the prior plan are 50% of the highest pay step of the lowest rank held during the 3 previous years, plus 2% for each year of service in excess of 20 years (maximum amount of 60%). Retirement benefits for the members under the supplemental plan are 3% per year of credited service times earnings base (average monthly salary during last 3 years of creditable service) effective January 1, 2004.

Members in the supplemental plan age 50 with 10 years of credited service are eligible for early retirement benefits. Early retirement benefits are normal retirement benefits reduced 3% for each year prior to age 55.

Members that are totally and permanently service incurred disabled before normal retirement eligibility are entitled to disability benefits, reduced by amounts payable

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

under workers' compensation. Service incurred disability benefits under the prior plan are 60% of the highest pay step of rank at the time of disability. Service incurred disability benefits under the supplemental plan are the greater of the member's accrued pension benefit at the date of disability or 60% of earnings base. For non-service incurred disabilities under the prior plan the benefit is 2.5% of the prevailing wage rank held for each year of service, plus 7.5% for each child under 18; total not to exceed 50%. For non-service incurred disabilities under the supplemental plan the benefit is the greater of the member's accrued pension benefit at the date of disability or 25% of earnings base, plus 7.5% of earnings base for each unmarried child under 18. The Police Officers' Retirement System provides death of disabled member benefits and pre-retirement death benefits under both the prior and supplemental plan.

A member who leaves City service with less than ten years of credited service may withdraw his or her accumulated contributions without interest. If accumulated contributions are not withdrawn from the plan, the vested accrued benefit is payable to the member beginning at age 55 for life. If the present value of the vested accrued benefit is less than \$5,000, the benefit will be distributed in a lump sum.

In the supplemental plan, benefit terms provide that a cost of living adjustment factor shall be applied to each pension where the member whose name the pension account was originally established has or would have attained aged 60 prior to October 1 each year. The cost of living adjustment will equal the annual percentage increase in the Consumer Price Index (CPI) for the preceding fiscal year (October 1 to September 30) or 2%, whichever is less. In the prior plan, cost of living adjustments are in accordance with changes in compensation of rank held.

Contributions. The State of Florida has established guidelines for state and local pension plan funding that requires submission to and approval of the local government's actuarial reports by a State Bureau, at least every third year. The City's pension plans, by policy, (1) require annual actuarial reports as of October 1 of each year, (2) receive employer contributions based on the actuarially determined requirement which includes funding from the State of Florida as required by Florida Statute and (3) use the same assumptions (see funding policy section) for determining the employer contribution required. The contribution revenues received from the State of Florida "on behalf" of the City's employees totaled \$1,805,108 and \$1,897,530 for the Firefighter's Retirement System and Police Officers' Retirement System, respectively. The "on behalf" contributions were recognized as state insurance fund contribution revenues in the current year. The total City payroll for the fiscal year ended September 30, 2016, is approximately \$180.6 million. The Firefighter's Retirement System and Police Officers' Retirement System require employee contributions based on a percentage of covered payroll of 7% and 7% for the supplemental plans, respectively. Participants in the Employees' Retirement System supplemental plan contribute 2% of the employees covered payroll. Employee contribution rates are established and amended by the plans respective board.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

For the year ended September 30, 2016, the City's average contribution rates as a percentage of covered payroll are as follows:

	<u>Covered Payroll</u>	<u>Contribution</u>	<u>Average Contribution Rate</u>
Employees' Retirement System	\$ 73,230,762	\$ 11,198,451	15%
Firefighters' Retirement System	14,252,652	4,477,204	31%
Police Officers' Retirement System	31,223,987	7,770,299	25%

C. INVESTMENTS

Investment Policies.

The pension plans investment policies are pursuant to Florida Statute 112.661.

Employees' Retirement System

The ERS policy in regards to the allocation of invested assets is established and amended by their respective Board of Trustees. The general investment objective is to obtain a reasonable total rate of return – defined as income plus realized and unrealized capital gains and losses – commensurate with the Prudent Man Rule of the Employee Retirement Income Security Act of 1974 (ERISA) and achieve growth in purchasing power. Specifically, the investment objective is to earn a return over time exceeding the assumed actuarial rate of 7.75% and should earn a return greater than inflation, as measured by the Consumer Price Index, by 3.0% per year. The investment managers may exercise full investment discretion within the prescribed investment policy guidelines. Significant provisions of the investment policy are as follows:

- Interest Rate Risk: Does not place limits on investment maturities.
- Credit Risk: Limits investments to the top four rating of a nationally recognized rating agency.
- Concentration Credit Risk: Limits investment in any single issuer up to 10% of the total portfolio.
- Foreign Currency Risk: Permits investments of up to 10% of the total portfolio in foreign currency denominated investments.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

The following was the Board’s adopted asset allocation policy as of September 30, 2016 by investment manager type:

	<b>% Range</b>	<b>% Target</b>
<b>Traditional Asset Classes</b>		
<b>Equity Managers</b>		
Large capitalization value manager	20.00 - 15.00%	17.50%
Large capitalization growth manager	20.00 - 15.00%	17.50%
Small/mid capitalization value manager	7.50 – 2.50%	5.00%
Small/mid capitalization growth manager	7.50 – 2.50%	5.00%
International value manager	7.50 – 2.50%	5.00%
International growth manager	7.50 – 2.50%	5.00%
Public real estate (REIT)	0.00%	0.00%
<b>Total Equity</b>	<b>60.00 – 50.00%</b>	<b>55.00%</b>
<b>Fixed Income Managers</b>	<b>30.00 – 20.00%</b>	<b>25.00%</b>
<b>Total Traditional Asset Classes</b>		<b>80.00%</b>
<b>Alternative Asset Classes</b>		
Private real estate	15.00 – 5.00%	10.00%
Hedge fund of funds	10.00 – 0.00%	5.00%
Master Limited Partnerships	10.00 – 0.00%	5.00%
Managed futures	0.00%	0.00%
Private equity	0.00%	0.00%
<b>Total Alternative Asset Classes</b>		<b>20.00%</b>
<b>Total Traditional &amp; Alternative</b>		<b>100%</b>

The ERS Board of Trustees updated the investment policy asset allocation in July 2016 to update the asset allocation within the alternative asset classes. The asset allocation to private real estate increased from 5% to 10% and the hedge fund of funds allocation decreased from 10% to 5%.

**Firefighters’ Retirement System**

The Fire policy in regards to the allocation of invested assets is established and amended by their respective Board of Trustees. The general investment objective is to preserve the purchasing power of the plan’s assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing the short term volatility of results. The specific objectives include an average rate of return greater than 8% over the longer term (3 to 5 years), to earn an average annual rate of return which exceeds the Consumer Price Index by 4.5% over the longer term (3 to 5 years), to achieve a rate of return over the long term

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

(3 to 5 years) which exceeds the return of a Target Index (see below) and to rank in the top 50% of total rate of return when compared to a representative universe of other similarly managed portfolios. The investment managers may exercise full investment discretion within the prescribed investment policy guidelines. Significant provisions of the investment policy are as follows:

- Interest Rate Risk: Does not place limits on investment maturities.
- Credit Risk: Limits investments to the top four rating of a nationally recognized rating agency.
- Concentration Credit Risk: No more than 5% (at cost) of an investment manager's portfolio may be invested in a single corporate issuer. Investments in the shares of companies that have been publicly traded for less than one year are limited to no more than 15% of an investment manager's total equity portfolio.
- Foreign Currency Risk: Permits investments of up to 25% of the total portfolio in foreign currency denominated investments.
- Adherence with Section 175, Florida Statutes and Section 112.661, Florida Statutes
- Alternative investments shall be made through partnership in diversified commingled funds, mutual funds or limited partnership vehicles.

The following was the Board's adopted asset allocation policy as of September 30, 2016 by investment manager type:

	<b>Target Allocation (at market)</b>	<b>Permissible Range (at market)</b>	<b>Representative Benchmark</b>
<b>Traditional Asset Classes</b>			
<b>Equity Managers</b>			
Domestic Equity	70.00 - 30.00%	43.00%	Russell 3000 / 1000 / 2000
Foreign Equity	25.00 - 5.00%	10.00%	EAFE
<b>Total Equity</b>		<b>53.00%</b>	
<b>Fixed Income &amp; Equivalents</b>			
Fixed Income	70.00 - 25.00%	32.00%	Barclays Capital Agg / GC
Cash Equivalents	10.00 - 0.00%	0.00%	Treasury Bills
<b>Total Fixed Income &amp; Equivalents</b>		<b>32.00%</b>	
<b>Total Traditional Asset Classes</b>		<b>85.00%</b>	
<b>Alternative Asset Classes</b>	20.00 - 0.00%	<b>15.00%</b>	CPI + 4.50%
<b>Total Traditional &amp; Alternative</b>		<b>100.00%</b>	

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

Police Officers' Retirement System

The Police policy in regards to the allocation of invested assets is established and amended by their respective Board of Trustees. The general investment objective is to preserve the purchasing power of the plan's assets and earn a reasonable rate of return (after inflation) over the long term while minimizing the short-term volatility results. Specifically, the investment objective is to earn an average annual rate of return over the long term which exceeds the Consumer Price Index by 4.5% and to earn a total rate of return over the longer term which exceeds the return of a Target Index (see Target Index below). The investment managers may exercise full investment discretion within the prescribed investment policy guidelines. Significant provisions of the investment policy are as follows:

- Interest Rate Risk: Does not place limits on investment maturities.
- Credit Risk: Limits investments to the top four rating of a nationally recognized rating agency.
- Concentration Credit Risk: Limits investment in any single issuer up to 5% of the total portfolio. Investments in the shares of companies that have been publicly traded for less than one year are limited to no more than 15% of an investment manager's total equity portfolio.
- Foreign Currency Risk: Permits investments of up to 10% of the total portfolio in foreign currency denominated investments.
- Adherence with Section 185, Florida Statutes.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

The following was the Board’s adopted asset allocation policy as of September 30, 2016 by investment manager type:

	<u>% Range</u>	<u>% Target</u>	<u>Target Index</u>
<b>Traditional Asset Classes</b>			
<b>Equity Managers</b>			
Large capitalization value manager	24.00 – 19.00%	21.50%	Russell 1000 Value
Large capitalization growth manager	24.00 – 19.00%	21.50%	Russell 1000 Growth
Small/mid capitalization value manager	7.50 – 2.50%	5.00%	Russell 2500 Value
Mid capitalization growth manager	7.50 – 2.50%	5.00%	Russell Mid Growth
International value manager	8.50 – 3.50%	6.00%	MSCI EAFE (Net)
International growth manager	8.50 – 3.50%	6.00%	MSCI AC World ex USA
<b>Total Equity</b>		<b>65.00%</b>	
<b>Fixed Income Managers</b>	<b>25.00–15.00%</b>	<b>20.00%</b>	BC Int. Gov’t/Credit
<b>Total Traditional Asset Classes</b>		<b>85.00%</b>	
<b>Alternative Asset Classes</b>			
Private real estate	10.00 – 2.50%	7.00%	Russell NCREIF
Master Limited Partnerships	10.00 – 0.00%	5.00%	Alerian MLP
Hedge fund of funds	10.00 – 0.00%	3.00%	HFRI FOF Cons.
<b>Total Alternative Asset Classes</b>		<b>15.00%</b>	
<b>Total Traditional &amp; Alternative</b>		<b>100.00%</b>	

The Police Board of Trustees updated the investment policy asset allocation in August 2016 to update the asset allocation within the alternative asset classes. The asset allocation to private real estate increased from 5% to 7% and the hedge fund of funds allocation decreased from 5% to 3%.

Investment Concentration. The pension plans on an individual plan basis did not hold investments (other than those issued or explicitly guaranteed by the U.S. government) in any one organization that represents 5 percent or more of the pension plan’s fiduciary net position.

Money-Weighted Rate of Return. For the year ended September 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.06%, 11.50% and 8.06% for the Employees’ Retirement System, Firefighters’ Retirement System and Police Officers’ Retirement System, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

D. RESERVES

The City of St. Petersburg Police Officers' Retirement System and the City of St. Petersburg Firefighters' Retirement System receive annual contributions from the State of Florida under Florida Statutes Chapter 185 and 175, respectively. Accumulated State Premium Tax contributions in excess of the \$1,677,009 annual amount allowed to offset City contributions are held in reserve for future benefit improvements in Police Officers' Retirement System. Accumulated State Premium Tax contributions in excess of the \$1,210,916 annual amount allowed to offset City contributions are held in reserve for cost of living adjustments for supplemental plan members who retire after September 30, 2008 in Firefighters' Retirement System. As of September 30, 2016 the accumulated balance in the Police Officers' Retirement System and the Firefighters' Retirement System was \$344,851 and \$6,903,142, respectively.

E. DEFERRED RETIREMENT OPTION PLANS

When an employee in a defined benefit plan reaches retirement eligibility, all three plans offer a deferred retirement option plan (DROP). When an employee elects to enter a DROP, they continue working, but all pension contributions stop and the pension benefit earned begins accruing for that individual in a separate account. At termination of employment, the employee has an option of a lump sum payment or roll over into a tax deferred account.

The Employees' Retirement System, Police Officers' Retirement System and Firefighters' Retirement System DROP accounts which started in 2000, 2004, and 2007 respectively, are kept by a third party custodian International City Management Association Retirement Corporation, and are not included as pension fund liabilities.

At September 30, 2016, participants and amounts deferred in the DROP plans are as follows:

	<u>Participants</u>	<u>Custodial Assets</u>
Employees' Retirement System	92	\$ 9,403,574
Firefighters' Retirement System	63	\$ 23,946,583
Police Officers' Retirement System	82	\$23,569,736

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

F. PENSION PLAN REPORTING: NET PENSION LIABILITY

GASB Statement No. 67, *Financial Reporting for Pension Plans - an Amendment of GASB Statement No 25* requires pension plans to include certain disclosures about the plan as well as the net pension liability in the notes to the financial statements. As the retirement systems do not issue separate financial statements, the required disclosures for pension plan reporting are found in this section of the notes to the financial statements and in the required supplementary information section.

The net pension liability is calculated as the total pension liability less the pension plans net fiduciary position. The total pension liability is the present value of pension benefits attributable to past service of the pension plans and the net fiduciary position is the resources currently available in the pension plans trusts to pay benefits.

Net Pension Liability Components

The components of the net pension liability by retirement system at September 30, 2016 were as follows:

	<u>Employees’ Retirement System</u>	<u>Firefighters’ Retirement System</u>	<u>Police Officers’ Retirement System</u>
Total pension liability	\$ 437,564,716	\$ 222,725,137	\$ 418,840,630
Plan fiduciary net position	<u>(387,352,419)</u>	<u>(245,210,493)</u>	<u>(378,349,695)</u>
Retirement Plan’s net pension liability	\$ 50,212,297	\$ (22,485,356)	\$ 40,490,935

Plan fiduciary net position as a percentage of the total pension liability	88.52%	110.10%	90.33%
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Actuarial Assumptions

The total pension liability was determined based on a roll-forward of the entry-age normal liabilities from the October 1, 2015 actuarial valuation. The pension plans use the Entry Age Normal Actuarial Cost Method with a level percent closed amortization method. Under the Entry Age Normal Cost Method, an annual Normal Cost is determined for each covered active member which is the contribution required to provide all the projected pension benefits assuming this contribution is payable over a period ending on the date of retirement and expressed as a level percentage of compensation. Entry Age is the age nearest the employees’ birthday on the first of October following employment. The asset valuation method under all three pension plans is a four year phase in of investment gains and losses.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

The total pension liability for each pension plan as of September 30, 2016 was determined based on a roll-forward of entry age normal liabilities from the October 1, 2015 actuarial valuation, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Employees’ Retirement System</u>	<u>Firefighters’ Retirement System</u>	<u>Police Officers’ Retirement System</u>
Investment rate of return (net investment expenses)	7.75%	8.00%	8.00%
Inflation	3.00%	3.00%	3.00%
Salary increases	5.00% to 8.50%	1.00% to 5.50% for FY 2016; and 5.00% to 9.50% thereafter	4.50% to 8.00%
Aggregate compensation increase annually	0.20%	0.00%	0.50%
Cost of living adjustments (prior plan)	2.00%	3.00% for former District Chiefs, Chiefs & Captains and 0.00% for remainder of population in FY 2016; and 4.00% thereafter	5.717% for Officers, 5.588% for Sergeants, 4.679% for Lieutenants & 3.00% for Management; and 4.00% thereafter
Cost of living adjustments (supplemental plan)	1.50%	0.00%	1.70% for FY 16 and 2.00% thereafter
Mortality Rate Table	Fully Generational RP-2000 Combined Healthy Table with life expectancy improvements projected using Scale AA	Fully Generational RP-2000 Combined Healthy Table with Blue Collar Adjustment	Fully Generational RP-2000 Combined Healthy Table with life expectancy improvements projected using Scale AA and with Blue Collar Adjustment

**Actuarial changes from the prior year:**

**Employee's Retirement System:** The individual salary increase assumption was modified in fiscal year 2015 to reflect an increase based on each active member as provided by the City. In fiscal 2016, the salary increase assumption reverted back to the normal salary increase assumption.

**Firefighters’ Retirement System:** The cost of living increase for fiscal year 2016 was increased from 2.00% to 3.00% for Chiefs, District Chiefs and Captains.

**Police Officers’ Retirement System:** The salary scale for fiscal year 2016 reverted back to the prior assumption for years thereafter. The assumed cost of living increase for Prior Plan retirees was changed from 2.00% for FY 2015 to 5.717% for Officers, 5.588% for Sergeants, 4.679% for Lieutenants & 3.00% for Management for fiscal 2016. The assumed cost of living increase for Supplemental Plan retirees was changed to reflect 1.70% increase for FY 2016 and 2.00% thereafter. The assumed increase in aggregate compensation was reduced from 1.50% to 0.50% per year to remain lower than the historical 10 year average annual increase in covered payroll.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

*Long-term expected rate of return (Pension Plan Reporting)*

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 (expected returns, net of pension plan investment expense and inflation) 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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>		
	<b>Employees' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Police Officers' Retirement System</b>
Cash	N/A	3.81%	3.81%
US Large Cap	11.23%	11.23%	11.23%
US Mid Cap	13.88%	13.88%	13.88%
US Small Cap	13.99%	13.99%	13.99%
Global Ex US Equity	11.58%	N/A	11.58%
MSCI EAFE	11.13%	11.13%	11.13%
Aggregate Bonds	N/A	5.27%	N/A
US Government Credit	5.34%	N/A	5.34%
REIT	N/A	8.05%	N/A
Hedge Funds	7.93%	7.93%	7.93%

*Discount rate*

The discount rate used to measure the total pension liability was 7.75% for ERS and 8.00% for Fire and Police. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

*Sensitivity of the net pension liability to changes in the discount rate (Pension Plan Reporting)*

The following presents the net pension liability of the pension plans, calculated using the current discount rate, as well as what the pension plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<b>Employees' Retirement</b>			
<b>System net pension liability (asset)</b>	\$ 102,720,063 6.75%	\$ 50,212,297 7.75%	\$ 3,330,363 8.75%
<b>Firefighters' Retirement</b>			
<b>System net pension liability (asset)</b>	\$ 678,058 7.00%	\$ (22,485,356) 8.00%	\$ (43,466,709) 9.00%
<b>Police Officers' Retirement</b>			
<b>System net pension liability (asset)</b>	\$ 90,751,811 7.00%	\$ 40,490,935 8.00%	\$ (4,384,847) 9.00%

**G. EMPLOYER (CITY) REPORTING: NET PENSION LIABILITY**

The net pension liability disclosed below is the liability to the employer, the City of St. Petersburg, of the pension plans in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*. The net pension liability is calculated as the total pension liability less the pension plans' net fiduciary position. The total pension liability is the present value of pension benefits attributable to past service of the pension plans and the net fiduciary position is the resources currently available in the pension plans' trusts to pay benefits.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

*Net Pension Liability Components (Employer Reporting)*

The net pension liability of the retirement systems' recorded in the City's financial statements at September 30, 2016 is based on a measurement date of September 30, 2015 and the total pension liability as of September 30, 2015 was determined based on a roll-forward of the entry-age normal liabilities from the October 1, 2014 actuarial valuation (using below detail actuarial assumptions) applied to all periods included in the measurement. The net pension liability by retirement system recorded to the City's financial statements as of September 30, 2016 is as follows.

	<b>Employees' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Police Officers' Retirement System</b>
Total pension liability	\$ 410,671,607	\$ 217,772,186	\$ 395,215,991
Plan fiduciary net position	<u>(369,690,521)</u>	<u>(229,986,610)</u>	<u>(363,964,268)</u>
Retirement Plan's net pension liability (asset)	<u>\$ 40,981,086</u>	<u>\$ (12,214,424)</u>	<u>\$ 31,251,723</u>
 Plan fiduciary net position as a percentage of the total pension liability	 90.02%	 105.61%	 92.09%

*Actuarial Assumptions (Employer Reporting)*

The pension plans use the Entry Age Normal Actuarial Cost Method with a level percent closed amortization method. Under the Entry Age Normal Cost Method, an annual Normal Cost is determined for each covered active member, which is the contribution required to provide all the projected pension benefits assuming this contribution is payable over a period ending on the date of retirement and expressed as a level percentage of compensation. Entry Age is the age nearest the employees' birthday on the first of October following employment. The asset valuation method under all three pension plans is a four year phase in of investment gains and losses.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

The total pension liability for each pension plan as of September 30, 2015 was determined based on a roll-forward of entry age normal liabilities from the October 1, 2014 actuarial valuation, using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Employees’ Retirement System</b>	<b>Firefighters’ Retirement System</b>	<b>Police Officers’ Retirement System</b>
Investment rate of return (net investment expenses)	7.75%	8.00%	8.00%
Inflation	3.00%	3.00%	3.00%
Salary increases (FY 2014)	2.50%	3.00% to 7.50%	2.50% to 6.00%
Projected salary increases (After FY 2014)	5.00% to 8.50%	5.00% to 9.50%	4.50% to 8.00%
Aggregate compensation increase annually	0.50%	0.00%	2.25%
		2.00% for FY 2014 and 4.00% thereafter	2.00% for FY 2014 and 4.00% thereafter
Cost of living adjustments (prior plan)	2.00%	0.00%	2.00%
Cost of living adjustments (supplemental plan)	1.50%		
	RP-2000 Combined healthy Mortality table with fully generational mortality improvements	RP-2000 Combined healthy Mortality table with Blue Collar adjustment and fully generational mortality improvements	RP-2000 Combined healthy Mortality table with Blue Collar adjustment and fully generational mortality improvements
Mortality Rate Table			

The long-term expected rate of return on pension plan investments and the discount rate used to measure the total pension liability is the same as those used for the pension plan reporting discussed in detail in Note 18 (F).

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

Changes in Net Pension Liability (Employer Reporting)

The detailed changes in the net pension liability for each of the three retirement systems in fiscal 2016 is as follows, based on actuarial date one year prior:

<b>Employees' Retirement System</b>			
<b>Change in the Net Pension Liability</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Asset (Liability)</b>
Balances at September 30, 2015	\$ 403,468,334	\$ 376,393,513	\$ 27,074,821
Changes for the year:			
Service Cost	\$ 7,510,320	\$ -	\$ 7,510,320
Interest	31,081,167	-	31,081,167
Differences between expected and actual experience	(7,081,456)	-	(7,081,456)
Changes in assumptions	(4,066,413)	-	(4,066,413)
Contributions - City	-	12,778,435	(12,778,435)
Contributions - Member	-	1,420,282	(1,420,282)
Net investment income	-	(546,983)	546,983
Benefit payments, including refunds of employee contributions	(20,240,345)	(20,240,345)	-
Administrative expenses	-	(114,383)	114,383
Net changes	<u>\$ 7,203,273</u>	<u>\$ (6,702,994)</u>	<u>\$ 13,906,263</u>
Balances at September 30, 2016	<u>\$ 410,671,607</u>	<u>\$ 369,690,519</u>	<u>\$ 40,981,088</u>

<b>Firefighters' Retirement System</b>			
<b>Change in the Net Pension Liability</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Asset (Liability)</b>
Balances at September 30, 2015	\$ 220,561,812	\$ 235,750,144	\$ (15,188,332)
Changes for the year:			
Service Cost	\$ 3,068,057	\$ -	\$ 3,068,057
Interest	17,200,042	-	17,200,042
Differences between expected and actual experience	(707,973)	-	(707,973)
Changes in assumptions	(4,752,530)	-	(4,752,530)
Contributions - City	-	7,725,079	(7,725,079)
Contributions - Member	-	945,494	(945,494)
Contributions - State	-	2,023,712	(2,023,712)
Net investment income	-	1,264,839	(1,264,839)
Benefit payments, including refunds of employee contributions	(17,597,222)	(17,597,222)	-
Administrative expenses	-	(125,436)	125,436
Net changes	<u>\$ (2,789,626)</u>	<u>\$ (5,763,534)</u>	<u>\$ 2,973,908</u>
Balances at September 30, 2016	<u>\$ 217,772,186</u>	<u>\$ 229,986,610</u>	<u>\$ (12,214,424)</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

<b>Police Officers' Retirement System</b>			
<b>Change in the Net Pension Liability</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balances at September 30, 2015	\$ 388,338,852	\$ 376,024,511	\$ 12,314,341
Changes for the year:			
Service Cost	\$ 5,860,058	\$ -	\$ 5,860,058
Interest	29,610,299	-	29,610,299
Differences between expected and actual experience	(758,206)	-	(758,206)
Change in assumptions	(3,112,655)	-	(3,112,655)
Contributions - City	-	10,258,299	(10,258,299)
Contributions - Member	-	2,138,059	(2,138,059)
Contributions - State	-	1,801,339	(1,801,339)
Net investment income	-	(1,403,535)	1,403,535
Benefit payments, including refunds of employee contributions	(24,722,357)	(24,722,357)	-
Administrative expenses	-	(132,046)	132,046
Net changes	<u>\$ 6,877,139</u>	<u>\$ (12,060,241)</u>	<u>\$ 18,937,380</u>
Balances at September 30, 2016	<u>\$ 395,215,991</u>	<u>\$ 363,964,270</u>	<u>\$ 31,251,721</u>

**Sensitivity of the net pension liability to changes in the discount rate (Employer Reporting)**

The following presents the net pension liability of the pension plans, calculated using the current discount rate, as well as what the pension plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<b>Employees' Retirement System net pension liability (asset)</b>	<u>\$ 89,340,484</u> 6.75%	<u>\$ 40,981,088</u> 7.75%	<u>\$ 119,629</u> 8.75%
<b>Firefighters' Retirement System net pension liability (asset)</b>	<u>\$ 9,765,822</u> 7.00%	<u>\$ (12,214,424)</u> 8.00%	<u>\$ (30,857,309)</u> 9.00%
<b>Police Officers' Retirement System net pension liability (asset)</b>	<u>\$ 78,321,224</u> 7.00%	<u>\$ 31,251,721</u> 8.00%	<u>\$ (7,885,091)</u> 9.00%

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension*

For the year ended September 30, 2016, the City recognized pension expense (benefit) related to the change in net pension liability and related components of \$1,410,715, (\$4,956,486) and (\$2,457,527) for the Employees' Retirement System, Firefighters' Retirement System and Police Officers' Retirement System, respectively. The City recognized a significant benefit in fiscal year 2016 due to the deferred outflow of pension plan contributions.

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the below sources for each pension plan.

**Deferred Outflow of Resources**

	<b>Employees' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Police Officers' Retirement</b>	<b>Total</b>
Balances, Beginning	\$ 12,778,435	\$ 7,725,080	\$ 10,258,300	\$ 30,761,815
Employer contributions made between previous measurement date and the previous reporting date	(12,778,435)	(7,725,080)	(10,258,300)	(30,761,815)
Difference between projected and actual investment earnings (CY)	23,814,222	13,946,863	24,995,638	62,756,723
Difference between projected and actual investment earnings (PY)	(5,724,416)	(4,080,241)	(5,048,678)	(14,853,335)
Employer contributions made between measurement date and the reporting date	11,198,451	4,477,204	7,770,299	23,445,954
Balances, Ending	<u>\$ 29,288,257</u>	<u>\$ 14,343,826</u>	<u>\$ 27,717,259</u>	<u>\$ 71,349,342</u>

**Deferred Inflow of Resources**

	<b>Employees' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Police Officers' Retirement</b>	<b>Total</b>
Difference between expected and actual experience	\$ (5,606,152)	\$ (535,297)	\$ (547,593)	\$ (6,689,042)
Changes of assumptions	(3,219,243)	(3,593,376)	(2,248,029)	(9,060,648)
Total	<u>\$ (8,825,395)</u>	<u>\$ (4,128,673)</u>	<u>\$ (2,795,622)</u>	<u>\$ (15,749,690)</u>

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

The deferred outflows of resources includes resources from City contributions to the plans subsequent to the measurement date and the difference between projected and actual investment earnings. The City contributions to the Plans subsequent to the measurement date, \$23,445,954, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2017. Other amounts reported as deferred outflows of resources related to the pension plans will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<b>Future Years' Recognition of Deferred Outflows</b>			<u>Total</u>
	<b>Employees' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Police Officers' Retirement System</b>	
9/30/2017	\$ 4,045,417	\$ 2,126,635	\$ 4,566,017	\$ 10,738,069
9/30/2018	4,045,417	2,126,635	4,566,017	10,738,069
9/30/2019	4,045,417	2,126,635	4,566,017	10,738,069
9/30/2020	5,953,555	3,486,717	6,248,909	15,689,181
9/30/2021	-	-	-	-
Thereafter	-	-	-	-
	<u>\$ 18,089,806</u>	<u>\$ 9,866,622</u>	<u>\$ 19,946,960</u>	<u>\$ 47,903,388</u>

Other amounts reported as deferred inflows of resources related to the Pensions Plans will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<b>Future Years' Recognition of Deferred Inflows</b>			<u>Total</u>
	<b>Employees' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Police Officers' Retirement System</b>	
9/30/2017	\$ 2,322,473	\$ 1,331,830	\$ 1,075,239	\$ 4,729,542
9/30/2018	2,322,473	1,331,830	1,075,239	4,729,542
9/30/2019	2,322,473	1,331,830	645,144	4,299,447
9/30/2020	1,857,976	133,183	-	1,991,159
9/30/2021	-	-	-	-
Thereafter	-	-	-	-
	<u>\$ 8,825,395</u>	<u>\$ 4,128,673</u>	<u>\$ 2,795,622</u>	<u>\$ 15,749,690</u>

The Firefighters' Retirement System and Police Officers' Retirement System net pension liability, deferred inflows and outflows of resources and pension expense is allocated 100% to governmental activities in the government-wide financial statements. The Employees' Retirement System net pension liability, deferred inflows and outflows of resources and pension expense is allocated proportionately to governmental activities in the government-wide financial statements and the City's enterprise funds based on the City's allocation of the actuarially determined contribution.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

H. EMPLOYER REPORTING: FUNDING FOR PENSIONS

The City's funding for the pension plans is separate than the accounting for the pension plans as discussed in the section on net pension liability. The City receives a separate actuary valuation report with different actuarial assumptions applied to calculate the City's actuarially determined contribution for funding purposes. The City's actuarially determined contribution made to the pension plans in fiscal year 2016 was calculated as of October 1, 2014, two years prior to the year the contributions are reported.

See required supplemental information section for more detail on the actuarially determined contribution related to fiscal year 2016.

The following schedules reflect the current year and two preceding years' actuarially determined contributions and the assumptions utilized to calculate the City's actuarially determined contribution for the three pension plans funding purposes as of the October 1, 2014 valuation.

**Employees' Retirement System  
 Schedule of Contributions for Employer**

Fiscal Year	Determined Employer Contributions	Actual Employer Contributions	% Contributed
9/30/16	\$ 11,198,451	\$ 11,198,451	100%
9/30/15	\$ 12,778,435	\$ 12,778,435	100%
9/30/14	\$ 13,420,066	\$ 13,420,066	100%

**Firefighters' Retirement System  
 Schedule of Contributions for Employer and Other Contributing Entity**

Fiscal Year	Determined Contribution	Determined Contribution	Determined Contribution	Actual Contribution	Actual Contribution	Actual Contribution	% Contr. Employer/State
	Employer	State	Total	Employer	State	Total	
9/30/16	\$ 4,477,204	\$ 1,210,196	\$ 5,687,400	\$ 4,477,204	\$ 1,210,296	\$ 5,687,400	100%
9/30/15	\$ 7,725,079	\$ 1,210,916	\$ 8,935,995	\$ 7,725,079	\$ 1,210,916	\$ 8,935,995	100%
9/30/14	\$ 8,841,331	\$ 1,210,916	\$ 10,052,247	\$ 8,841,331	\$ 1,210,916	\$ 10,052,247	100%

**Police Officers' Retirement System  
 Schedule of Contributions for Employer and Other Contributing Entity**

Fiscal Year	Determined Contribution	Determined Contribution	Determined Contribution	Actual Contribution	Actual Contribution	Actual Contribution	% Contr. Employer/State
	Employer	State	Total	Employer	State	Total	
9/30/16	\$ 7,770,299	\$ 1,677,009	\$ 9,447,308	\$ 7,770,299	\$ 1,677,009	\$ 9,447,308	100%
9/30/15	\$ 10,258,299	\$ 1,650,834	\$ 11,909,133	\$ 10,258,299	\$ 1,650,834	\$ 11,909,133	100%
9/30/14	\$ 11,121,987	\$ 1,631,988	\$ 12,753,975	\$ 11,121,987	\$ 1,650,834	\$ 12,772,821	100%

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 18 – EMPLOYEE DEFINED BENEFIT PENSION PLANS - (Continued)**

<b>Funding Actuarial Assumptions</b>	<b>Employees' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Police Officers' Retirement System</b>
Valuation Date	October 1, 2014	October 1, 2014	October 1, 2014
Actuarial Cost Method	Entry Age Normal Level % of Pay	Entry Age Normal Level % of Pay	Entry Age Normal Level % of Pay
Amortization Method	Level percent closed	Level percent closed	Level percent closed
Amortization Period	30 years	30 years	30 years
Aggregate compensation increase annually	0.20%	0.00%	1.50%
Asset valuation method	Four year phase in of investment gains and losses	Four year phase in of investment gains and losses	Four year phase in of investment gains and losses
Investment rate of return	7.75%	8.00%	8.00%
Projected salary increases	5.00% to 8.50%	1.00% to 5.50% in Fiscal 2016 5.00% to 9.50% thereafter	4.50% to 8.00%
Cost of living adjustments		2.00% in Fiscal 2016 for Chiefs and Captains, 0.00% for remainder of population 4.00% thereafter	
Prior Plan	2.00%		2.00% in Fiscal 2015 4.00% thereafter
Supplemental Plan	1.50%	0.00%	2.00%

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 19 – DEFINED CONTRIBUTION PLAN**

The City contributes to a defined contribution plan, the City of St. Petersburg 401(a) Plan ("Plan"), established by City Ordinance for exempt management employees and employees not covered by a collective bargaining agreement who have waived membership in the General Employees' Retirement System, of which 90 have so chosen. The plan is administered by International City Management Association Retirement Corporation (ICMA-RC). Plan participants fully vest upon eligibility to participate. The City contributes to the 401a plan account for participants at a rate which is approved by City Council. During the fiscal year ended September 30, 2016, the rate was 11% of pre-deferral salary. The total City contribution to the 401a plan was \$1,417,238 or 11% of covered payroll. For the fiscal year ended September 30, 2016, payroll covered by this plan was \$12.8 million compared to the total City payroll of approximately \$180.6 million.

**NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS**

A. SUPPLEMENTAL PAYMENTS LIABILITY FOR CERTAIN POLICE OFFICERS'

Background

Certain police officers who retired from March 2008 through February 2011 were paid benefits from the Police Officers' Retirement System ("PORS") that exceeded the amount under the terms of the Retirement System due to inclusion of extra compensation in the determination of benefits. For certain retirees who have elected to participate, the City will continue to pay directly to the retiree an amount in excess of the corrected benefit payable under the PORS ("supplemental payments"). There are 52 members receiving supplemental payments, including 46 retired members, 3 disabled members, and 3 beneficiaries.

Liability

The City obtained an actuarial valuation for the liability as of September 30, 2016. The City's long term obligation as of September 30, 2016 associated with the supplemental payments for participating police officers is \$1,162,000, as reported in the Statement of Net Position.

Actuarial Assumptions

The liability is based on a discount rate of 4.50% and the Fully Generational RP-2000 Combined Healthy Table with Blue Collar Adjustment (same mortality tables as the Police Retirement System October 1, 2015 actuarial valuation). The calculations were based on member census data provided by the City for the police officers receiving the supplemental payments.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS - (Continued)**

B. POST-RETIREMENT HEALTH BENEFITS

Plan Description:

The City follows GASB Statement 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions" to account for certain post-retirement health benefits provided by the City. A separate audited GAAP basis post retirement plan report is not prepared for this defined benefit plan. The City sponsors a single employer defined benefit "other post-employment benefit" ("OPEB") plan. Benefits are stipulated resolutions approved by City Council and through union agreements with the employees and any changes to the benefits must be addressed through union negotiations. Retirees who meet certain age and service requirements may elect coverage for themselves and dependents in one of three health plans: two preferred provider organizations ("PPOs") and an exclusive provider organization (EPO). After age 65, retirees have the additional choice of two Medicare Advantage plans. The City currently pays an explicit subsidy equal to 75% of the blended (active and retired) rate for the lowest cost PPO (or the total premium, if less), plus the implicit subsidy equal to the difference between the actual retiree cost ("ARC") and the blended rate. Beginning January 1, 2010, the maximum dollar amount of the explicit employer subsidy was frozen for employees who retire after 2009. These retirees will pay the full cost of any increases in the blended premium in excess of the frozen maximum subsidy.

Funding Policy

All of the above benefit plans are provided through insurance companies or health maintenance organizations (HMO). Some health plan premiums are based on the benefits paid during the plan period ending March 31. The City recognizes the cost of providing benefits by expensing monthly premiums, on a pay-as-you-go basis. There are no plans at this time to fund the OPEB liability and therefore there are no plan assets. For the fiscal year ended September 30, 2016, the cost of retiree health care for 1,120 participants was \$12,753,015 of which \$4,504,344 was paid by the retirees. The City offers vision, dental and AD&D policies paid for entirely by active and retired employees.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
 September 30, 2016

**NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS - (Continued)**

Annual OPEB Cost and OPEB Obligation

The City received the current year results of an actuarial valuation report for retiree health benefits as of October 1, 2014 for fiscal year 2016. The valuation was completed under the requirements of GASB Statement 45. The development of the Net OPEB Obligation is listed below for the fiscal year ended September 30:

	2016	2015	2014
Annual Required Contribution	\$ 16,447,000	\$ 13,555,000	\$ 13,261,000
Interest on the Net OPEB Obligation	2,805,000	2,438,000	2,176,000
Adjustment on the ARC	(3,603,000)	(2,812,000)	(2,514,000)
Annual OPEB Costs	15,649,000	13,181,000	12,923,000
Less: Contributions made (1)	(5,643,000)	(5,041,000)	(7,085,000)
Increase in Net OPEB Obligation	10,006,000	8,140,000	5,838,000
Net OPEB Obligation – beginning of year	62,324,000	54,184,000	48,346,000
Net OPEB Obligation – end of year	<u>\$ 72,330,000</u>	<u>\$ 62,324,000</u>	<u>\$ 54,184,000</u>

(1) = The percentage contributed was 23.0%, 38.2% and 54.8% for fiscal year ended September 30, 2016, 2015 and 2014 respectively.

Percentage of Annual OPEB Cost Contributed and Net OPEB Obligation

Fiscal Year	Annual OPEB Cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/16	15,649,000	5,643,000	36%	72,330,000
9/30/15	13,181,000	5,041,000	38%	62,324,000
9/30/14	12,923,000	7,085,000	55%	54,184,000
9/30/13	13,868,000	6,253,000	45%	48,346,000
9/30/12	13,503,000	6,274,000	47%	40,731,000
9/30/11	13,247,000	5,471,000	41%	33,502,000
9/30/10	12,525,000	6,187,000	49%	25,726,000

Funded Status and Funding Progress

As of September 30, 2016, the actuarial accrued liability for benefits was \$204,961,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$131,591,384 and the ratio of unfunded actuarial accrued liability (UAAL) to covered payroll is 155.8%.

Actuarial valuations reflect a long-term perspective and involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedule of government contributions and two year trend information along with the schedule of funding progress for the current year and two years prior (the dates of the actuarial valuations as required) can be found in the Required Supplementary Information.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS - (Continued)**

Actuarial Methods of Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan, including the method of sharing of costs between the employer and plan members.

In the October 1, 2014 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 3% inflation rate, 4.5% investment rate of return (net of administrative expenses), aggregate compensation is assumed to increase 1.50% per year for the Police Plan, 0.2% per year for the ERS/401a Plan, and 0.00% for the Fire Plan, and an annual healthcare cost trend rate of 8% initially, reduced by 0.5% per year to an ultimate rate of 5% after five years. Both rates include an inflation assumption of 3%. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over an open 30 year period.

Changes from the prior actuarial valuation October 1, 2012 assumptions are as follows: assumed per capita health plan costs, retiree contributions and total premiums were updated to reflect the most recent experience; the assumptions for mortality were updated to reflect recent research; healthcare cost trend rates updated to reflect industry expectations on increases; aggregate compensation have been updated; and DROP period length and participation, plan participation and the percentage of future retirees covering dependents were updated to reflect the last two years of experience.

**NOTE 21 - LITIGATION**

The City is a defendant in various litigation incidental to its routine operations. In the opinion of the City Attorney, based upon the amount of damages alleged in the various cases and facts currently known, the potential liabilities in these cases will not materially affect the City's financial position. The City has established a general liability account within the Insurance Internal Service Fund and has reflected its best estimates of the present dollar value of such liabilities.

**NOTE 22 - STATE AND FEDERAL GRANT COMMITMENTS**

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowance, if any, would have a material effect on the financial position of the City. The City has a potential liability relating to a federal grant repayment for proceeds of a former land sale within the City's Dome Industrial Park where certain grant conditions remain unfulfilled. The potential liability was accrued for in the General Fund as of September 30, 2015 and 2014 for approximately \$2.2 million as our extension at those dates was short term in nature. The City has received an extension of time from the grantor to meet certain conditions and ultimately expects to make progress towards meeting the grant requirements which could reduce or eliminate the liability. As of September 30, 2016, the liability was reversed out of the General Fund and recorded in the governmental activities column of the Statement of Net Position as the City has received an extension that is long-term in nature and the grant requirement is believed to be ultimately met by this future date.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 23 – SUBSEQUENT EVENT**

Debt Issuances

On October 18, 2016, the City executed \$53,025,000 in Public Utility Refunding Revenue Bonds, Series 2016B. The Public Utility Refunding Revenue Bonds, Series 2016B proceeds are being used to advance refund the City's outstanding Public Utility Revenue Bonds, Series 2009A which mature on or after October 1, 2039. The 2016B Series has serial bonds due through October 1, 2036 with interest rates varying between 3.00% and 5.00% and a \$26,810,000 term bond due October 1, 2039 at 3.00%. The bonds are secured by the net revenue of the combined water, wastewater, reclaimed water and stormwater systems.

On October 26, 2016, the City executed \$45,115,000 in Public Utility Revenue Bonds, Series 2016C. The Public Utility Revenue Bonds, Series 2016C proceeds are being used to replace and rehabilitate existing facilities and Water Treatment Plan Optimization at Water Treatment Plants and pump stations, replacement of existing pipelines and facilities in the Water Treatment and Distribution System, replace and rehabilitate the Wastewater Collection System, rehabilitate existing facilities and enhancement of reliability of treatment processes to Water Reclamation Facilities, improve facility generator power to the Water Resources Complex, and the acquisition, construction and erection of improvements to the System. The Public Utility Revenue Bonds, Series 2016C has serial bonds due through October 1, 2035 with interest rates varying between 4.00% and 5.00% and two term bonds for \$3,570,000 due October 1, 2037 at 4.00% and \$20,020,000 due October 1, 2046 at 4.00%. The bonds are secured by the net revenue of the combined water, wastewater, reclaimed water and stormwater systems.

The City is expected to execute a maximum of \$2,525,000 and \$3,210,000 in Non Ad Valorem Revenue Notes, Series 2017A and Non Ad Valorem Refunding Revenue Notes, Series 2017B, respectively. The Non Ad Valorem Revenue Notes, Series 2017A proceeds are being used to fund capital expenditures relating to capital improvements to the City's marina. The Non Ad Valorem Refunding Revenue Notes, Series 2017B proceeds are being used to advance refund the City's outstanding Improvement and Refunding Revenue Bonds, Series 2007 which mature on or after July 1, 2017.

Other

On September 16, 2016, the City received a proposed Consent Order from the FDEP to address the issues associated with the wastewater discharges from the collections system and Water Reclamation Facilities owned and operated by the City. The proposed Consent Order contemplates a number of corrective actions previously submitted by the City to the FDEP which are designed to increase capacity and mitigate overflows and discharges during future wet weather events. On September 21, 2016, the Governor of the State directed the FDEP to investigate the recent sewage spill. On September 28, 2016, the City received a Sixty-Day Notice of Violations of Clean Water Act and Notice of Intent to File Suit (the Notice) from Suncoast Waterkeeper, Inc., Our Children's Earth Foundation and Ecological Rights Foundation. The Notice states that the parties named above intend to seek civil penalties and injunctive relief preventing further violations of the Clean Water Act.

**City of St. Petersburg, Florida**  
*Notes to the Financial Statements*  
September 30, 2016

**NOTE 23 – SUBSEQUENT EVENT - (Continued)**

The City cannot predict whether those parties or any other person or entity will file a lawsuit or commence an investigation against the City or any of its employees in connection with the alleged Clean Water Act violations or other matters related to the wastewater overflows or what the financial impact on the City of any such lawsuit or investigation would be. On October 4, 2016, the Florida Fish and Wildlife Conservation Commission opened a comprehensive investigation into the City's sewage discharges. The City cannot predict whether a review or investigation by the EPA or other regulatory agencies will be conducted or the outcome of any such review or investigation, nor can the City predict the outcome of the investigation by the State or whether the final Consent Order will impose any additional requirements on the City. The City has included all of the corrective actions set forth in the proposed Consent Order in its Capital Improvements Plan; however the City cannot predict whether its current Capital Improvements Plan will be sufficient to accomplish any additional required remediation.

On March 17, 2016, the City approved a resolution to amend and restate the Management Agreement of the Mahaffey Theater between the City and Big 3 Entertainment, LLC (Big 3). As a result of the Amended and Restated Management Agreement, effective October 1, 2016 Big 3 will assume the responsibility of managing the Mahaffey Theater for a five year term. Big 3 will receive a fixed management fee from the City in the amount of \$250,000 per year. The City has agreed to limit Big 3's responsibility for repair and maintenance costs to \$275,000 per year. Any excess repair and maintenance costs will be reimbursed to Big 3 by the City. The City is required to fund an average of \$400,000 per year for capital improvements. Big 3 will reimburse the City for property insurance and City overhead costs in the amount of \$146,434. The agreement provides Big 3 with a more efficient and effective model for the Theater's bookings and operations. The new business model will reduce the amount of City overhead being allocated to the Mahaffey Theater. In addition, the agreement significantly reduces the City's financial exposure to support the Mahaffey Theater's operations as Big 3 will be responsible for any operating deficit of the facility.

# **REQUIRED SUPPLEMENTARY INFORMATION**

**City of St Petersburg, Florida**  
*Required Supplementary Information*  
September 30, 2016

**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

In accordance with GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* and GASB Statement No. 67 *Financial Reporting for Pension Plans- an amendment of GASB Statement No. 25* the City is required to present the following schedules for each of the three pension plans:

Plan Reporting: GASB Statement No. 67 *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*

- Schedule of Changes in the City's Net Pension Liability and Related Ratios
- Schedule of Contributions
- Schedule of Investment Returns : Annual Money-Weighted Rate of Return, Net of Investment Expense

Employer (City) Reporting: GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27*

- Schedule of Changes in the City's Net Pension Liability and Related Ratios
- Schedule of Contributions

The net pension liability of the pension plans recorded to the City's financial statements at September 30, 2016 is based on a measurement date of September 30, 2015 and the total pension liability measured as of September 30, 2015 was determined based on a roll-forward of the entry-age normal liabilities from the October 1, 2014 actuarial valuation. See Note 18 in the Notes to the Financial Statements for actuarial assumptions utilized.

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten year trend information as required under GASB Statement No. 67 *Financial Reporting for Pension Plans* and GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* will be presented as it becomes available by the plans.

**City of St Petersburg, Florida**  
**Required Supplementary Information**  
**September 30, 2016**

**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Ten year trend information as required under GASB Statement No. 67 *Financial Reporting for Pension Plans* and GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* will be presented as it becomes available by the plans.

**Employees' Retirement System**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>			
Service cost	\$ 8,241,100	\$ 7,510,320	\$ 7,274,693
Interest	31,647,474	31,081,167	29,720,082
Changes of benefit terms	-	-	-
Differences between expected and actual experience	8,120,936	(7,081,456)	-
Changes of assumptions	-	(4,066,413)	-
Benefit payments, including refunds of member contributions	<u>(21,116,401)</u>	<u>(20,240,345)</u>	<u>(19,116,670)</u>
Net change in total pension liability	26,893,109	7,203,273	17,878,105
<b>Total pension liability - beginning</b>	<u>410,671,607</u>	<u>403,468,334</u>	<u>385,590,229</u>
<b>Total pension liability - ending</b>	<u>\$ 437,564,716</u>	<u>\$ 410,671,607</u>	<u>\$ 403,468,334</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 11,198,451	\$ 12,778,435	\$ 13,420,066
Contributions - employee	1,465,224	1,420,282	1,400,080
Contributions - state	-	-	-
Net investment income	26,142,508	(546,983)	36,377,570
Benefit payments, including refunds of member contributions	(21,116,401)	(20,240,345)	(19,116,670)
Administrative Expense	(27,882)	(114,383)	(75,818)
Other	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>17,661,900</u>	<u>(6,702,994)</u>	<u>32,005,228</u>
<b>Plan fiduciary net position - beginning</b>	<u>369,690,521</u>	<u>376,393,513</u>	<u>344,388,285</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 387,352,421</u>	<u>\$ 369,690,519</u>	<u>\$ 376,393,513</u>
<b>Net pension liability - ending</b>	<u>\$ 50,212,295</u>	<u>\$ 40,981,088</u>	<u>\$ 27,074,821</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	88.52%	90.02%	93.29%
<b>Covered employee payroll</b>	\$ 73,230,762	\$ 69,245,260	\$ 69,862,270
<b>Net pension liability as a percentage of covered employee payroll</b>	68.57%	59.18%	38.75%

**Notes to Schedule:**

Benefit Changes: None

Assumptions Changes: None

**City of St Petersburg, Florida**  
**Required Supplementary Information**  
**September 30, 2016**

**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Ten year trend information as required under GASB Statement No. 67 *Financial Reporting for Pension Plans* and GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* will be presented as it becomes available by the plans.

**Firefighters' Retirement System**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>			
Service cost	\$ 3,249,371	\$ 3,068,057	\$ 3,189,346
Interest	16,977,050	17,200,042	16,992,345
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,343,382	(707,973)	-
Changes of assumptions	-	(4,752,530)	-
Benefit payments, including refunds of member contributions	<u>(17,616,852)</u>	<u>(17,597,222)</u>	<u>(17,336,204)</u>
Net change in total pension liability	4,952,951	(2,789,626)	2,845,487
<b>Total pension liability - beginning</b>	<u>217,772,186</u>	<u>220,561,812</u>	<u>217,716,325</u>
<b>Total pension liability - ending</b>	<u>\$ 222,725,137</u>	<u>\$ 217,772,186</u>	<u>\$ 220,561,812</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,477,204	\$ 7,725,079	\$ 8,841,330
Contributions - employee	1,032,503	945,494	926,326
Contributions - state	1,805,108	2,023,712	1,910,632
Net investment income	25,556,374	1,264,839	24,110,863
Benefit payments, including refunds of member contributions	(17,616,852)	(17,597,222)	(17,336,204)
Administrative Expense	(30,454)	(125,436)	(100,569)
Other	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>15,223,883</u>	<u>(5,763,534)</u>	<u>18,352,378</u>
<b>Plan fiduciary net position - beginning</b>	<u>229,986,610</u>	<u>235,750,144</u>	<u>217,397,766</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 245,210,493</u>	<u>\$ 229,986,610</u>	<u>\$ 235,750,144</u>
<b>Net pension liability - ending</b>	<u>\$ (22,485,356)</u>	<u>\$ (12,214,424)</u>	<u>\$ (15,188,332)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	110.10%	105.61%	106.89%
<b>Covered employee payroll</b>	\$ 14,252,652	\$ 13,601,128	\$ 13,805,792
<b>Net pension liability as a percentage of covered employee payroll</b>	-157.76%	-89.80%	-110.01%

**Notes to Schedule:**

Benefit Changes: None

Assumption Changes: None

**City of St Petersburg, Florida**  
*Required Supplementary Information*  
 September 30, 2016

**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Ten year trend information as required under GASB Statement No. 67 *Financial Reporting for Pension Plans* and GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* will be presented as it becomes available by the plans.

**Police Officers' Retirement System**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**

	<u>2016</u>		<u>2015</u>		<u>2014</u>
<b>Total Pension Liability</b>					
Service cost	\$ 5,872,895	\$	5,860,058	\$	5,813,388
Interest	31,012,270		29,610,299		29,652,780
Changes of benefit terms	-		-		-
Differences between expected and actual experience	13,610,507		(758,206)		-
Changes of assumptions	-		(3,112,655)		-
Benefit payments, including refunds of member contributions	<u>(26,871,033)</u>		<u>(24,722,357)</u>		<u>(23,495,320)</u>
Net change in total pension liability	23,624,639		6,877,139		11,970,848
<b>Total pension liability - beginning</b>	<u>395,215,991</u>		<u>388,338,852</u>		<u>376,368,004</u>
<b>Total pension liability - ending</b>	<u>\$ 418,840,630</u>	\$	<u>395,215,991</u>	\$	<u>388,338,852</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 7,770,299	\$	10,258,299	\$	11,121,987
Contributions - employee	2,191,312		2,138,059		2,049,238
Contributions - state	1,897,530		1,801,339		1,753,617
Net investment income	29,460,032		(1,403,535)		36,157,743
Benefit payments, including refunds of member contributions	(26,871,033)		(24,722,357)		(23,495,320)
Administrative Expense	(62,715)		(132,046)		(105,416)
Other	-		-		-
<b>Net change in plan fiduciary net position</b>	<u>14,385,425</u>		<u>(12,060,241)</u>		<u>27,481,849</u>
<b>Plan fiduciary net position - beginning</b>	<u>363,964,270</u>		<u>376,024,511</u>		<u>348,542,662</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 378,349,695</u>	\$	<u>363,964,270</u>	\$	<u>376,024,511</u>
<b>Net pension liability - ending</b>	<u>\$ 40,490,935</u>	\$	<u>31,251,721</u>	\$	<u>12,314,341</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	90.33%		92.09%		96.83%
<b>Covered employee payroll</b>	\$ 31,223,987	\$	31,186,302	\$	31,889,043
<b>Net pension liability as a percentage of covered employee payroll</b>	129.68%		100.21%		38.62%

**Notes to Schedule:**

Benefit Changes: None

Assumptions Changes: None

**City of St Petersburg, Florida**  
*Required Supplementary Information*  
 September 30, 2016

**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The City's actuarially determined contributions are based on a separate actuarial valuation report for funding purposes than for accounting. The City's actuarially determined contributions made to the pension plans in fiscal year 2015 was calculated as of October 1, 2013, two years prior to the year the contributions are reported. See the notes following the Schedule of Contributions for the actuarial assumptions utilized for funding purposes.

Ten year trend information as required under GASB Statement No. 67 *Financial Reporting for Pension Plans* and GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* will be presented for each fiscal year end as it becomes available by the plans.

**Employees' Retirement System**  
**Schedule of Contributions**

Actuarial Valuation	10/1/2014	10/1/2013	10/1/2012
Fiscal Year Contributed to Plans	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 11,198,451	\$ 12,778,435	\$ 13,420,066
Contributions in relation to the actuarially determined contribution	<u>11,198,451</u>	<u>12,778,435</u>	<u>13,420,066</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
 Covered employee payroll	 \$ 73,230,762	 \$ 69,245,260	 \$ 69,862,270
 Contribution as a percentage of covered payroll	 15.29%	 18.45%	 19.21%

**Firefighters' Retirement System**  
**Schedule of Contributions**

Actuarial Valuation	10/1/2014	10/1/2013	10/1/2012
Fiscal Year Contributed to Plans	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,477,204	\$ 7,725,079	\$ 10,052,247
Contributions in relation to the actuarially determined contribution	<u>4,477,204</u>	<u>7,725,079</u>	<u>10,052,247</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
 Covered employee payroll	 \$ 14,252,652	 \$ 13,601,128	 \$ 13,805,792
 Contribution as a percentage of covered payroll	 31.41%	 56.80%	 72.81%

**City of St Petersburg, Florida**  
*Required Supplementary Information*  
 September 30, 2016

**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Police Officers' Retirement System  
 Schedule of Contributions**

Actuarial Valuation	10/1/2014	10/1/2013	10/1/2012
Fiscal Year Contributed to Plans	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 7,770,299	\$ 10,258,299	\$ 12,753,945
Contributions in relation to the actuarially determined contribution	<u>7,770,299</u>	<u>10,258,299</u>	<u>12,772,821</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(18,876)</u>
Covered employee payroll	\$ 31,223,987	\$ 31,186,302	\$ 31,889,043
Contribution as a percentage of covered payroll	24.89%	40.05%	40.05%

**Notes to Schedules of Contributions:**

Valuation Date: Actuarially determined contribution rates are calculated in the actuarial valuation report two years prior to the date of contribution to the pension plans by the City.

Funding Actuarial Assumptions	<u>Employees' Retirement System</u>	<u>Firefighters' Retirement System</u>	<u>Police Officers' Retirement System</u>
Valuation Date	October 1, 2014	October 1, 2014	October 1, 2014
Actuarial Cost Method	Entry Age Normal Level % of Pay	Entry Age Normal Level % of Pay	Entry Age Normal Level % of Pay
Amortization Method	Level percent closed	Level percent closed	Level percent closed
Single equivalent amortization period	22.66	3.20	7.78
Asset valuation method	Four year phase in of investment gains and losses	Four year phase in of investment gains and losses	Four year phase in of investment gains and losses
Investment rate of return	7.75%	8.00%	8.00%
Projected salary increases	Based on actual for each active member 5.00% to 8.50% thereafter	1.00% to 5.50% in Fiscal 2015 and 2016 5.00% to 9.50% thereafter	2.50% to 6.00% in Fiscal 2015 4.50% to 8.00% thereafter
Cost of living adjustments			
Prior Plan	2.00%	2.00% Chiefs and Captains in Fiscal 2015 and 2016 0% for other population 4.00% thereafter	2.00% in Fiscal 2015 4.00% thereafter
Supplemental Plan	1.50%	0.00%	2.00%

**City of St Petersburg, Florida**  
*Required Supplementary Information*  
 September 30, 2016

**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The Schedule of Investment Returns for each pension plan is shown as the annual money-weighted rate of return, net of investment expenses. The calculation expresses investment performance, net of pension plan investments expense, adjusted for the changing amounts actually invested.

Ten year trend information as required under GASB Statement No. 67 *Financial Reporting for Pension Plans* will be presented for each fiscal year end as it becomes available by the plans.

**Schedule of Investment Returns**  
**Annual Money-Weighted Rate of Return, Net of Investment Expense**

<u>Fiscal Year</u>	<u>Employees' Retirement System</u>	<u>Firefighters' Retirement System</u>	<u>Police Officers' Retirement System</u>
2016	7.06%	11.50%	8.06%
2015	-0.30%	0.50%	-0.53%
2014	10.63%	10.90%	10.46%

**City of St Petersburg, Florida**  
*Required Supplementary Information*  
 September 30, 2016

**NOTE 18 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN**

Available funding information and contribution amounts are presented in the schedules which follow for other post employment benefits (OPEB) in accordance with GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions*. See Note 20 in the Notes to the Financial Statements for actuarial assumptions utilized.

**Other Post Employment Benefits  
 Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UFAAL as % of Covered Payroll (b-a)/c
10/1/2014	\$0	\$ 204,961,000	\$204,961,000	0.00%	\$120,142,000 (A)	170.6%
10/1/2012	0	167,111,000	167,111,000	0.00%	\$118,468,000(A)	141.1%
10/1/2010	0	177,387,000	177,387,000	0.00%	N/A	N/A

(A) The covered payroll included in the actuarial valuation was of 9/30/2014 and 9/30/2012, respectively.

**Other Post Employment Benefits  
 Annual Required Contribution Schedule**

Fiscal Year Ended	Annual Required Contribution (ARC)	Annual Contribution	Percentage of ARC Contributed
9/30/2016	\$16,447,000	\$5,643,000	34.3%
9/30/2015	13,555,000	5,041,000	38.2%
9/30/2014	13,261,000	7,085,000	54.8%
9/30/2013	13,764,000	6,253,000	45.1%
9/30/2012	13,413,000	6,274,000	46.5%
9/30/2011	13,154,000	5,471,000	41.3%
9/30/2010	12,455,000	6,187,000	49.4%



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# **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **City of St. Petersburg, Florida**

### **Non-Major Governmental Funds**

#### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are restricted for a specific purpose.

**Weeki Wachee** - This fund is used to account for the proceeds of the sale of the City's property in Weeki Wachee Springs, Florida. The proceeds of the sale and earnings on the invested balance are to be used for parks, recreation, beautification, and preservation.

**Professional Sports Facility Sales Tax** - This fund is used to account for revenue from the State of Florida Sales or Use Tax and may be used for the public purpose for paying for the acquisition, construction, reconstruction, or renovation of a facility for a new professional sports franchise, or retaining a professional sports franchise.

**Building Permit** - This fund is used to account for the revenue generated from construction permits and the related operating and capital expenditures.

**Local Law Enforcement Trust** - This fund is used to account for revenue received under the Florida Contraband Forfeiture Statute and the Federal Equitable Sharing of Assets Forfeitures and is used for law enforcement purposes.

**Emergency Medical Services** - This fund is used to account for revenue received under a provider contract with Pinellas County for the provision of emergency medical care to the City and surrounding areas.

**Local Housing Assistance Trust** - This fund is used to account for revenue received under the State Housing Initiatives Partnership Program (SHIP) and is used for expenditures allowed under the program.

**Community Housing Trust** - This fund is used to account for revenue received under the Community Housing Trust Fund Program administered by Pinellas County, Florida and is used for expenditures allowed under the program.

**School Crossing Guard Fund** - This fund is used to account for revenue received under the Florida Disposition of Traffic Infractions Statue for that portion to be used to fund a school crossing guard program.

**Police Grants Fund** - This fund is used to account for revenue received under the Edward Byrne Memorial Justice Assistance Grant Program and is used for expenditures allowed under the program.

**City of St. Petersburg, Florida**

**Non-Major Governmental Funds**

**Special Revenue Funds (Continued)**

Police Officers Training Fund (Police Officers Training) - This fund is used to account for revenue received under the Florida Disposition of Traffic Infractions Statute for that portion to be used to fund police training programs.

Donation Funds - This fund is used to account for the revenue received as donations by various citizens and organizations that are restricted to a specified purpose.

**Debt Service Funds**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Excise Tax - This fund is used to account for principal and interest on the City's Utility Tax bonds which were used for various general capital improvements.

Professional Sports Facility Sales Tax Revenue Bonds (Professional Sports Facility Sales Tax)- This fund is used to account for principal and interest on the City's Professional Sports Facilities Sales Tax Revenue Bonds which were used to fund modifications to Tropicana Field.

First Florida Governmental Financing Commission (First Florida) - This fund is used to account for principal, fees and interest on the city's FFGFC bonds which were used for improvements at multiple locations.

BB&T Notes - This fund is used to account for principal and interest on the City's BB & T Corp. loan.

Banc of America - This fund is used to account for principal and interest on the City's Banc of America Public Capital Corp. and Banc of America, N.A. loans.

JP Morgan Chase - This fund is used to account for principal and interest on the City's JP Morgan Chase loan.

Public Service Tax - This fund is used to account for principal and interest on the City's Public Service Tax Revenue Bonds 2016A and 2016B which were issued for construction of the Pier and Pier Approach.

## **City of St. Petersburg, Florida**

### **Non-Major Governmental Funds**

#### **Capital Projects Funds**

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

General Capital Improvement - This fund is used to account for various construction of projects funded by general revenue transfers and Public Service Tax Revenue Bonds 2016A and 2016B.

Housing Capital Improvement - This fund is used to account for the construction of housing projects and recycling of existing housing and is funded by general revenues.

Transportation Improvement - This fund is used to account for various transportation related construction of projects funded by transportation impact fees.

Downtown Parking Garage - This fund is used to account for various downtown parking construction projects funded by general revenues and debt proceeds.

Weeki Wachee - This fund is used to account for various recreational projects funded by transfers from the Weeki Wachee special revenue fund.

#### **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the city's programs.

Gizella Kopsik Arboretum -Palms and Cycads (Kopsick Trust) - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust is to be used to maintain the Kopsik Palm and Cycad Arboretum.

Fire Rescue and EMS Awards Trust - This fund is used to account for principal trust amounts received (and other amounts received by corporate and individual citizens) for the expressed purpose of providing the annual cash awards to one fire rescue and one emergency medical service employee chosen by an internal fire department committee.

Library Trust - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust is to be used for library purposes.



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**City of St. Petersburg, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2016**

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 5,479,434	\$ -	\$ 19,489,924	\$ 61,924	\$ 25,031,282
Investments	25,394,801	-	14,647,385	357,193	40,399,379
Restricted Cash	-	3,186,428	-	-	3,186,428
Restricted Investments	-	-	49,518,211	-	49,518,211
Receivables:					
Accounts	255,385	-	29,310	-	284,695
Accrued Interest	-	-	184,660	-	184,660
Notes	6,534,658	-	59,963	-	6,594,621
Due from Other Governmental Agencies:					
Grants and Cost Reimbursement	28,534	-	2,363,578	-	2,392,112
Pinellas County - Services	10,900	-	-	-	10,900
Pinellas County - Fines	3,962	-	-	-	3,962
Prepaid Costs and Deposits	8,184	-	-	-	8,184
<b>Total Assets</b>	<b>37,715,858</b>	<b>3,186,428</b>	<b>86,293,031</b>	<b>419,117</b>	<b>127,614,434</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Vouchers and Accounts Payable	218,444	-	573,706	-	792,150
Accrued Salaries	528,386	-	15,417	-	543,803
Retainage on Contracts	-	-	253,997	-	253,997
Due to Other Governmental Agencies	8,364	-	610,757	-	619,121
Due to Other Funds	17,047	-	366,314	-	383,361
Deposits:					
Other Deposits	386,961	-	-	-	386,961
<b>Total Liabilities</b>	<b>1,159,202</b>	<b>-</b>	<b>1,820,191</b>	<b>-</b>	<b>2,979,393</b>
<b>Deferred Inflows of Resources</b>					
Deferred Inflows from Notes Receivable	6,534,658	-	59,963	-	6,594,621
Deferred Inflows from Future Revenues	172,739	-	28,325	-	201,064
<b>Total Deferred Inflows of Resources</b>	<b>6,707,397</b>	<b>-</b>	<b>88,288</b>	<b>-</b>	<b>6,795,685</b>
<b>Fund Balances</b>					
Non-Spendable	8,184	-	-	419,117	427,301
Restricted	22,900,116	3,186,428	49,518,211	-	75,604,755
Committed	6,940,959	-	8,548,375	-	15,489,334
Assigned	-	-	26,317,966	-	26,317,966
<b>Total Fund Balances</b>	<b>29,849,259</b>	<b>3,186,428</b>	<b>84,384,552</b>	<b>419,117</b>	<b>117,839,356</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 37,715,858</b>	<b>\$ 3,186,428</b>	<b>\$ 86,293,031</b>	<b>\$ 419,117</b>	<b>\$ 127,614,434</b>

See accompanying Independent Auditor's Report.

**City of St. Petersburg, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended September 30, 2016**

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Licenses and Permits	\$ 6,264,124	\$ -	\$ -	\$ -	\$ 6,264,124
Fines and Forfeitures	803,775	-	-	-	803,775
Charges for Services and User Fees	13,445,703	-	1,028	-	13,446,731
Intergovernmental Revenues:					
Federal, State and Other Grants	1,420,259	-	3,157,673	-	4,577,932
State - Sales Tax	2,000,004	-	-	-	2,000,004
State - Revenue Sharing	-	2,620,342	-	-	2,620,342
State - Other	28,880	-	-	-	28,880
Total	3,449,143	2,620,342	3,157,673	-	9,227,158
Use of Money and Property:					
Earnings on Investments	1,337,994	4,407	866,039	24,149	2,232,589
Total	1,337,994	4,407	866,039	24,149	2,232,589
Miscellaneous Revenue:					
Contributions	241,257	-	-	1,000	242,257
Assessments	-	-	1,092,718	-	1,092,718
Dispositions of Property	5,345	-	5,629	-	10,974
Other	487,715	-	25,076	-	512,791
Total	734,317	-	1,123,423	1,000	1,858,740
<b>Total Revenues</b>	<b>26,035,056</b>	<b>2,624,749</b>	<b>5,148,163</b>	<b>25,149</b>	<b>33,833,117</b>
<b>Expenditures</b>					
Current Operations:					
General Government	44,360	-	-	-	44,360
Community and Economic Development	4,812,054	-	-	-	4,812,054
Public Safety:					
Police	569,101	-	-	-	569,101
Fire and EMS	12,265,500	-	-	1,350	12,266,850
Recreation, Culture and Social	1,738,227	-	-	-	1,738,227
Debt Service:					
Principal Payments	-	14,176,000	-	-	14,176,000
Interest Payments	-	1,087,111	-	-	1,087,111
Remarketing and Other Fees	-	618,555	-	-	618,555
Capital Outlay	353,844	-	15,701,529	-	16,055,373
<b>Total Expenditures</b>	<b>19,783,086</b>	<b>15,881,666</b>	<b>15,701,529</b>	<b>1,350</b>	<b>51,367,631</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>6,251,970</b>	<b>(13,256,917)</b>	<b>(10,553,366)</b>	<b>23,799</b>	<b>(17,534,514)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	13,487	7,658,639	70,432,070	31,840	78,136,036
Transfers Out	(7,144,248)	(60,004,403)	(704,310)	(8,140)	(67,861,101)
Issuance of Refunding Debt	-	56,205,000	-	-	56,205,000
Issuance - Original Issuance Premium	-	4,440,597	-	-	4,440,597
<b>Total Other Financing Sources         (Uses)</b>	<b>(7,130,761)</b>	<b>8,299,833</b>	<b>69,727,760</b>	<b>23,700</b>	<b>70,920,532</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(878,791)</b>	<b>(4,957,084)</b>	<b>59,174,394</b>	<b>47,499</b>	<b>53,386,018</b>
<b>Fund Balances - October 1</b>	<b>30,728,050</b>	<b>8,143,512</b>	<b>25,210,158</b>	<b>371,618</b>	<b>64,453,338</b>
<b>Fund Balances - September 30</b>	<b>\$ 29,849,259</b>	<b>\$ 3,186,428</b>	<b>\$ 84,384,552</b>	<b>\$ 419,117</b>	<b>\$ 117,839,356</b>

See accompanying Independent Auditor's Report.

**City of St. Petersburg, Florida**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*Special Revenue Funds*  
*September 30, 2016*

	<u>Weeki Wachee</u>	<u>Professional Sports Facility Sales Tax</u>	<u>Building Permit</u>	<u>Local Law Enforcement Trust</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 142,739	\$ 12,524	\$ 3,030,953	\$ 157,494
Investments	15,436,454	1,940	6,187,562	1,184,116
Receivables:				
Accounts	-	-	4,079	-
Notes	-	-	-	-
Due from Other Governmental Agencies:				
Grants and Cost Reimbursement	-	-	-	-
Pinellas County - Services	-	-	-	-
Pinellas County - Fines	-	-	-	-
Prepaid Costs and Deposits	-	-	-	8,184
<b>Total Assets</b>	<u>15,579,193</u>	<u>14,464</u>	<u>9,222,594</u>	<u>1,349,794</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Vouchers and Accounts Payable	-	-	49,158	16,225
Accrued Salaries	-	-	135,339	-
Due to Other Governmental Agencies	-	-	-	-
Due to Other Funds	-	-	-	-
Deposits:				
Other Deposits	-	-	2,221	384,740
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>186,718</u>	<u>400,965</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows from Notes Receivable	-	-	-	-
Deferred Inflows from Future Revenues	-	-	4,079	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>4,079</u>	<u>-</u>
<b>Fund Balances</b>				
Non-Spendable	-	-	-	8,184
Restricted	8,638,234	14,464	9,031,797	940,645
Committed	6,940,959	-	-	-
<b>Total Fund Balances</b>	<u>15,579,193</u>	<u>14,464</u>	<u>9,031,797</u>	<u>948,829</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 15,579,193</u>	<u>\$ 14,464</u>	<u>\$ 9,222,594</u>	<u>\$ 1,349,794</u>

See accompanying Independent Auditor's Report.

<b>Emergency Medical Services</b>	<b>Local Housing Assistance Trust</b>	<b>Community Housing Trust</b>	<b>School Crossing Guard Fund</b>	<b>Police Grants Fund</b>	<b>Police Officers Training</b>
\$ 1,301,304	\$ 536,795	\$ 54,616	\$ -	\$ -	\$ 21,981
1,063,461	1,075,159	40,654	3,716	-	69,840
33,114	147,468	17,002	51,284	-	-
-	4,026,779	2,507,879	-	-	-
-	-	-	-	28,534	-
10,900	-	-	-	-	-
-	-	-	365	-	3,597
-	-	-	-	-	-
<u>2,408,779</u>	<u>5,786,201</u>	<u>2,620,151</u>	<u>55,365</u>	<u>28,534</u>	<u>95,418</u>
126,793	15,789	-	-	4,772	208
390,216	1,581	-	-	1,250	-
8,364	-	-	-	-	-
-	-	-	-	17,047	-
-	-	-	-	-	-
<u>525,373</u>	<u>17,370</u>	<u>-</u>	<u>-</u>	<u>23,069</u>	<u>208</u>
-	4,026,779	2,507,879	-	-	-
9,053	140,441	17,002	-	-	-
9,053	4,167,220	2,524,881	-	-	-
-	-	-	-	-	-
1,874,353	1,601,611	95,270	55,365	5,465	95,210
-	-	-	-	-	-
<u>1,874,353</u>	<u>1,601,611</u>	<u>95,270</u>	<u>55,365</u>	<u>5,465</u>	<u>95,210</u>
<u>\$ 2,408,779</u>	<u>\$ 5,786,201</u>	<u>\$ 2,620,151</u>	<u>\$ 55,365</u>	<u>\$ 28,534</u>	<u>\$ 95,418</u>

(Continued)

**City of St. Petersburg, Florida**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*Special Revenue Funds*  
*September 30, 2016*

	<b>Donation Funds</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 221,028	\$ 5,479,434
Investments	331,899	25,394,801
Receivables:		
Accounts	2,438	255,385
Notes	-	6,534,658
Due from Other Governmental Agencies:		
Grants and Cost Reimbursement	-	28,534
Pinellas County - Services	-	10,900
Pinellas County - Fines	-	3,962
Prepaid Costs and Deposits	-	8,184
<b>Total Assets</b>	<b>555,365</b>	<b>37,715,858</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
<b>Liabilities</b>		
Vouchers and Accounts Payable	5,499	218,444
Accrued Salaries	-	528,386
Due to Other Governmental Agencies	-	8,364
Due to Other Funds	-	17,047
Deposits:		
Other Deposits	-	386,961
<b>Total Liabilities</b>	<b>5,499</b>	<b>1,159,202</b>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows from Notes Receivable	-	6,534,658
Deferred Inflows from Future Revenues	2,164	172,739
<b>Total Deferred Inflows of Resources</b>	<b>2,164</b>	<b>6,707,397</b>
<b>Fund Balances</b>		
Non-Spendable	-	8,184
Restricted	547,702	22,900,116
Committed	-	6,940,959
<b>Total Fund Balances</b>	<b>547,702</b>	<b>29,849,259</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 555,365</b>	<b>\$ 37,715,858</b>

See accompanying Independent Auditor's Report.



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**City of St. Petersburg, Florida**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*Special Revenue Funds*  
*Fiscal Year Ended September 30, 2016*

	<u>Weeki Wachee</u>	<u>Professional Sports Facility Sales Tax</u>	<u>Building Permit</u>	<u>Local Law Enforcement Trust</u>
<b>Revenues</b>				
Licenses and Permits	\$ -	\$ -	\$ 6,264,124	\$ -
Fines and Forfeitures	-	-	-	331,697
Charges for Services and User Fees	-	-	1,021,974	-
Intergovernmental Revenues:				
Federal, State and Other Grants	-	-	-	-
State - Sales Tax	-	2,000,004	-	-
State - Other	-	-	-	-
Total	-	2,000,004	-	-
Use of Money and Property				
Earnings on Investments	1,000,811	61	185,026	38,182
Total	1,000,811	61	185,026	38,182
Miscellaneous Revenue:				
Contributions	-	-	-	-
Dispositions of Property	-	-	-	-
Other	-	-	19	-
Total	-	-	19	-
<b>Total Revenues</b>	<u>1,000,811</u>	<u>2,000,065</u>	<u>7,471,143</u>	<u>369,879</u>
<b>Expenditures</b>				
Current Operations:				
General Government	44,360	-	-	-
Community and Economic Development	-	-	4,798,829	-
Public Safety:				
Police	-	-	-	351,067
Fire and EMS	-	-	-	-
Recreation, Culture and Social	-	-	-	-
Capital Outlay	-	-	57,761	188,931
<b>Total Expenditures</b>	<u>44,360</u>	<u>-</u>	<u>4,856,590</u>	<u>539,998</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>956,451</u>	<u>2,000,065</u>	<u>2,614,553</u>	<u>(170,119)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	(4,507,000)	(2,000,004)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(4,507,000)</u>	<u>(2,000,004)</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(3,550,549)</u>	<u>61</u>	<u>2,614,553</u>	<u>(170,119)</u>
<b>Fund Balances - October 1</b>	<u>19,129,742</u>	<u>14,403</u>	<u>6,417,244</u>	<u>1,118,948</u>
<b>Fund Balances - September 30</b>	<u>\$ 15,579,193</u>	<u>\$ 14,464</u>	<u>\$ 9,031,797</u>	<u>\$ 948,829</u>

See accompanying Independent Auditor's Report.

<b>Emergency Medical Services</b>	<b>Local Housing Assistance Trust</b>	<b>Community Housing Trust</b>	<b>School Crossing Guard Fund</b>	<b>Police Grants Fund</b>	<b>Police Officers Training</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	435,660	-	36,418
12,408,768	3,046	-	-	-	-
-	1,230,532	-	-	188,227	-
-	-	-	-	-	-
28,880	-	-	-	-	-
28,880	1,230,532	-	-	188,227	-
35,506	45,270	6,310	7,104	-	2,211
35,506	45,270	6,310	7,104	-	2,211
-	-	-	-	-	-
5,345	-	-	-	-	-
72	456,066	41,100	(9,792)	-	-
5,417	456,066	41,100	(9,792)	-	-
12,478,571	1,734,914	47,410	432,972	188,227	38,629
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	190,162	27,382
12,263,417	-	-	-	-	-
-	1,331,480	103,325	-	-	-
106,990	-	-	-	-	-
12,370,407	1,331,480	103,325	-	190,162	27,382
108,164	403,434	(55,915)	432,972	(1,935)	11,247
-	-	-	-	-	-
-	-	-	(605,404)	-	-
-	-	-	(605,404)	-	-
108,164	403,434	(55,915)	(172,432)	(1,935)	11,247
1,766,189	1,198,177	151,185	227,797	7,400	83,963
\$ 1,874,353	\$ 1,601,611	\$ 95,270	\$ 55,365	\$ 5,465	\$ 95,210

(Continued)

**City of St. Petersburg, Florida**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*Special Revenue Funds*  
*Fiscal Year Ended September 30, 2016*

	<b>Donation Funds</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>		
Licenses and Permits	\$ -	\$ 6,264,124
Fines and Forfeitures	-	803,775
Charges for Services and User Fees	11,915	13,445,703
Intergovernmental Revenues:		
Federal, State and Other Grants	1,500	1,420,259
State - Sales Tax	-	2,000,004
State - Other	-	28,880
Total	1,500	3,449,143
Use of Money and Property		
Earnings on Investments	17,513	1,337,994
Total	17,513	1,337,994
Miscellaneous Revenue:		
Contributions	241,257	241,257
Dispositions of Property	-	5,345
Other	250	487,715
Total	241,507	734,317
<b>Total Revenues</b>	272,435	26,035,056
<b>Expenditures</b>		
Current Operations:		
General Government	-	44,360
Community and Economic Development	13,225	4,812,054
Public Safety:		
Police	490	569,101
Fire and EMS	2,083	12,265,500
Recreation, Culture and Social	303,422	1,738,227
Capital Outlay	162	353,844
<b>Total Expenditures</b>	319,382	19,783,086
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(46,947)	6,251,970
<b>Other Financing Sources (Uses)</b>		
Transfers In	13,487	13,487
Transfers Out	(31,840)	(7,144,248)
<b>Total Other Financing Sources (Uses)</b>	(18,353)	(7,130,761)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(65,300)	(878,791)
<b>Fund Balances - October 1</b>	613,002	30,728,050
<b>Fund Balances - September 30</b>	\$ 547,702	\$ 29,849,259

See accompanying Independent Auditor's Report.



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**City of St. Petersburg, Florida**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*Debt Service Funds*  
*September 30, 2016*

	<b>Excise Tax</b>	<b>Professional Sports Facility Sales Tax</b>	<b>First Florida</b>
<b>Assets</b>			
Restricted Cash	\$ -	\$ 1,709,871	\$ -
<b>Total Assets</b>	-	1,709,871	-
<b>Liabilities and Fund Balances</b>			
<b>Fund Balances</b>			
Restricted	-	1,709,871	-
<b>Total Fund Balances</b>	-	1,709,871	-
<b>Total Liabilities and Fund Balances</b>	\$ -	\$ 1,709,871	\$ -

See accompanying Independent Auditor's Report.

<b>BB&amp;T Notes</b>	<b>Banc Of America</b>	<b>JP Morgan Chase</b>	<b>Public Service Tax</b>	<b>Total Nonmajor Debt Service Funds</b>
\$ -	\$ -	\$ -	\$ 1,476,557	\$ 3,186,428
-	-	-	1,476,557	3,186,428
-	-	-	1,476,557	3,186,428
-	-	-	1,476,557	3,186,428
\$ -	\$ -	\$ -	\$ 1,476,557	\$ 3,186,428

**City of St. Petersburg, Florida**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*Debt Service Funds*  
*Fiscal Year Ended September 30, 2016*

	<u>Excise Tax</u>	<u>Professional Sports Facility Sales Tax</u>	<u>First Florida</u>
<b>Revenues</b>			
Intergovernmental Revenue:			
State - Revenue Sharing	\$ -	\$ -	\$ 2,620,342
Use of Money and Property:			
Earnings on Investments	4,402	-	5
<b>Total Revenues</b>	<u>4,402</u>	<u>-</u>	<u>2,620,347</u>
<b>Expenditures</b>			
Debt Service:			
Principal Payments	7,735,000	-	2,550,000
Interest Payments	193,374	429,742	140,250
Remarketing and Other Fees	-	-	5,625
<b>Total Expenditures</b>	<u>7,928,374</u>	<u>429,742</u>	<u>2,695,875</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(7,923,972)</u>	<u>(429,742)</u>	<u>(75,528)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	1,926,026	73,978
Transfers Out	(4,403)	-	-
Issuance of Debt	-	-	-
Issuance - Original Issuance Premium	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(4,403)</u>	<u>1,926,026</u>	<u>73,978</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(7,928,375)</u>	<u>1,496,284</u>	<u>(1,550)</u>
<b>Fund Balances - October 1</b>	<u>7,928,375</u>	<u>213,587</u>	<u>1,550</u>
<b>Fund Balances - September 30</b>	<u>\$ -</u>	<u>\$ 1,709,871</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

<b>BB&amp;T Notes</b>	<b>Banc Of America</b>	<b>JP Morgan Chase</b>	<b>Public Service Tax</b>	<b>Total Nonmajor Debt Service Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 2,620,342
-	-	-	-	4,407
-	-	-	-	2,624,749
745,000	149,000	2,997,000	-	14,176,000
29,922	46,259	247,564	-	1,087,111
-	-	-	612,930	618,555
774,922	195,259	3,244,564	612,930	15,881,666
(774,922)	(195,259)	(3,244,564)	(612,930)	(13,256,917)
774,922	195,259	3,244,564	1,443,890	7,658,639
-	-	-	(60,000,000)	(60,004,403)
-	-	-	56,205,000	56,205,000
-	-	-	4,440,597	4,440,597
774,922	195,259	3,244,564	2,089,487	8,299,833
-	-	-	1,476,557	(4,957,084)
-	-	-	-	8,143,512
\$ -	\$ -	\$ -	\$ 1,476,557	\$ 3,186,428

**City of St. Petersburg, Florida**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*Capital Projects Funds*  
*September 30, 2016*

	<b>General Capital Improvement</b>	<b>Housing Capital Improvement</b>	<b>Transportation Improvement</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 12,513,826	\$ 120,834	\$ 2,710,172
Investments	1,302,862	266,853	11,960,808
Restricted Investments	49,518,211	-	-
Receivables:			
Accounts	-	29,310	-
Accrued Interest	184,660	-	-
Notes	-	59,963	-
Due from Other Governmental Agencies:			
Grants and Cost Reimbursement	2,363,578	-	-
<b>Total Assets</b>	<u>65,883,137</u>	<u>476,960</u>	<u>14,670,980</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Vouchers and Accounts Payable	539,392	16,752	16,562
Accrued Salaries	6,327	1,252	6,810
Retainage on Contracts	242,718	-	11,279
Due to Other Governmental Agencies	-	2,790	607,967
Deposits:			
Due to Other Funds	366,314	-	-
<b>Total Liabilities</b>	<u>1,154,751</u>	<u>20,794</u>	<u>642,618</u>
<b>Deferred Inflows from Resources</b>			
Deferred Inflows from Notes Receivable	-	59,963	-
Deferred Inflows from Future Revenues	-	28,325	-
<b>Total Deferred Inflows from Resources</b>	<u>-</u>	<u>88,288</u>	<u>-</u>
<b>Fund Balances</b>			
Restricted	49,518,211	-	-
Committed	7,074,293	-	143,894
Assigned	8,135,882	367,878	13,884,468
<b>Total Fund Balances</b>	<u>64,728,386</u>	<u>367,878</u>	<u>14,028,362</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 65,883,137</u>	<u>\$ 476,960</u>	<u>\$ 14,670,980</u>

See accompanying Independent Auditor's Report.

<b>Downtown Parking Garage</b>	<b>Weeki Wachee</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 955,706	\$ 3,189,386	\$ 19,489,924
1,116,862	-	14,647,385
-	-	49,518,211
-	-	29,310
-	-	184,660
-	-	59,963
-	-	2,363,578
<u>2,072,568</u>	<u>3,189,386</u>	<u>86,293,031</u>
-	1,000	573,706
13	1,015	15,417
-	-	253,997
-	-	610,757
-	-	366,314
<u>13</u>	<u>2,015</u>	<u>1,820,191</u>
-	-	59,963
-	-	28,325
-	-	88,288
-	-	49,518,211
18,664	1,311,524	8,548,375
<u>2,053,891</u>	<u>1,875,847</u>	<u>26,317,966</u>
<u>2,072,555</u>	<u>3,187,371</u>	<u>84,384,552</u>
<u>\$ 2,072,568</u>	<u>\$ 3,189,386</u>	<u>\$ 86,293,031</u>

**City of St. Petersburg, Florida**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*Capital Projects Funds*  
*Fiscal Year Ended September 30, 2016*

	<b>General Capital Improvement</b>	<b>Housing Capital Improvement</b>	<b>Transportation Improvement</b>
<b>Revenues</b>			
Charges for Services and User Fees	\$ -	\$ 1,028	\$ -
Intergovernmental Revenue:			
Federal, State and Other Grants	3,157,673	-	-
Total	<u>3,157,673</u>	<u>-</u>	<u>-</u>
Use of Money and Property:			
Earnings on Investments	442,630	8,446	370,825
Total	<u>442,630</u>	<u>8,446</u>	<u>370,825</u>
Miscellaneous Revenue:			
Assessments	-	-	1,092,718
Dispositions of Property	-	5,629	-
Other	-	25,076	-
Total	<u>-</u>	<u>30,705</u>	<u>1,092,718</u>
<b>Total Revenues</b>	<u>3,600,303</u>	<u>40,179</u>	<u>1,463,543</u>
<b>Expenditures</b>			
Capital Outlay	12,045,361	135,398	1,073,389
<b>Total Expenditures</b>	<u>12,045,361</u>	<u>135,398</u>	<u>1,073,389</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(8,445,058)</u>	<u>(95,219)</u>	<u>390,154</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	65,051,070	-	-
Transfers Out	(24,000)	-	(625,000)
<b>Total Other Financing Sources (Uses)</b>	<u>65,027,070</u>	<u>-</u>	<u>(625,000)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>56,582,012</u>	<u>(95,219)</u>	<u>(234,846)</u>
<b>Fund Balances - October 1</b>	<u>8,146,374</u>	<u>463,097</u>	<u>14,263,208</u>
<b>Fund Balances - September 30</b>	<u>\$ 64,728,386</u>	<u>\$ 367,878</u>	<u>\$ 14,028,362</u>

See accompanying Independent Auditor's Report.

<b>Downtown Parking Garage</b>	<b>Weeki Wachee</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ -	\$ 1,028
-	-	3,157,673
-	-	3,157,673
35,352	8,786	866,039
35,352	8,786	866,039
-	-	1,092,718
-	-	5,629
-	-	25,076
-	-	1,123,423
35,352	8,786	5,148,163
223,680	2,223,701	15,701,529
223,680	2,223,701	15,701,529
(188,328)	(2,214,915)	(10,553,366)
894,000	4,487,000	70,432,070
(55,310)	-	(704,310)
838,690	4,487,000	69,727,760
650,362	2,272,085	59,174,394
1,422,193	915,286	25,210,158
<u>\$ 2,072,555</u>	<u>\$ 3,187,371</u>	<u>\$ 84,384,552</u>

**City of St. Petersburg, Florida**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*Permanent Funds*  
*September 30, 2016*

	<u>Kopsick Trust</u>	<u>Fire Rescue and EMS Awards</u>	<u>Library Trust</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 837	\$ 8,448	\$ 52,639	\$ 61,924
Investments	144,715	23,795	188,683	357,193
<b>Total Assets</b>	<u>145,552</u>	<u>32,243</u>	<u>241,322</u>	<u>419,117</u>
<b>Liabilities and Fund Balances</b>				
<b>Fund Balances</b>				
Non-Spendable	145,552	32,243	241,322	419,117
<b>Total Fund Balances</b>	<u>145,552</u>	<u>32,243</u>	<u>241,322</u>	<u>419,117</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 145,552</u>	<u>\$ 32,243</u>	<u>\$ 241,322</u>	<u>\$ 419,117</u>

See accompanying Independent Auditor's Report.

**City of St. Petersburg, Florida**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*Permanent Funds*  
*Fiscal Year Ended September 30, 2016*

	<u>Kopsick Trust</u>	<u>Fire Rescue and EMS Awards</u>	<u>Library Trust</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Revenues</b>				
Use of Money and Property:				
Earnings on Investments	\$ 17,402	\$ 753	\$ 5,994	\$ 24,149
Contributions	-	1,000	-	1,000
<b>Total Revenues</b>	<u>17,402</u>	<u>1,753</u>	<u>5,994</u>	<u>25,149</u>
<b>Expenditures</b>				
Current Operations:				
Fire and EMS	-	1,350	-	1,350
<b>Total Expenditures</b>	<u>-</u>	<u>1,350</u>	<u>-</u>	<u>1,350</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>17,402</u>	<u>403</u>	<u>5,994</u>	<u>23,799</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	31,840	-	31,840
Transfers Out	(4,471)	-	(3,669)	(8,140)
<b>Total Other Financing Sources (Uses)</b>	<u>(4,471)</u>	<u>31,840</u>	<u>(3,669)</u>	<u>23,700</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>12,931</u>	<u>32,243</u>	<u>2,325</u>	<u>47,499</u>
<b>Fund Balances - October 1</b>	<u>132,621</u>	<u>-</u>	<u>238,997</u>	<u>371,618</u>
<b>Fund Balances - September 30</b>	<u>\$ 145,552</u>	<u>\$ 32,243</u>	<u>\$ 241,322</u>	<u>\$ 419,117</u>

See accompanying Independent Auditor's Report.



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**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Weeki Wachee*  
*Fiscal Year Ended September 30, 2016*

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Earnings in Investments	\$ 276,000	\$ 276,000	\$ (362,620)	\$ (638,620)
<b>Total Revenues</b>	276,000	276,000	(362,620)	(638,620)
<b>Expenditures</b>				
Current Operations:				
General Government	278,000	278,000	44,360	233,640
<b>Total Expenditures</b>	278,000	278,000	44,360	233,640
<b>Excess (deficiency) of revenues over expenditures</b>	(2,000)	(2,000)	(406,980)	(404,980)
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	(20,000)	(4,507,000)	(4,507,000)	-
<b>Total Other Financing Sources (Uses)</b>	(20,000)	(4,507,000)	(4,507,000)	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(22,000)	(4,509,000)	(4,913,980)	(404,980)
<b>Budgetary Fund Balances - October 1</b>	15,958,150	15,958,150	15,958,150	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ 15,936,150	\$ 11,449,150	11,044,170	\$ (404,980)
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			4,535,023	
<b>Fund Balance - September 30</b>			\$ 15,579,193	

The accompanying notes are an integral part of these statements.

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Professional Sports Facility Sales Tax*  
*Fiscal Year Ended September 30, 2016*

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
State - Sales Tax	\$ 2,000,004	\$ 2,000,004	\$ 2,000,004	\$ -
Earnings in Investments	-	-	36	36
<b>Total Revenues</b>	<u>2,000,004</u>	<u>2,000,004</u>	<u>2,000,040</u>	<u>36</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(2,000,004)	(2,000,004)	(2,000,004)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(2,000,004)</u>	<u>(2,000,004)</u>	<u>(2,000,004)</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>-</u>	<u>-</u>	<u>36</u>	<u>36</u>
<b>Budgetary Fund Balances - October 1</b>	14,395	14,395	14,395	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ 14,395</u>	<u>\$ 14,395</u>	<u>14,431</u>	<u>\$ 36</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			33	
<b>Fund Balance - September 30</b>			<u>\$ 14,464</u>	

The accompanying notes are an intergral part of these statements.

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Building Permit*  
*Fiscal Year Ended September 30, 2016*

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Licenses and Permits	\$ 4,034,300	\$ 4,034,300	\$ 6,264,124	\$ 2,229,824
Charges for Services and User Fees	826,000	826,000	1,021,974	195,974
Earnings on Investments	62,000	62,000	101,775	39,775
Other	10,000	10,000	19	(9,981)
<b>Total Revenues</b>	<b>4,932,300</b>	<b>4,932,300</b>	<b>7,387,892</b>	<b>2,455,592</b>
<b>Expenditures</b>				
Current Operations:				
Community and Economic Development	4,632,428	4,888,060	4,844,042	44,018
Capital Outlay	45,000	51,380	86,966	(35,586)
<b>Total Expenditures</b>	<b>4,677,428</b>	<b>4,939,440</b>	<b>4,931,008</b>	<b>8,432</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>254,872</b>	<b>(7,140)</b>	<b>2,456,884</b>	<b>2,464,024</b>
<b>Budgetary Fund Balances - October 1</b>	6,381,461	6,381,461	6,381,461	-
Reserve for Encumbrances - October 1, 2015	-	16,012	16,012	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<b>\$ 6,636,333</b>	<b>\$ 6,390,333</b>	<b>8,854,357</b>	<b>\$ 2,464,024</b>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			74,418	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			103,022	
<b>Fund Balance - September 30</b>			<b>\$ 9,031,797</b>	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Local Law Enforcement Trust*  
*Fiscal Year Ended September 30, 2016*

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Fines and Forfeitures	\$ -	\$ -	\$ 331,697	\$ 331,697
Earnings in Investments	19,000	19,000	22,849	3,849
<b>Total Revenues</b>	19,000	19,000	354,546	335,546
<b>Expenditures</b>				
Current Operations:				
Public Safety				
Police	99,600	388,057	351,413	36,644
Capital Outlay	99,600	677,376	188,931	488,445
<b>Total Expenditures</b>	99,600	1,065,433	540,344	525,089
<b>Excess (deficiency) of revenues over expenditures</b>	(80,600)	(1,046,433)	(185,798)	860,635
<b>Budgetary Fund Balances - October 1</b>	1,099,960	1,099,960	1,099,960	-
Reserve for Encumbrances - October 1, 2015	-	5,604	5,604	-
Change in Reserve for Prepaid Costs and Inventory	-	-	450	(450)
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ 1,019,360	\$ 59,131	920,216	\$ 860,185
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			346	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			8,184	
Net Change in Fair Value of Investments			20,083	
<b>Fund Balance - September 30</b>			\$ 948,829	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Emergency Medical Services*  
*Fiscal Year Ended September 30, 2016*

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Charges for Services and User Fees	\$ 12,310,972	\$ 12,310,972	\$ 12,408,768	\$ 97,796
Federal, State, Local	27,000	27,000	28,880	1,880
Earnings in Investments	34,000	34,000	25,229	(8,771)
Other	-	-	5,417	5,417
<b>Total Revenues</b>	<b>12,371,972</b>	<b>12,371,972</b>	<b>12,468,294</b>	<b>96,322</b>
<b>Expenditures</b>				
Current Operations:				
Public Safety				
Fire and EMS	12,538,165	12,544,811	12,325,182	219,629
Capital Outlay	260,000	296,517	256,756	39,761
<b>Total Expenditures</b>	<b>12,798,165</b>	<b>12,841,328</b>	<b>12,581,938</b>	<b>259,390</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(426,193)</b>	<b>(469,356)</b>	<b>(113,644)</b>	<b>355,712</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>(426,193)</b>	<b>(469,356)</b>	<b>(113,644)</b>	<b>355,712</b>
<b>Budgetary Fund Balances - October 1</b>	1,715,598	1,715,598	1,715,598	-
Reserve for Encumbrances - October 1, 2015	-	43,162	43,162	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<b>\$ 1,289,405</b>	<b>\$ 1,289,404</b>	1,645,116	<b>\$ 355,712</b>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			211,532	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			17,705	
<b>Fund Balance - September 30</b>			<b>\$ 1,874,353</b>	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Local Housing Assistance Trust*  
*Fiscal Year Ended September 30, 2016*

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Federal, State and Other Grants	\$ -	\$ 1,211,978	\$ 1,230,532	\$ 18,554
Earnings in Investments	10,000	10,000	31,603	21,603
Other	340,000	340,000	459,112	119,112
<b>Total Revenues</b>	350,000	1,561,978	1,721,247	159,269
<b>Expenditures</b>				
Current Operations:				-
Recreation, Culture and Social	350,000	2,869,516	1,391,083	1,478,433
<b>Total Expenditures</b>	350,000	2,869,516	1,391,083	1,478,433
<b>Excess (deficiency) of revenues over expenditures</b>	-	(1,307,538)	330,164	1,637,702
<b>Budgetary Fund Balances - October 1</b>	1,182,228	1,182,228	1,182,228	-
Reserve for Encumbrances - October 1, 2015	-	11,715	11,715	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ 1,182,228	\$ (113,595)	1,524,107	\$ 1,637,702
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			59,603	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			17,901	
<b>Fund Balance - September 30</b>			\$ 1,601,611	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Community Housing Trust*  
*Fiscal Year Ended September 30, 2016*

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Earnings in Investments	\$ 1,000	\$ 1,000	\$ 5,972	\$ 4,972
Other	-	-	41,100	41,100
<b>Total Revenues</b>	<u>1,000</u>	<u>1,000</u>	<u>47,072</u>	<u>46,072</u>
<b>Expenditures</b>				
Current Operations:				
Recreation, Culture and Social	-	103,325	103,325	-
<b>Total Expenditures</b>	<u>-</u>	<u>103,325</u>	<u>103,325</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,000</u>	<u>(102,325)</u>	<u>(56,253)</u>	<u>46,072</u>
<b>Budgetary Fund Balances - October 1</b>	150,847	150,847	150,847	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ 151,847</u>	<u>\$ 48,522</u>	94,594	<u>\$ 46,072</u>
<b>Reconciliation of Budget to GAAP Reporting</b>			-	
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			676	
<b>Fund Balance - September 30</b>			<u>\$ 95,270</u>	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*School Crossing Guard Fund*  
*Fiscal Year Ended September 30, 2016*

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Fines and Forfeitures	\$ 300,000	\$ 300,000	\$ 435,660	\$ 135,660
Earnings in Investments	3,000	3,000	4,407	1,407
Other	-	-	(9,792)	(9,792)
<b>Total Revenues</b>	303,000	303,000	430,275	127,275
<b>Expenditures</b>				
Current Operations:				
Community and Economic Development	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (deficiency) of revenues over expenditures</b>	303,000	303,000	430,275	127,275
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(300,000)	(655,000)	(605,404)	49,596
<b>Total Other Financing Sources (Uses)</b>	(300,000)	(655,000)	(605,404)	49,596
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	3,000	(352,000)	(175,129)	176,871
<b>Budgetary Fund Balances - October 1</b>	226,753	226,753	226,753	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ 229,753	\$ (125,247)	51,624	\$ 176,871
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			3,741	
<b>Fund Balance - September 30</b>			\$ 55,365	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Police Grants Fund**  
**Fiscal Year Ended September 30, 2016**

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Federal, State and Other Grants	\$ -	\$ 115,700	\$ 188,227	\$ 72,527
Earnings in Investments	1,000	1,000	-	(1,000)
<b>Total Revenues</b>	1,000	116,700	188,227	71,527
<b>Expenditures</b>				
Current Operations:				
Public Safety				
Police	-	484,531	269,581	214,950
<b>Total Expenditures</b>	-	484,531	269,581	214,950
<b>Excess (deficiency) of revenues over expenditures</b>	1,000	(367,831)	(81,354)	286,477
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	1,000	(367,831)	(81,354)	286,477
<b>Budgetary Fund Balances - October 1</b>	6,575	6,575	6,575	-
Reserve for Encumbrances - October 1, 2015	-	824	824	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ 7,575	\$ (360,432)	(73,955)	\$ 286,477
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			79,420	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			-	
<b>Fund Balance - September 30</b>			\$ 5,465	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Police Officers Training*  
*Fiscal Year Ended September 30, 2016*

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Fines and Forfeitures	\$ -	\$ -	\$ 36,418	\$ 36,418
Earnings in Investments	-	-	1,323	1,323
Other	150,000	150,000	-	(150,000)
<b>Total Revenues</b>	150,000	150,000	37,741	(112,259)
<b>Expenditures</b>				
Current Operations:				
Public Safety				
Police	150,000	150,000	27,382	(122,618)
<b>Total Expenditures</b>	150,000	150,000	27,382	(122,618)
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	10,359	(234,877)
<b>Budgetary Fund Balances - October 1</b>	83,276	83,276	83,276	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	411	411
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ 83,276	\$ 83,276	94,046	\$ (234,466)
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			1,164	
<b>Fund Balance - September 30</b>			\$ 95,210	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Special Revenue Funds*  
*Donation Funds*  
*Fiscal Year Ended September 30, 2016*

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Charges for Services and User Fees	\$ -	\$ -	\$ 11,915	\$ 11,915
Federal, State and Other Grants	-	-	1,500	1,500
Earnings in Investments	-	-	7,570	7,570
Contributions	850,000	850,000	241,257	(608,743)
Other	-	-	250	250
<b>Total Revenues</b>	<u>850,000</u>	<u>850,000</u>	<u>262,492</u>	<u>(587,508)</u>
<b>Expenditures</b>				
Current Operations:				
Community and Economic Development	-	-	13,225	(13,225)
Public Safety				
Police	-	-	490	(490)
Fire and EMS	-	-	2,083	(2,083)
Recreation, Culture and Social	850,000	851,809	304,276	547,533
Capital Outlay	-	-	162	(162)
<b>Total Expenditures</b>	<u>850,000</u>	<u>851,809</u>	<u>320,236</u>	<u>531,573</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>(1,809)</u>	<u>(57,744)</u>	<u>(55,935)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	13,487	13,487
Transfers Out	-	-	(31,840)	(31,840)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(18,353)</u>	<u>(18,353)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>-</u>	<u>(1,809)</u>	<u>(76,098)</u>	<u>(74,289)</u>
<b>Budgetary Fund Balances - October 1</b>	612,669	612,669	612,669	-
Reserve for Encumbrances - October 1, 2015	-	1,809	1,809	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ 612,669</u>	<u>\$ 612,669</u>	538,380	<u>\$ (74,289)</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			855	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			8,467	
<b>Fund Balance - September 30</b>			<u>\$ 547,702</u>	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Debt Service Funds**  
**Excise Tax**  
**Fiscal Year Ended September 30, 2016**

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Earnings on Investments	\$ 550	\$ 550	\$ 4,402	\$ 3,852
<b>Total Revenues</b>	550	550	4,402	3,852
<b>Expenditures</b>				
Debt Service:				
Principal Payments	7,735,000	7,735,000	7,735,000	-
Interest Payments	193,375	193,375	193,374	1
Remarketing and Other Fees	550	550	-	550
<b>Total Expenditures</b>	7,928,925	7,928,925	7,928,374	551
<b>Excess (deficiency) of revenues over expenditures</b>	(7,928,375)	(7,928,375)	(7,923,972)	4,403
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(8,995,565)	(8,995,565)	(4,403)	8,991,162
<b>Total Other Financing Sources (Uses)</b>	(8,995,565)	(8,995,565)	(4,403)	8,991,162
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(16,923,940)	(16,923,940)	(7,928,375)	8,995,565
<b>Budgetary Fund Balances - October 1</b>	7,905,744	7,905,744	7,905,744	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ (9,018,196)	\$ (9,018,196)	(22,631)	\$ 8,995,565
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			22,631	
<b>Fund Balance - September 30</b>			\$ -	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Debt Service Funds*  
*Professional Sports Facility Sales Tax*  
*Fiscal Year Ended September 30, 2016*

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Earnings in Investments	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures</b>				
Debt Service:				
Principal Payments	-	-	-	-
Interest Payments	429,742	429,742	429,742	-
Remarketing and Other Fees	-	-	-	-
<b>Total Expenditures</b>	429,742	429,742	429,742	-
<b>Excess (deficiency) of revenues over expenditures</b>	(429,742)	(429,742)	(429,742)	-
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,924,742	1,926,026	1,926,026	-
<b>Total Other Financing Sources (Uses)</b>	1,924,742	1,926,026	1,926,026	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	1,495,000	1,496,284	1,496,284	-
<b>Budgetary Fund Balances - October 1</b>	213,587	213,587	213,587	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ 1,708,587	\$ 1,709,871	1,709,871	\$ -
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			-	
<b>Fund Balance - September 30</b>			\$ 1,709,871	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Debt Service Funds*  
*First Florida Government Financing Commission*  
*Fiscal Year Ended September 30, 2016*

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
State- Revenue Sharing	\$ 2,623,988	\$ 2,623,988	\$ 2,620,342	\$ (3,646)
Earnings on Investments	-	-	5	5
<b>Total Revenues</b>	<u>2,623,988</u>	<u>2,623,988</u>	<u>2,620,347</u>	<u>(3,641)</u>
<b>Expenditures</b>				
Debt Service:				
Principal Payments	2,550,000	2,550,000	2,550,000	-
Interest Payments	140,250	140,250	140,250	-
Remarketing and Other Fees	9,000	9,000	5,625	3,375
<b>Total Expenditures</b>	<u>2,699,250</u>	<u>2,699,250</u>	<u>2,695,875</u>	<u>3,375</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(75,262)</u>	<u>(75,262)</u>	<u>(75,528)</u>	<u>(266)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	75,262	73,978	73,978	-
<b>Total Other Financing Sources (Uses)</b>	<u>75,262</u>	<u>73,978</u>	<u>73,978</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>-</u>	<u>(1,284)</u>	<u>(1,550)</u>	<u>(266)</u>
<b>Budgetary Fund Balances - October 1</b>	1,550	1,550	1,550	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ 1,550</u>	<u>\$ 266</u>	<u>-</u>	<u>\$ (266)</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			-	
<b>Fund Balance - September 30</b>			<u>\$ -</u>	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Debt Service Funds*  
*BB&T Notes*  
*Fiscal Year Ended September 30, 2016*

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Earnings on Investments	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Principal Payments	745,000	745,000	745,000	-
Interest Payments	29,922	29,922	29,922	-
<b>Total Expenditures</b>	<u>774,922</u>	<u>774,922</u>	<u>774,922</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(774,922)</u>	<u>(774,922)</u>	<u>(774,922)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	774,922	774,922	774,922	-
<b>Total Other Financing Sources (Uses)</b>	<u>774,922</u>	<u>774,922</u>	<u>774,922</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Budgetary Fund Balances - October 1</b>				
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			-	
<b>Fund Balance - September 30</b>			<u>\$ -</u>	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Debt Service Funds**  
*Banc of America*  
**Fiscal Year Ended September 30, 2016**

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Earnings on Investments	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Principal Payments	149,000	149,000	149,000	-
Interest Payments	46,259	46,259	46,259	-
<b>Total Expenditures</b>	<u>195,259</u>	<u>195,259</u>	<u>195,259</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(195,259)</u>	<u>(195,259)</u>	<u>(195,259)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	195,259	195,259	195,259	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>195,259</u>	<u>195,259</u>	<u>195,259</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Budgetary Fund Balances - October 1</b>	-	-	-	-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			-	
<b>Fund Balance - September 30</b>			<u>\$ -</u>	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Debt Service Funds**  
*JP Morgan Chase*  
**Fiscal Year Ended September 30, 2016**

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
<b>Revenues</b>				
Earnings on Investments	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Principal Payments	2,997,000	2,997,000	2,997,000	-
Interest Payments	247,565	247,565	247,564	1
Remarketing and Other Fees	-	-	-	-
<b>Total Expenditures</b>	<u>3,244,565</u>	<u>3,244,565</u>	<u>3,244,564</u>	<u>1</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,244,565)</u>	<u>(3,244,565)</u>	<u>(3,244,564)</u>	<u>1</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,244,565	3,244,565	3,244,564	(1)
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,244,565</u>	<u>3,244,565</u>	<u>3,244,564</u>	<u>(1)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Budgetary Fund Balances - October 1</b>				-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			-	
<b>Fund Balance - September 30</b>			<u>\$ -</u>	

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*  
*Nonmajor Debt Service Funds*  
*Public Service Tax*  
*Fiscal Year Ended September 30, 2016*

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/ Under
<b>Revenues</b>				
Earnings on Investments	\$ -	\$ 60,032,667	\$ 60,032,667	\$ -
<b>Total Revenues</b>	-	60,032,667	60,032,667	-
<b>Expenditures</b>				
Debt Service:				
Principal Payments	-	-	-	-
Interest Payments	-	-	-	-
Remarketing and Other Fees	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (deficiency) of revenues over expenditures</b>	-	60,032,667	60,032,667	-
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,443,890	1,443,890	1,443,890	-
Transfers Out	(60,000,000)	(60,000,000)	(60,000,000)	-
<b>Total Other Financing Sources (Uses)</b>	(58,556,110)	(58,556,110)	(58,556,110)	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(58,556,110)	1,476,557	1,476,557	-
<b>Budgetary Fund Balances - October 1</b>				-
Reserve for Encumbrances - October 1, 2015	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Change in Advances with other Funds	-	-	-	-
<b>Budgetary Fund Balances - September 30</b>	\$ (58,556,110)	\$ 1,476,557	1,476,557	\$ -
<b>Reconciliation of Budget to GAAP Reporting</b>				
Reserve for Encumbrances - September 30, 2016			-	
Current Year Advances with other Funds			-	
Reserve for Prepaid Costs and Inventory			-	
Net Change in Fair Value of Investments			-	
<b>Fund Balance - September 30</b>			\$ 1,476,557	

See accompanying Independent Auditor's Report



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## City of St. Petersburg, Florida

### Non-Major Enterprise Funds

Enterprise Funds account for operations that are financed and operated in a manner similar to private enterprise.

Airport - This fund is used to account for the operation of Albert Whitted Municipal Airport.

Port - This fund is used to account for the operation of the Port of St. Petersburg.

Marina - This fund is used to account for the operation of the St. Petersburg Municipal Marina.

Golf Course - This fund is used to account for the operation of Mangrove Bay, Cypress Links at Mangrove Bay, and Twin Brooks golf courses.

Jamestown Complex - This fund is used to account for rental housing units for lower and middle income residents.

Parking - This fund is used to account for the revenue collected from downtown parking and the related fines and is used for parking operations, improvements, and debt service.

Mahaffey Theater - This fund is used to account for the revenue generated by the Mahaffey Theater, general fund transfers and the related operating and capital expenditures.

Pier - This fund is used to account for the revenue generated by the Pier, general fund transfers and the related operating and capital expenditures.

Coliseum - This fund is used to account for the revenue generated by the Coliseum, general fund transfers and the related operating and capital expenditures.

Sunken Gardens - This fund is used to account for the revenue generated by the Sunken Gardens, general fund transfers and the related operating and capital expenditures.

**City of St. Petersburg, Florida**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2016**

	<u>Airport</u>	<u>Port</u>	<u>Marina</u>	<u>Golf Course</u>
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 53,680	\$ 130,492	\$ 481,810	\$ 15,314
Investments	11,811	76,900	1,717,610	3,268
Receivables (Net, where applicable, of Allowance for Uncollectibles)				
Accounts	86,364	15,075	48,694	10,586
Due from Other Governmental Agencies:				
Grants	2,822,720	357	-	-
Services	-	3,159	-	-
Inventories	-	-	36,939	126,641
Prepaid Expenses and Deposits	-	-	1,250	3,500
<b>Total Current Assets</b>	<u>2,974,575</u>	<u>225,983</u>	<u>2,286,303</u>	<u>159,309</u>
Noncurrent Assets:				
Capital Assets:				
Land	1,912,168	1,001,500	-	392,907
Buildings	12,128,053	11,100,759	4,021,915	1,518,898
Improvements	12,974,590	8,030,782	14,060,802	7,175,597
Machinery and Equipment	72,155	5,100	267,359	700,715
Projects in Progress	673,815	-	76,617	-
Accumulated Depreciation	(9,586,567)	(5,695,603)	(12,172,663)	(6,912,683)
Net Capital Assets	<u>18,174,214</u>	<u>14,442,538</u>	<u>6,254,030</u>	<u>2,875,434</u>
<b>Total Noncurrent Assets</b>	<u>18,174,214</u>	<u>14,442,538</u>	<u>6,254,030</u>	<u>2,875,434</u>
<b>Total Assets</b>	<u>21,148,789</u>	<u>14,668,521</u>	<u>8,540,333</u>	<u>3,034,743</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows of Pension Resources	20,502	17,573	125,940	269,452
<b>Total Deferred Outflows of Resources</b>	<u>20,502</u>	<u>17,573</u>	<u>125,940</u>	<u>269,452</u>
<b>Liabilities</b>				
Current Liabilities:				
Vouchers and Accounts Payable	5,416	54,433	68,908	50,300
Accrued Salaries	12,178	6,016	32,598	78,698
Accrued Annual Leave	4,783	-	942	6,192
Retainage on Contracts	9,566	4,950	4,486	625
Due to Other Funds	2,633,683	-	-	164,422
Due to Other Governmental Agencies	7,147	-	17,849	10,925
Payable from Restricted Assets:				
Bonds and Notes Payable - Current Portion	-	-	525,000	-
Accrued Interest	-	-	35,242	-
Deposits	51,000	-	33,290	104,330
Unearned Revenue	300	-	-	-
<b>Total Current Liabilities</b>	<u>2,724,073</u>	<u>65,399</u>	<u>718,315</u>	<u>415,492</u>
Noncurrent Liabilities:				
Advance from Other Funds	2,491,853	-	-	980,380
Accrued Annual Leave less Current Portion	17,601	2,076	73,282	191,424
Net Pension Liability	28,687	24,589	176,219	377,026
Obligation for OPEB	66,870	175,530	377,222	640,451
Unamortized Discount (Premium)	-	-	(9,374)	-
Notes Payable	-	-	2,960,000	-
<b>Total Noncurrent Liabilities</b>	<u>2,605,011</u>	<u>202,195</u>	<u>3,577,349</u>	<u>2,189,281</u>
<b>Total Liabilities</b>	<u>5,329,084</u>	<u>267,594</u>	<u>4,295,664</u>	<u>2,604,773</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows of Pension Resources	6,178	5,295	37,949	81,193
<b>Total Deferred Inflows of Resources</b>	<u>6,178</u>	<u>5,295</u>	<u>37,949</u>	<u>81,193</u>
<b>Net Position</b>				
Net Investment in Capital Assets	18,174,214	14,442,538	2,778,404	2,875,434
Unrestricted	(2,340,185)	(29,333)	1,554,256	(2,257,205)
<b>Total Net Position</b>	<u>\$ 15,834,029</u>	<u>\$ 14,413,205</u>	<u>\$ 4,332,660</u>	<u>\$ 618,229</u>

See accompanying Independent Auditor's Report.

Jamestown Complex	Parking	Mahaffey Theater	Pier	Coliseum	Sunken Gardens	Total Nonmajor Enterprise Funds
\$ 9,153	\$ 897,028	\$ 778,398	\$ 9,577	\$ 167,907	\$ 153,690	\$ 2,697,049
-	4,350,470	-	-	22,511	197,624	6,380,194
19,423	374,715	27,915	124	2,909	404	586,209
-	-	-	-	-	-	2,823,077
-	-	-	-	5,021	-	8,180
-	-	15,848	-	13,600	46,813	239,841
-	-	88,014	-	774	9,589	103,127
28,576	5,622,213	910,175	9,701	212,722	408,120	12,837,677
1,738,673	50,023	2,313,500	-	2,015,663	2,918,450	12,342,884
6,546,226	12,162,894	50,063,083	163,970	2,132,346	3,997,835	103,835,979
-	1,367,168	8,796,878	-	729,336	1,738,655	54,873,808
117,046	1,054,800	2,653,531	-	816,582	26,186	5,713,474
-	-	-	5,287,924	-	-	6,038,356
(2,113,758)	(5,792,743)	(28,984,273)	(3,279)	(2,430,335)	(2,237,847)	(75,929,751)
6,288,187	8,842,142	34,842,719	5,448,615	3,263,592	6,443,279	106,874,750
6,288,187	8,842,142	34,842,719	5,448,615	3,263,592	6,443,279	106,874,750
6,316,763	14,464,355	35,752,894	5,458,316	3,476,314	6,851,399	119,712,427
43,932	357,317	-	-	55,648	46,861	937,225
43,932	357,317	-	-	55,648	46,861	937,225
11,204	229,606	190,705	-	5,941	35,398	651,911
10,492	64,810	-	-	12,919	22,323	240,034
-	-	-	-	-	-	11,917
-	29,935	-	-	-	-	49,562
134,219	-	-	-	-	-	2,932,324
-	14,646	11,671	-	1,551	5,407	69,196
-	-	-	-	-	-	525,000
-	-	-	-	-	-	35,242
38,308	-	55,895	-	157,693	246,404	686,920
-	-	575,645	-	270	22,394	598,609
194,223	338,997	833,916	-	178,374	331,926	5,800,715
298,000	-	-	-	-	-	3,770,233
48,733	59,391	-	-	34,376	27,921	454,804
61,472	499,969	-	-	77,864	65,570	1,311,396
119,095	531,638	-	-	120,230	124,887	2,155,923
-	-	-	-	-	-	(9,374)
-	-	-	-	-	-	2,960,000
527,300	1,090,998	-	-	232,470	218,378	10,642,982
721,523	1,429,995	833,916	-	410,844	550,304	16,443,697
13,238	107,670	-	-	16,769	14,121	282,413
13,238	107,670	-	-	16,769	14,121	282,413
6,288,187	8,842,142	34,842,719	5,448,615	3,263,592	6,443,279	103,399,124
(662,253)	4,441,865	76,259	9,701	(159,243)	(109,444)	524,418
\$ 5,625,934	\$ 13,284,007	\$ 34,918,978	\$ 5,458,316	\$ 3,104,349	\$ 6,333,835	\$ 103,923,542

**City of St. Petersburg, Florida**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Nonmajor Enterprise Funds*  
*Fiscal Year Ended September 30, 2016*

	Airport	Port	Marina	Golf Course
<b>Operating Revenues</b>				
Sales and Concessions	\$ -	\$ -	\$ 693,070	\$ 518,278
Service Charges and Fees	-	118,479	4,640	2,297,145
Fines and Forfeitures	-	-	300	-
Rentals and Parking	1,139,131	15,420	3,055,421	441,608
<b>Total Operating Revenues</b>	<u>1,139,131</u>	<u>133,899</u>	<u>3,753,431</u>	<u>3,257,031</u>
<b>Operating Expenses</b>				
Personal Services and Benefits	397,409	229,939	1,154,495	2,118,480
Supplies, Services and Claims	491,575	272,366	1,337,573	1,319,010
General Administrative Charges	31,824	-	84,384	215,856
Depreciation	599,406	542,779	641,454	215,735
<b>Total Operating Expenses</b>	<u>1,520,214</u>	<u>1,045,084</u>	<u>3,217,906</u>	<u>3,869,081</u>
<b>Operating Income (Loss)</b>	<u>(381,083)</u>	<u>(911,185)</u>	<u>535,525</u>	<u>(612,050)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Earnings on Investments	374	2,326	56,437	(79)
Interest Expense	(41,053)	-	(155,172)	-
Issue Cost and Amortization of Bond Discount	-	-	(11,705)	-
Miscellaneous Revenue	12,130	-	272	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(28,549)</u>	<u>2,326</u>	<u>(110,168)</u>	<u>(79)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>(409,632)</u>	<u>(908,859)</u>	<u>425,357</u>	<u>(612,129)</u>
<b>Transfers and Contributions</b>				
Capital Assets from (to) Other Funds	-	-	-	201,514
Contributions from Citizens and Developers	-	-	-	7,553
Capital Contributions	3,120,907	6,611	-	-
Transfers In (Out):				
Transfers In	-	228,000	-	-
Transfers Out	-	-	(434,272)	(58,464)
<b>Total Transfers and Contributions</b>	<u>3,120,907</u>	<u>234,611</u>	<u>(434,272)</u>	<u>150,603</u>
<b>Change in Net Position</b>	<u>2,711,275</u>	<u>(674,248)</u>	<u>(8,915)</u>	<u>(461,526)</u>
<b>Net Position - October 1</b>	<u>13,122,754</u>	<u>15,087,453</u>	<u>4,341,575</u>	<u>1,079,755</u>
<b>Net Position - September 30</b>	<u>\$ 15,834,029</u>	<u>\$ 14,413,205</u>	<u>\$ 4,332,660</u>	<u>\$ 618,229</u>

See accompanying Independent Auditor's Report.

Jamestown Complex	Parking	Mahaffey Theater	Pier	Coliseum	Sunken Gardens	Total Nonmajor Enterprise Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,211,348
9,703	5,542,874	3,571,112	-	568,464	1,120,215	13,232,632
-	1,878,775	-	-	-	-	1,879,075
459,327	192,106	-	-	-	-	5,303,013
469,030	7,613,755	3,571,112	-	568,464	1,120,215	21,626,068
349,011	1,925,304	1,152,884	(8,028)	500,863	662,588	8,482,945
237,410	3,155,485	3,168,342	(3,915)	294,424	552,577	10,824,847
-	229,968	-	-	-	-	562,032
113,348	360,629	1,703,065	-	72,889	232,907	4,482,212
699,769	5,671,386	6,024,291	(11,943)	868,176	1,448,072	24,352,036
(230,739)	1,942,369	(2,453,179)	11,943	(299,712)	(327,857)	(2,725,968)
-	137,711	3,452	-	714	6,255	207,190
-	-	-	-	-	-	(196,225)
-	-	-	-	-	-	(11,705)
-	234	306,679	-	106	-	319,421
-	137,945	310,131	-	820	6,255	318,681
(230,739)	2,080,314	(2,143,048)	11,943	(298,892)	(321,602)	(2,407,287)
-	-	1,139,622	5,448,615	-	-	6,789,751
-	-	-	-	-	46	7,599
-	-	-	-	-	-	3,127,518
121,000	55,310	439,587	-	213,000	13,000	1,069,897
-	(2,114,616)	-	-	-	-	(2,607,352)
121,000	(2,059,306)	1,579,209	5,448,615	213,000	13,046	8,387,413
(109,739)	21,008	(563,839)	5,460,558	(85,892)	(308,556)	5,980,126
5,735,673	13,262,999	35,482,817	(2,242)	3,190,241	6,642,391	97,943,416
\$ 5,625,934	\$ 13,284,007	\$ 34,918,978	\$ 5,458,316	\$ 3,104,349	\$ 6,333,835	\$ 103,923,542

**City of St. Petersburg, Florida**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Fiscal Year Ended September 30, 2016**

	Airport	Port	Marina	Golf Course
<b>Cash flows from operating activities</b>				
Cash received from customers and users	\$ 1,117,482	\$ 167,133	\$ 3,746,004	\$ 3,264,036
Cash payments for interfund services provided	(509,861)	(64,101)	(562,866)	(617,720)
Cash payments to vendors for goods & services	(258,788)	(188,778)	(1,124,776)	(1,225,837)
Cash payments to employees for services	(144,092)	(164,059)	(822,019)	(1,789,050)
<b>Cash provided by (used for) operating activities</b>	<u>204,741</u>	<u>(249,805)</u>	<u>1,236,343</u>	<u>(368,571)</u>
<b>Cash flows from noncapital financing activities</b>				
Intergovernmental Revenue	-	-	-	-
(Payment) Receipt on Interfund Loan	2,413,075	-	-	489,802
Transfers-in	-	228,000	-	-
Transfers-out	-	-	(434,272)	(58,464)
<b>Cash provided by (used for) noncapital financing activities</b>	<u>2,413,075</u>	<u>228,000</u>	<u>(434,272)</u>	<u>431,338</u>
<b>Cash flows from capital &amp; related financing activities</b>				
Acquisition & Construction of Capital Assets	(3,053,252)	-	(76,617)	(79,566)
Proceeds from sale of property, plant, equipment	-	-	-	-
Bond fees and costs	-	-	(8,783)	-
Payment of interest	(41,053)	-	(159,907)	-
Principal paid on Revenue Bonds, Note Maturities & Capital Lease	-	-	(505,000)	-
Intergovernmental revenue	494,267	30,710	-	-
<b>Cash provided by (used for) capital &amp; related financing activities</b>	<u>(2,600,038)</u>	<u>30,710</u>	<u>(750,307)</u>	<u>(79,566)</u>
<b>Cash flows from investment activities</b>				
Purchase, Sale and Maturities of Investments, net	(588)	(47,220)	171,894	10,470
Interest received on investments	224	3,719	35,688	150
<b>Cash provided by (used for) investing activities</b>	<u>(364)</u>	<u>(43,501)</u>	<u>207,582</u>	<u>10,620</u>
<b>Net increase (decrease) in cash</b>	17,414	(34,596)	259,346	(6,179)
<b>Cash at beginning of year</b>	<u>36,266</u>	<u>165,088</u>	<u>222,464</u>	<u>21,493</u>
<b>Cash at year end</b>	<u>\$ 53,680</u>	<u>\$ 130,492</u>	<u>\$ 481,810</u>	<u>\$ 15,314</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
<b>Cash flows from operating activities</b>				
Operating Income (loss)	\$ (381,083)	\$ (911,185)	\$ 535,525	\$ (612,050)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	599,406	542,779	641,454	215,735
Amortization	(7,989)	(9,915)	(62,050)	(131,098)
Other non-operating income (loss), net	12,128	49,922	(2,650)	7,552
Changes in assets and liabilities:				
Accounts Receivable, DFOG, net	(34,226)	(16,688)	(15,279)	(1,599)
Prepays & Other Assets	-	-	(10,740)	(11,156)
Accounts Payable & Accrued Liabilities	8,861	54,898	16,942	(13,675)
Deposits	549	-	7,580	1,052
Accrued Salary, Compensated Absences and OPEB	7,095	40,384	125,561	176,668
<b>Cash provided by (used for) operating activities</b>	<u>204,741</u>	<u>(249,805)</u>	<u>1,236,343</u>	<u>(368,571)</u>
<b>Non-cash Investing, Capital, and Financing Activities</b>				
Contributions of Capital Assets (to)/from Other Funds	\$ -	\$ -	\$ -	\$ 201,514
Change in Fair Value of Investments	150	(1,393)	20,749	(229)
<b>Total</b>	<u>\$ 150</u>	<u>\$ (1,393)</u>	<u>\$ 20,749</u>	<u>\$ 201,285</u>

See accompanying Independent Auditor's Report.

Jamestown Complex	Parking	Mahaffey Theater	Pier	Coliseum	Sunken Gardens	Total
\$ 475,613	\$ 7,561,048	\$ 3,734,517	\$ (124)	\$ 605,071	\$ 1,234,580	\$ 21,905,360
(173,484)	(1,039,438)	(254,751)	(165)	(212,942)	(225,791)	(3,661,119)
(162,573)	(2,861,056)	(3,124,529)	3,346	(238,159)	(480,958)	(9,662,108)
(234,363)	(1,548,961)	(1,082,069)	(357)	(332,622)	(503,309)	(6,620,901)
(94,807)	2,111,593	(726,832)	2,700	(178,652)	24,522	1,961,232
-	-	-	-	-	-	-
-	-	-	-	-	-	2,902,877
121,000	55,310	439,587	-	213,000	13,000	1,069,897
-	(2,114,616)	-	-	-	-	(2,607,352)
121,000	(2,059,306)	439,587	-	213,000	13,000	1,365,422
(17,040)	(173,999)	184,066	-	-	-	(3,216,408)
-	-	-	-	-	-	-
-	-	-	-	-	-	(8,783)
-	-	-	-	-	-	(200,960)
-	-	-	-	-	-	(505,000)
-	-	-	-	-	-	524,977
(17,040)	(173,999)	184,066	-	-	-	(3,406,174)
-	(216,436)	-	-	(1,119)	(9,831)	(92,830)
-	82,409	3,452	-	427	3,743	129,812
-	(134,027)	3,452	-	(692)	(6,088)	36,982
9,153	(255,739)	(99,727)	2,700	33,656	31,434	(42,538)
-	1,152,767	878,125	6,877	134,251	122,256	2,739,587
<u>\$ 9,153</u>	<u>\$ 897,028</u>	<u>\$ 778,398</u>	<u>\$ 9,577</u>	<u>\$ 167,907</u>	<u>\$ 153,690</u>	<u>\$ 2,697,049</u>
\$ (230,739)	\$ 1,942,369	\$ (2,453,179)	\$ 11,943	\$ (299,712)	\$ (327,857)	\$ (2,725,968)
113,348	360,629	1,703,065	-	72,889	232,907	4,482,212
(23,039)	(187,636)	-	1,967	(30,356)	(21,125)	(471,241)
1	234	306,679	-	106	(20,374)	353,598
6,749	(13,046)	56,710	(124)	(7,100)	(22)	(24,625)
-	-	(50,158)	-	736	(14,396)	(85,714)
(2,307)	(236,186)	(302,391)	(734)	(5,704)	46,599	(433,697)
(167)	(39,895)	12,442	-	43,331	92,246	117,138
41,347	285,124	-	(10,352)	47,158	36,544	749,529
(94,807)	2,111,593	(726,832)	2,700	(178,652)	24,522	1,961,232
\$ -	\$ -	\$ (1,139,622)	\$ (5,448,615)	\$ -	\$ -	\$ (6,386,723)
-	55,302	-	-	287	2,512	77,378
<u>\$ -</u>	<u>\$ 55,302</u>	<u>\$ (1,139,622)</u>	<u>\$ (5,448,615)</u>	<u>\$ 287</u>	<u>\$ 2,512</u>	<u>\$ (6,309,345)</u>



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## **City of St. Petersburg, Florida**

### **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis.

Equipment Maintenance - This fund is used to account for vehicle and equipment maintenance, rental, and replacement.

Facilities Maintenance - This fund is used to account for the rental and maintenance of City Hall and other municipal office buildings.

Technology Services - This fund is used to account for central data processing and telephone systems and technology services.

Billing and Collections Services (Billing and Collections) - This fund is used to account for the billing and collection of utility accounts, occupational taxes, and special assessments. It also includes cashiering functions and collection of invoices.

Consolidated inventory - This fund is used to account for inventory management and warehousing services.

Insurance Services ("Insurance")- This fund is used to account for insurance and risk management services for all funds.

**City of St. Petersburg, Florida**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2016**

	<b>Equipment Maintenance</b>	<b>Facilities Maintenance</b>	<b>Technology Services</b>	<b>Billing and Collections</b>
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 2,146,926	\$ 464,088	\$ 1,166,800	\$ 1,421,540
Investments	14,581,533	2,448,569	1,817,555	10,293,843
Receivables (Net, where applicable, of Allowance for Uncollectibles):				
Accounts	3,476	332,958	-	1,165,176
Due to Other Governmental Agencies:				
Services	1,606	-	-	3,795
Inventories	631,348	-	18,974	-
Prepaid Expenses and Deposits	-	-	446,574	-
<b>Total Current Assets</b>	<u>17,364,889</u>	<u>3,245,615</u>	<u>3,449,903</u>	<u>12,884,354</u>
Noncurrent Assets:				
Capital Assets:				
Land	1,076,640	770,000	-	-
Buildings	2,955,333	7,231,831	-	-
Improvements	1,352,944	1,736,133	-	-
Machinery and Equipment	62,657,084	3,643,810	4,595,489	263,661
Projects in Progress	-	-	290,752	-
Accumulated Depreciation	(45,996,304)	(9,397,329)	(4,439,331)	(250,436)
<b>Net Capital Assets</b>	<u>22,045,697</u>	<u>3,984,445</u>	<u>446,910</u>	<u>13,225</u>
<b>Total Assets</b>	<u>39,410,586</u>	<u>7,230,060</u>	<u>3,896,813</u>	<u>12,897,579</u>
<b>Liabilities</b>				
Current Liabilities:				
Vouchers and Accounts Payable	1,582,298	436,195	207,808	600,149
Accrued Salaries	202,944	39,695	233,824	240,420
Accrued Annual Leave	3,151	964	61,099	12,363
Due to Other Governmental Agencies	-	-	20,064	844,087
Claims - Current Portion	-	-	-	-
Other Current Liabilities	-	-	-	5,000
Deposits	-	-	-	8,214,519
<b>Total Current Liabilities</b>	<u>1,788,393</u>	<u>476,854</u>	<u>522,795</u>	<u>9,916,538</u>
Noncurrent Liabilities:				
Accrued Annual Leave less Current Portion	399,930	87,332	445,235	424,630
Claims	-	-	-	-
Obligation for OPEB	1,073,544	157,550	1,444,857	1,914,639
<b>Total Noncurrent Liabilities</b>	<u>1,473,474</u>	<u>244,882</u>	<u>1,890,092</u>	<u>2,339,269</u>
<b>Total Liabilities</b>	<u>3,261,867</u>	<u>721,736</u>	<u>2,412,887</u>	<u>12,255,807</u>
<b>Net Position</b>				
Net Investment in Capital Assets	22,045,697	3,984,445	446,910	13,225
Unrestricted	14,103,022	2,523,879	1,037,016	628,547
<b>Total Net Position</b>	<u>\$ 36,148,719</u>	<u>\$ 6,508,324</u>	<u>\$ 1,483,926</u>	<u>\$ 641,772</u>

See accompanying Independent Auditor's Report.

<b>Consolidated Inventory</b>	<b>Insurance</b>	<b>Total Internal Service Funds</b>
\$ 161,873	\$ 10,085,014	\$ 15,446,241
461,635	53,729,558	83,332,693
-	102,998	1,604,608
-	25	5,426
607,058	-	1,257,380
-	1,910,105	2,356,679
<u>1,230,566</u>	<u>65,827,700</u>	<u>104,003,027</u>
-	-	1,846,640
4,946,456	-	15,133,620
1,361	-	3,090,438
31,034	-	71,191,078
-	-	290,752
(966,788)	-	(61,050,188)
<u>4,012,063</u>	<u>-</u>	<u>30,502,340</u>
<u>5,242,629</u>	<u>65,827,700</u>	<u>134,505,367</u>
243,734	207,432	3,277,616
14,909	48,090	779,882
2,407	1,072	81,056
-	40,186	904,337
-	13,083,407	13,083,407
-	-	5,000
-	-	8,214,519
<u>261,050</u>	<u>13,380,187</u>	<u>26,345,817</u>
27,251	40,605	1,424,983
-	37,549,000	37,549,000
<u>110,637</u>	<u>202,984</u>	<u>4,904,211</u>
<u>137,888</u>	<u>37,792,589</u>	<u>43,878,194</u>
<u>398,938</u>	<u>51,172,776</u>	<u>70,224,011</u>
4,012,063	-	30,502,340
831,628	14,654,924	33,779,016
<u>\$ 4,843,691</u>	<u>\$ 14,654,924</u>	<u>\$ 64,281,356</u>

**City of St. Petersburg, Florida**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Internal Service Funds*  
*Fiscal Year Ended September 30, 2016*

	<b>Equipment Maintenance</b>	<b>Facilities Maintenance</b>	<b>Technology Services</b>	<b>Billing and Collections</b>
<b>Operating Revenues</b>				
Service Charges and Fees	\$ 21,215,886	\$ 2,807,136	\$ 10,725,499	\$ 7,630,206
<b>Total Operating Revenues</b>	<u>21,215,886</u>	<u>2,807,136</u>	<u>10,725,499</u>	<u>7,630,206</u>
<b>Operating Expenses</b>				
Personal Services and Benefits	5,600,544	1,108,760	6,720,141	6,189,786
Supplies, Services and Claims	8,960,074	1,145,219	3,279,108	2,401,922
General Administrative Charges	616,896	-	424,800	619,344
Depreciation	6,604,308	245,290	161,085	379
<b>Total Operating Expenses</b>	<u>21,781,822</u>	<u>2,499,269</u>	<u>10,585,134</u>	<u>9,211,431</u>
<b>Operating Income (Loss)</b>	<u>(565,936)</u>	<u>307,867</u>	<u>140,365</u>	<u>(1,581,225)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental Revenues	36,203	-	800	-
Earnings on Investments	480,366	84,752	59,082	386,675
Gain (Loss) on Disposition of Capital Assets	382,174	-	(7,717)	-
Miscellaneous Revenue	2,766	230	(11)	17,516
<b>Total Nonoperating Revenues (Expenses)</b>	<u>901,509</u>	<u>84,982</u>	<u>52,154</u>	<u>404,191</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>335,573</u>	<u>392,849</u>	<u>192,519</u>	<u>(1,177,034)</u>
<b>Transfers and Contributions</b>				
Capital Assets from (to) Other Funds	276,722	-	16,502	-
Transfers From (To) Other Funds:				
Transfers In	60,489	-	-	-
Transfers Out	-	(740,000)	(290,325)	-
<b>Total Transfers and Contributions</b>	<u>337,211</u>	<u>(740,000)</u>	<u>(273,823)</u>	<u>-</u>
<b>Change in Net Position</b>	<u>672,784</u>	<u>(347,151)</u>	<u>(81,304)</u>	<u>(1,177,034)</u>
<b>Net Position - October 1</b>	<u>35,475,935</u>	<u>6,855,475</u>	<u>1,565,230</u>	<u>1,818,806</u>
<b>Net Position - September 30</b>	<u>\$ 36,148,719</u>	<u>\$ 6,508,324</u>	<u>\$ 1,483,926</u>	<u>\$ 641,772</u>

See accompanying Independent Auditor's Report.

<b>Consolidated Inventory</b>	<b>Insurance</b>	<b>Total Internal Service Funds</b>
\$ 557,539	\$ 66,556,596	\$ 109,492,862
<u>557,539</u>	<u>66,556,596</u>	<u>109,492,862</u>
424,137	1,419,741	21,463,109
220,424	60,308,851	76,315,598
-	-	1,661,040
100,142	-	7,111,204
<u>744,703</u>	<u>61,728,592</u>	<u>106,550,951</u>
<u>(187,164)</u>	<u>4,828,004</u>	<u>2,941,911</u>
-	-	37,003
15,303	1,646,951	2,673,129
14,538	-	388,995
-	742,399	762,900
<u>29,841</u>	<u>2,389,350</u>	<u>3,862,027</u>
<u>(157,323)</u>	<u>7,217,354</u>	<u>6,803,938</u>
-	-	293,224
-	-	60,489
-	-	(1,030,325)
-	-	(676,612)
<u>(157,323)</u>	<u>7,217,354</u>	<u>6,127,326</u>
5,001,014	7,437,570	58,154,030
<u>\$ 4,843,691</u>	<u>\$ 14,654,924</u>	<u>\$ 64,281,356</u>

**City of St. Petersburg, Florida**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Fiscal Year Ended September 30, 2016**

	<u>Equipment Maintenance</u>	<u>Facilities Maintenance</u>	<u>Technology Services</u>
<b>Cash flows from operating activities</b>			
Cash received from customers and users	\$ 21,220,686	\$ 2,474,409	\$ 10,725,489
Cash payments for interfund services provided	(2,162,803)	(519,961)	(1,466,303)
Cash payments to vendors for goods & services	(7,893,601)	(1,449,100)	(2,985,607)
Cash payments to employees for services	<u>(4,150,142)</u>	<u>(895,069)</u>	<u>(5,792,724)</u>
<b>Cash provided by (used for) operating activities</b>	<u>7,014,140</u>	<u>(389,721)</u>	<u>480,855</u>
<b>Cash flows from noncapital financing activities</b>			
Intergovernmental Revenue	36,203	-	800
Transfers-in	-	-	-
Transfers-out	<u>-</u>	<u>(740,000)</u>	<u>(290,325)</u>
<b>Cash provided by (used for) noncapital financing activities</b>	<u>36,203</u>	<u>(740,000)</u>	<u>(289,525)</u>
<b>Cash flows from capital &amp; related financing activities</b>			
Acquisition & Construction of Capital Assets	(9,795,640)	-	(38,467)
Proceeds from sale of property, plant, equipment	<u>388,167</u>	<u>-</u>	<u>-</u>
<b>Cash provided by (used for) capital &amp; related financing activities</b>	<u>(9,407,473)</u>	<u>-</u>	<u>(38,467)</u>
<b>Cash flows from operating activities</b>			
Purchase, Sale and Maturities of Investments, net	2,220,554	1,084,169	537,714
Interest received on investments	<u>293,027</u>	<u>58,713</u>	<u>38,627</u>
<b>Cash provided by (used for) investing activities</b>	<u>2,513,581</u>	<u>1,142,882</u>	<u>576,341</u>
<b>Net increase (decrease) in cash</b>	156,451	13,161	729,204
<b>Cash at beginning of year</b>	<u>1,990,475</u>	<u>450,927</u>	<u>437,596</u>
<b>Cash at year end</b>	<u>\$ 2,146,926</u>	<u>\$ 464,088</u>	<u>\$ 1,166,800</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
<b>Cash flows from operating activities</b>			
Operating Income (loss)	\$ (565,936)	\$ 307,867	\$ 140,365
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	6,604,308	245,290	161,085
Other non-operating income (loss), net	2,769	231	(10)
Changes in assets and liabilities:			
Accounts Receivable, DFOG, net	2,031	(332,958)	-
Prepays & Other Assets	(31,972)	-	5,491
Accounts Payable & Accrued Liabilities	733,399	(649,544)	30,366
Deposits	-	-	-
Accrued Salary, Compensated Absences and OPEB	<u>269,541</u>	<u>39,393</u>	<u>143,558</u>
<b>Cash provided by (used for) operating activities</b>	<u>7,014,140</u>	<u>(389,721)</u>	<u>480,855</u>
<b>Non-cash Investing, Capital, and Financing Activities</b>			
Contributions of Capital Assets (to)/from Other Funds	\$ 337,211	\$ -	\$ 16,502
Change in Fair Value of Investments	<u>187,339</u>	<u>26,039</u>	<u>20,455</u>
<b>Total</b>	<u>\$ 524,550</u>	<u>\$ 26,039</u>	<u>\$ 36,957</u>

See accompanying Independent Auditor's Report

<b>Billings &amp; Collections</b>	<b>Consolidated Inventory</b>	<b>Insurance</b>	<b>Total</b>
\$ 7,933,740	\$ 572,675	\$ 67,767,487	\$ 110,694,486
(2,320,363)	(140,602)	(291,475)	(6,901,507)
(1,308,563)	(370,092)	(60,225,200)	(74,232,163)
(5,036,249)	(322,120)	(2,215,703)	(18,412,007)
<u>(731,435)</u>	<u>(260,139)</u>	<u>5,035,109</u>	<u>11,148,809</u>
-	-	(25)	36,978
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,030,325)</u>
-	-	(25)	(993,347)
-	-	-	(9,834,107)
<u>-</u>	<u>-</u>	<u>-</u>	<u>388,167</u>
-	-	-	(9,445,940)
(108,870)	384,519	(5,524,071)	(1,405,985)
<u>257,525</u>	<u>11,154</u>	<u>951,925</u>	<u>1,610,971</u>
<u>148,655</u>	<u>395,673</u>	<u>(4,572,146)</u>	<u>204,986</u>
(582,780)	135,534	462,938	914,508
<u>2,004,320</u>	<u>26,339</u>	<u>9,622,076</u>	<u>14,531,733</u>
<u>\$ 1,421,540</u>	<u>\$ 161,873</u>	<u>\$ 10,085,014</u>	<u>\$ 15,446,241</u>
\$ (1,581,225)	\$ (187,164)	\$ 4,828,004	\$ 2,941,911
379	100,142	-	7,111,204
17,516	14,537	742,399	777,442
(117,482)	599	468,492	20,682
-	(67,388)	207,706	113,837
200,209	(136,288)	(219,750)	(41,608)
403,500	-	-	403,500
<u>345,668</u>	<u>15,423</u>	<u>(991,742)</u>	<u>(178,159)</u>
<u>(731,435)</u>	<u>(260,139)</u>	<u>5,035,109</u>	<u>11,148,809</u>
\$ -	\$ -	\$ -	\$ 353,713
129,150	4,149	695,026	1,062,158
<u>\$ 129,150</u>	<u>\$ 4,149</u>	<u>\$ 695,026</u>	<u>\$ 1,415,871</u>



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## City of St. Petersburg, Florida

### **Fiduciary Funds**

Fiduciary Funds are used to account for funds held in trust by the City of St. Petersburg for the Employees Retirement Fund, Police Pension Fund and Fire Pension Fund or funds held in an agency capacity for others.

#### **Pension Funds**

Employees Retirement Fund - This fund is used to account for the activities of the City of St. Petersburg Employees Retirement Fund.

Police Pension Fund - This fund is used to account for the activities of the City of St. Petersburg Police Pension Fund.

Fire Pension Fund - This fund is used to account for the activities of the City of St. Petersburg Fire Pension Fund.

*The Combining Statement of Fiduciary Net Position - Pension Trust Funds and the Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds are located in the notes to the financial statements. See Note 18 - Employee Defined Benefit Pension Plans.*

#### **Agency Funds**

Payroll Treasury Agency Fund - This fund is used to account for the funds held in an agency capacity for payroll.

Other Treasury Agency Fund - This fund is used to account for the funds held in an agency capacity for various government units, individuals or funds.

**City of St. Petersburg, Florida**  
*Combining Statement of Fiduciary Net Position*  
*Agency Funds*  
*September 30, 2016*

	<b>Payroll Treasury Agency Fund</b>	<b>Other Treasury Agency Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 34,103	\$ -	\$ 34,103
Accounts Receivable	5,800	-	5,800
<b>Total Assets</b>	<b>\$ 39,903</b>	<b>\$ -</b>	<b>\$ 39,903</b>
<b>Liabilities</b>			
Due to Other Entities and Individuals	39,903	-	39,903
<b>Total Liabilities</b>	<b>\$ 39,903</b>	<b>\$ -</b>	<b>\$ 39,903</b>

See accompanying Independent Auditor's Report

**City of St. Petersburg, Florida**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*Fiscal Year Ended September 30, 2016*

**Payroll Treasury**

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,994	559,768,367	559,736,258	\$ 34,103
Accounts Receivable	5,800	8,657	8,657	5,800
<b>Total Assets</b>	<u>7,794</u>	<u>559,777,024</u>	<u>559,744,915</u>	<u>39,903</u>
<b>Liabilities</b>				
Due to Other Entities and Individuals	7,794	384,499,591	384,467,482	39,903
<b>Total Liabilities</b>	<u>\$ 7,794</u>	<u>384,499,591</u>	<u>384,467,482</u>	<u>\$ 39,903</u>

**Other Treasury**

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
<b>Assets</b>				
Cash and Cash Equivalents	\$ -	1,301,326,336	1,301,326,336	\$ -
Pooled Equity in Investments	-	222,715,982	222,715,982	-
Accounts Receivable	-	1,946	1,946	-
<b>Total Assets</b>	<u>-</u>	<u>1,524,044,264</u>	<u>1,524,044,264</u>	<u>-</u>
<b>Liabilities</b>				
Due to Other Entities and Individuals	-	18,587,778	18,587,778	-
<b>Total Liabilities</b>	<u>\$ -</u>	<u>18,587,778</u>	<u>18,587,778</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report



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# **III. STATISTICAL SECTION**

**City of St. Petersburg, Florida**  
*Statistical Section*  
*For the Year Ended September 30, 2016*

The Statistical Section of the Comprehensive Annual Financial Report for the City of St. Petersburg is intended to provide financial statement users with additional historical perspective, context, and detail to assist in using information in the financial statements, notes to the financial statements, and required supplementary information to understand and assess the City's economic condition. This section includes statistics for the City (i.e., the primary government) only and does not include the City's discretely presented component unit.

The Statistical Section is unaudited and includes the following documents:

Financial Trends Information

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

Revenue Capacity

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

Debt Capacity Information

These schedules contain trend information to help the reader understand the City's outstanding debt, legal capacity information and related debt service coverage ratios.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

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

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. Statement users will find footnotes on the face of the schedules to assist in understanding trends.

**FINANCIAL  
TRENDS  
INFORMATION**



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**City of St. Petersburg, Florida**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2016</u>	<u>2015 (2)</u>	<u>2014 (2)</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 345,467,808	\$ 345,425,116	\$ 329,454,431	\$ 315,093,031	\$ 338,624,957	\$ 383,738,567	\$ 317,722,669	\$ 486,163,709	\$ 462,033,885	\$ 445,400,415
Restricted	21,859,118	26,714,114	28,418,788	29,415,453	30,810,901	33,416,322	76,621,163	77,543,670	78,911,966	74,066,881
Unrestricted	191,826,966	162,890,064	132,519,821	156,549,002	147,593,223	101,165,653	140,355,385	146,956,415	146,123,014	152,565,974
<b>Total Governmental Activities Net Position</b>	<u>559,153,892</u>	<u>535,029,294</u>	<u>490,393,040</u>	<u>501,057,486</u>	<u>517,029,081</u>	<u>518,320,542</u>	<u>534,699,217</u>	<u>710,663,794</u>	<u>687,068,865</u>	<u>672,033,270</u>
<b>Business-type Activities</b>										
Net investment in capital assets	484,346,509	492,706,870	513,876,988	525,501,002	559,430,846	586,110,679	597,824,125	418,716,027	414,580,883	424,360,124
Restricted	19,662,021	32,940,948	62,724,650	78,431,454	59,285,133	74,999,653	37,812,908	5,681,189	770,058	1,150,098
Unrestricted	141,793,637	121,790,678	96,030,867	95,187,269	108,194,112	88,937,520	133,860,070	166,804,172	167,802,418	165,978,130
<b>Total Business-type Activities Net Position</b>	<u>645,802,167</u>	<u>647,438,496</u>	<u>672,632,505</u>	<u>699,119,725</u>	<u>726,910,091</u>	<u>750,047,852</u>	<u>769,497,103</u>	<u>591,201,388</u>	<u>583,153,359</u>	<u>591,488,352</u>
<b>Primary Government</b>										
Net investment in capital assets	829,814,317	838,131,986	843,331,419	840,594,033	898,055,803	969,849,246	915,546,794	904,879,736	876,614,768	869,760,539
Restricted	41,521,139	59,655,062	91,143,438	107,846,907	90,096,034	108,415,975	114,434,071	83,224,859	79,682,024	75,216,979
Unrestricted	333,620,603	284,680,742	228,550,688	251,736,271	255,787,335	190,103,173	274,215,455	313,760,587	313,925,432	318,544,104
<b>Total Primary Government Net Position</b>	<u>\$ 1,204,956,059</u>	<u>\$ 1,182,467,790</u>	<u>\$ 1,163,025,545</u>	<u>\$ 1,200,177,211</u>	<u>\$ 1,243,939,172</u>	<u>\$ 1,268,368,394</u>	<u>\$ 1,304,196,320</u>	<u>\$ 1,301,865,182</u>	<u>\$ 1,270,222,224</u>	<u>\$ 1,263,521,622</u>

(1) GASB's 62, 63 and 65 were implemented in fiscal year 2012 and changes have not been restated for fiscal years 2011 and prior.

(2) GASB's 68 and 71 were implemented in fiscal year 2015 and the fiscal year 2014 balances are restated here to reflect the implementation and related prior period adjustment.

**City of St. Petersburg, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2016	2015 (2)	2014	2013	2012 (1)	2011	2010	2009	2008	2007
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 39,401,295	\$ 39,348,806	\$ 31,433,231	\$ 27,592,059	\$ 27,484,912	\$ 39,973,559	\$ 38,178,164	\$ 39,635,505	\$ 39,875,230	\$ 41,846,271
Community and Economic Development	25,639,209	16,163,418	20,020,091	16,253,877	17,878,776	27,654,061	23,392,593	23,212,864	25,337,893	24,454,618
Police	100,589,020	89,420,272	95,704,280	94,712,113	93,275,050	96,398,855	91,135,117	90,646,089	91,691,477	83,774,953
Fire and EMS	41,949,594	39,758,629	49,215,924	46,543,810	47,472,803	49,592,465	47,954,869	48,384,025	47,643,841	44,344,707
Public Works	21,319,804	30,981,025	28,294,856	34,157,385	33,931,921	25,077,637	16,208,520	21,501,313	21,884,510	17,180,146
Recreation, Culture and Social	58,126,018	51,208,250	54,790,800	47,822,871	52,601,786	46,604,748	44,972,705	61,884,711	61,549,149	61,378,929
Interest on Long-Term Debt	1,568,898	2,054,762	2,869,844	2,869,844	3,607,747	5,033,700	5,623,196	6,428,023	7,460,824	8,089,351
<b>Total Governmental Activities Expenses</b>	<b>288,593,838</b>	<b>268,383,927</b>	<b>281,513,944</b>	<b>269,951,959</b>	<b>276,252,995</b>	<b>290,335,025</b>	<b>267,465,164</b>	<b>291,692,530</b>	<b>295,442,924</b>	<b>281,068,975</b>
<b>Business-type Activities:</b>										
Water and Waste Water Utility	114,768,677	115,141,604	106,155,998	107,759,932	104,932,909	104,704,408	98,015,537	95,655,633	99,136,630	93,026,863
Stormwater Utility	16,258,907	15,736,861	15,541,418	14,699,179	14,890,554	13,542,653	14,062,820	13,638,448	14,169,266	12,042,379
Sanitation	40,640,667	45,406,933	39,090,760	36,899,176	37,460,953	38,102,702	37,707,634	36,910,607	38,062,985	36,332,211
Tropicana Field	6,293,282	6,456,480	8,225,945	7,116,475	7,088,308	6,820,058	6,358,385	-	-	-
Airport	1,541,559	1,760,427	1,703,550	1,419,949	1,072,295	1,417,940	1,294,662	1,388,716	1,221,822	1,257,148
Port	1,043,589	874,667	844,507	923,851	917,220	1,114,952	1,094,820	987,025	885,491	951,354
Marina	3,364,333	4,189,409	3,572,867	3,370,490	3,539,546	3,570,871	2,525,854	2,354,034	2,263,363	2,193,051
Golf Courses	3,841,861	3,591,614	3,863,244	3,967,520	4,038,963	4,145,459	3,852,204	4,250,100	4,267,233	4,141,596
Jamestown Complex	691,204	743,377	708,109	654,469	466,272	640,723	649,880	645,127	602,778	514,301
Parking	5,630,019	5,177,543	5,026,772	4,579,458	4,461,800	4,631,050	4,441,013	-	-	-
Mahaffey	6,011,641	6,325,812	5,617,106	5,677,990	5,675,106	5,594,814	5,318,367	-	-	-
Pier	(11,941)	358,444	446,579	4,836,102	5,756,027	5,488,667	3,317,370	-	-	-
Coliseum	860,631	904,524	923,664	875,880	918,823	1,005,036	952,007	-	-	-
Sunken Gardens	1,439,376	1,244,252	1,299,949	1,251,532	1,158,972	1,159,590	1,113,125	-	-	-
<b>Total Business-type Activities</b>	<b>202,373,805</b>	<b>207,911,947</b>	<b>193,020,468</b>	<b>194,032,003</b>	<b>192,575,480</b>	<b>192,356,107</b>	<b>180,703,678</b>	<b>155,829,690</b>	<b>160,629,568</b>	<b>150,458,903</b>
<b>Total Primary Government Expenses</b>	<b>490,967,643</b>	<b>476,295,874</b>	<b>474,534,412</b>	<b>463,983,962</b>	<b>468,828,475</b>	<b>482,691,132</b>	<b>448,168,842</b>	<b>447,522,220</b>	<b>456,072,492</b>	<b>431,527,878</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	25,008,773	25,588,021	23,979,071	21,253,713	19,998,376	21,909,825	18,867,174	19,817,671	18,195,945	17,644,627
Community and Economic Development	10,716,968	9,965,943	8,985,354	7,974,763	6,698,963	5,064,441	4,746,494	4,754,650	5,032,048	7,602,790
Police	4,537,354	4,264,678	4,908,117	5,951,206	5,783,656	3,942,075	2,798,285	4,167,337	3,937,556	3,993,232
Fire and EMS	13,491,297	13,576,957	14,285,038	13,773,082	13,063,380	13,146,937	13,323,610	15,053,402	14,266,708	12,325,081
Public Works	905,723	1,085,615	1,481,064	1,287,717	730,562	262,034	611,424	5,812,897	4,254,239	4,424,262
Recreation and Culture	6,352,970	6,564,302	5,929,944	6,561,071	7,109,628	6,866,414	5,942,323	13,172,302	13,132,583	12,840,473
Operating Grants and Contributions	9,445,795	6,821,336	9,201,224	10,331,039	6,037,740	7,458,717	6,525,970	13,086,817	22,056,970	14,343,545
Capital Grants and Contributions	5,562,573	3,733,884	616,129	916,449	9,906,530	13,840,226	18,355,946	6,389,691	5,548,409	4,814,062
<b>Total Governmental Activities Program Revenues</b>	<b>76,021,453</b>	<b>71,600,736</b>	<b>69,385,941</b>	<b>68,049,040</b>	<b>69,328,835</b>	<b>72,490,669</b>	<b>71,171,200</b>	<b>82,255,167</b>	<b>86,424,458</b>	<b>77,988,072</b>
<b>Business-type Activities:</b>										
<b>Charges for Services:</b>										
Water and Waste Water Utility	116,323,253	111,051,865	106,737,684	101,885,017	101,175,434	95,754,184	89,685,100	90,109,001	91,344,531	90,669,563
Stormwater Utility	11,824,404	11,965,653	11,726,654	11,834,570	11,642,112	12,182,306	12,275,998	11,992,634	11,777,411	11,264,087
Sanitation	44,091,174	40,187,067	40,557,379	40,117,857	39,835,630	39,524,555	39,910,352	40,089,897	39,773,147	39,180,737
Tropicana Field	1,198,181	1,304,151	1,430,589	1,506,357	1,436,634	1,421,744	1,631,382	-	-	-
Airport	1,139,131	1,119,783	877,784	877,784	989,405	996,722	941,184	894,795	838,887	733,415
Port	133,899	43,928	105,162	57,875	206,372	185,026	182,920	189,581	156,747	128,198
Marina	3,753,431	3,769,189	3,747,555	3,433,502	3,351,961	3,253,788	2,765,619	2,760,434	2,720,224	2,197,556
Golf Courses	3,257,031	3,338,378	3,427,870	3,537,661	3,663,158	3,462,240	3,272,289	3,719,800	3,937,482	3,990,204
Jamestown Complex	469,030	465,173	486,373	453,737	388,540	526,014	503,500	510,024	442,585	449,820
Parking	7,613,755	6,951,993	6,162,463	6,246,572	5,671,961	4,919,124	4,508,906	-	-	-
Mahaffey	3,571,112	3,670,641	2,787,508	3,021,141	2,979,981	2,220,446	2,513,252	-	-	-
Pier	-	-	-	537,771	946,158	989,196	1,212,985	-	-	-
Coliseum	568,464	568,681	576,373	493,279	544,769	559,190	502,147	-	-	-
Sunken Gardens	1,120,215	893,863	809,863	761,578	761,578	647,923	605,338	-	-	-
Operating Grants and Contributions	2,689,792	1,277,263	1,971,091	1,660,484	1,294,996	669,447	1,464,498	1,324,016	1,415,362	328,423
Capital Grants and Contributions	4,805,151	4,386,636	5,705,904	2,890,584	3,668,781	7,343,376	5,547,370	12,866,193	2,851,376	9,956,901
<b>Total Business-type Activities Program Revenues</b>	<b>202,558,023</b>	<b>191,043,244</b>	<b>187,469,047</b>	<b>179,364,054</b>	<b>178,557,470</b>	<b>174,655,281</b>	<b>167,522,840</b>	<b>164,456,375</b>	<b>155,257,752</b>	<b>158,898,904</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 278,579,476</b>	<b>\$ 262,643,980</b>	<b>\$ 256,854,988</b>	<b>\$ 247,413,094</b>	<b>\$ 247,886,305</b>	<b>\$ 247,145,950</b>	<b>\$ 238,694,040</b>	<b>\$ 246,711,542</b>	<b>\$ 241,682,210</b>	<b>\$ 236,886,976</b>
<b>Net (Expense) Revenue</b>										
Government Activities	\$ (212,572,385)	\$ (196,783,191)	\$ (212,128,003)	\$ (201,902,919)	\$ (206,924,160)	\$ (217,844,356)	\$ (196,293,964)	\$ (209,437,363)	\$ (209,018,466)	\$ (203,080,903)
Business-type Activities	184,218	(16,868,703)	(5,551,421)	(14,667,949)	(14,018,010)	(17,700,826)	(13,180,838)	8,626,685	(5,371,816)	8,440,001
<b>Total Primary Government Program Revenues</b>	<b>\$ (212,388,167)</b>	<b>\$ (213,651,894)</b>	<b>\$ (217,679,424)</b>	<b>\$ (216,570,868)</b>	<b>\$ (220,942,170)</b>	<b>\$ (235,545,182)</b>	<b>\$ (209,474,802)</b>	<b>\$ (200,810,678)</b>	<b>\$ (214,390,282)</b>	<b>\$ (194,640,902)</b>

**City of St. Petersburg, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2016	2015 (2)	2014	2013	2012 (1)	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position										
Government Activities:										
Taxes (3)										
Property Tax, Levied for general purposes	\$ 96,259,446	\$ 88,648,292	\$ 82,225,247	\$ 79,021,993	\$ 70,322,445	\$ 75,037,770	\$ 83,484,249	\$ 95,140,129	\$ 101,569,442	\$ 104,354,856
Public Service Tax	27,599,020	26,774,215	27,309,432	25,755,347	24,384,936	25,400,972	26,612,169	23,353,192	22,446,269	22,139,128
Occupational Tax	2,461,341	2,465,739	2,393,845	1,920,732	2,409,291	2,407,083	2,405,903	2,596,245	2,950,446	3,048,712
Franchise Tax	19,048,846	20,232,851	20,156,734	18,836,152	19,660,729	20,506,108	22,159,989	21,014,619	18,922,607	19,245,686
Intergovernmental										
Communication Services Tax	9,729,360	10,318,666	11,005,466	11,493,181	11,956,587	12,802,642	12,795,240	14,085,313	16,190,432	14,498,162
Sales Tax	17,863,512	17,092,404	16,553,518	15,408,015	14,975,121	13,923,372	13,870,492	14,043,313	15,293,018	16,081,855
Local Option Sales Surtax	24,571,993	23,435,705	21,813,267	20,427,624	18,994,866	18,610,075	18,847,964	20,829,319	22,838,462	24,334,846
State Tax Revenue Sharing (unrestricted)	8,540,928	8,663,170	8,210,074	7,861,360	7,521,597	7,463,366	7,433,838	7,418,031	8,397,333	9,101,029
Tourist Development Tax	-	7,848,164	6,853,977	5,932,587	5,864,763	4,977,610	4,502,390	4,691,881	5,068,347	5,078,252
Tax Increment	5,127,215	4,879,693	4,203,175	3,575,584	3,423,906	3,779,258	3,986,213	4,535,832	4,139,159	3,888,186
Gasoline Tax	3,514,565	3,406,675	3,382,161	3,215,565	3,235,960	3,173,633	3,274,266	3,510,104	3,553,451	2,478,846
Miscellaneous Taxes	671,296	538,399	595,971	579,702	638,497	421,329	498,733	514,170	219,076	384,168
Earnings on Unrestricted Investments	8,768,947	5,333,206	6,401,114	1,730,780	6,312,386	4,061,012	7,817,651	10,601,682	6,719,628	20,213,349
Unrealized Loss on Securities Lending	-	-	-	-	-	-	-	-	(7,379,813)	-
Gain (Loss) on Sale of Capital Assets	946,626	906,248	393,161	1,718,115	387,657	315,113	(4,252,521)	291,919	179,223	2,087,404
Special item - loss on change in capitalization threshold	-	-	-	(27,002,920)	-	-	-	-	-	-
Miscellaneous Income	1,786,245	9,294,246	1,790,240	6,792,592	5,499,021	1,746,660	2,177,947	549,947	2,553,459	4,935,986
Transfers	9,807,643	11,581,772	14,465,480	8,664,915	7,545,359	6,839,678	4,145,418	9,856,596	6,256,701	8,088,842
<b>Total Governmental Activities</b>	<b>236,696,983</b>	<b>241,419,445</b>	<b>227,752,862</b>	<b>185,931,324</b>	<b>203,133,121</b>	<b>201,465,681</b>	<b>209,759,941</b>	<b>233,032,292</b>	<b>229,917,240</b>	<b>259,959,307</b>
Business-type Activities:										
Earnings on Unrestricted Investments	7,322,148	2,334,909	2,196,891	1,717,562	4,360,754	3,294,385	6,378,443	8,471,940	9,429,294	15,737,207
Unrealized Loss on Securities Lending	-	-	-	-	-	-	-	-	(6,925,399)	-
Gain (Loss) on Sale of Capital Assets	24,529	122,310	194,469	362,819	45,629	457,340	(612,929)	506,090	427,025	1,157,530
Special item - loss on change in capitalization threshold	-	-	-	(9,841,305)	-	-	-	-	-	-
Miscellaneous Income	640,419	799,247	811,476	3,303,422	1,073,881	1,339,528	425,903	299,910	362,604	902,468
Transfers	(9,807,643)	(11,581,772)	(14,465,480)	(8,664,915)	(7,545,359)	(6,839,678)	(4,145,418)	(9,856,596)	(6,256,701)	(8,088,842)
<b>Total Business-type Activities</b>	<b>(1,820,547)</b>	<b>(6,325,306)</b>	<b>(11,262,644)</b>	<b>(13,122,417)</b>	<b>(2,065,095)</b>	<b>(1,748,425)</b>	<b>2,045,999</b>	<b>(578,656)</b>	<b>(2,963,177)</b>	<b>9,708,363</b>
<b>Total Primary Government</b>	<b>\$ 234,876,436</b>	<b>\$ 233,094,139</b>	<b>\$ 216,490,218</b>	<b>\$ 172,808,907</b>	<b>\$ 198,338,513</b>	<b>\$ 199,717,256</b>	<b>\$ 211,805,940</b>	<b>\$ 232,453,636</b>	<b>\$ 226,954,063</b>	<b>\$ 269,667,670</b>
Change in Net Position										
Governmental Activities	\$ 24,124,598	\$ 44,636,254	\$ 15,624,859	\$ (15,971,595)	\$ (3,791,039)	\$ (16,378,675)	\$ 13,465,977	\$ 23,594,929	\$ 20,898,774	\$ 56,878,404
Business-type Activities	(1,636,329)	(25,194,009)	(16,814,065)	(27,790,366)	(16,083,105)	(19,449,251)	(11,134,839)	8,048,029	(8,334,993)	18,148,364
<b>Total Primary Government</b>	<b>\$ 22,488,269</b>	<b>\$ 19,442,245</b>	<b>\$ (1,189,206)</b>	<b>\$ (43,761,961)</b>	<b>\$ (19,874,144)</b>	<b>\$ (35,827,926)</b>	<b>\$ 2,331,138</b>	<b>\$ 31,642,958</b>	<b>\$ 12,563,781</b>	<b>\$ 75,026,768</b>

(1) GASB's 62, 63 and 65 were implemented in fiscal year 2012 and changes have not been restated for fiscal years 2011 and prior.

(2) GASB's 68 and 71 were implemented in fiscal year 2015.

(3) The City changed presentation classification lines of certain general revenues in fiscal year 2015 and prior years to provide additional breakout to financial statement users.

**City of St. Petersburg, Florida**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2016	2015	2014	2013	2012	2011	2010 (1)	2009	2008	2007
General Fund										
Non-Spendable	\$ 4,612,904	\$ 3,734,959	\$ 4,176,612	\$ 4,767,840	\$ 411,920	\$ 38,252	\$ 63,585	\$ -	\$ -	\$ -
Committed	29,614,754	27,768,624	26,174,290	25,065,024	26,346,101	25,192,252	28,889,692	-	-	-
Assigned	-	-	-	-	-	-	637,073	-	-	-
Unassigned	28,187,000	29,180,220	20,045,611	10,197,562	7,891,145	20,061,954	23,849,003	-	-	-
Reserved	-	-	-	-	-	-	-	726,875	601,991	444,822
Unreserved	-	-	-	-	-	-	-	42,629,314	38,569,059	41,285,817
Total Governmental Activities										
Fund Balance	<u>62,414,658</u>	<u>60,683,803</u>	<u>50,396,513</u>	<u>40,030,426</u>	<u>38,349,166</u>	<u>45,292,458</u>	<u>53,439,353</u>	<u>43,356,189</u>	<u>39,171,050</u>	<u>41,730,639</u>
All Other Governmental Funds										
Non-Spendable	\$ 433,883	\$ 387,311	\$ 395,569	\$ 385,698	\$ 374,190	\$ 10,061,295	\$ 353,792	\$ -	\$ -	\$ -
Restricted	160,736,128	97,469,715	93,431,776	81,630,216	9,841	62,821,368	75,600,147	-	-	-
Committed	15,489,334	17,531,749	14,527,242	14,762,863	11,345,489	11,527,129	16,871,883	-	-	-
Assigned	26,317,966	18,169,917	19,625,106	20,911,313	23,197,031	24,023,804	18,848,659	-	-	-
Unassigned	-	-	-	(21,667)	(344,463)	-	-	-	-	-
Reserved, Reported In:										
All Other Governmental Funds	-	-	-	-	-	-	-	18,927,131	9,128,393	13,634,080
Debt Service Funds	-	-	-	-	-	-	-	-	20,713,149	14,141,654
Unreserved, Reported In:										
Special Revenue Funds	-	-	-	-	-	-	-	59,568,462	62,201,246	55,045,228
Capital Projects Funds	-	-	-	-	-	-	-	56,805,379	55,876,096	52,946,558
Total of All Other										
Governmental Funds	<u>\$ 202,977,311</u>	<u>\$ 133,558,692</u>	<u>\$ 127,979,693</u>	<u>\$ 117,668,423</u>	<u>\$ 107,012,091</u>	<u>\$ 108,433,596</u>	<u>\$ 111,674,481</u>	<u>\$ 135,300,972</u>	<u>\$ 147,918,884</u>	<u>\$ 135,767,520</u>

(1) GASB 54 was implemented in 2010 and reflects new fund balance classifications for 2010. The new classifications have not been restated for 2009 and prior.

**City of St. Petersburg, Florida**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>REVENUES</b>										
Taxes	\$ 117,769,633	\$ 111,346,882	\$ 104,775,826	\$ 100,304,976	\$ 92,519,177	\$ 98,255,072	\$ 121,149,492	\$ 119,946,229	\$ 121,512,325	\$ 126,649,254
Public Service Tax (6)	27,599,020	26,774,215	27,309,432	25,755,347	24,384,936	25,400,972	26,612,169	23,353,192	22,446,269	22,139,128
Licenses and Permits	6,668,289	5,764,730	5,173,123	4,959,026	3,847,454	3,278,469	3,170,105	3,020,012	3,104,501	5,336,083
Fines and Forfeitures	3,654,468	4,199,481	3,793,324	4,411,977	4,035,054	1,937,642	2,520,494	3,395,352	3,067,070	3,734,636
Charges for Services and User Fees	25,702,120	25,278,000	25,267,284	24,003,940	23,455,886	23,276,204	20,135,780	33,164,416	31,072,698	29,293,293
Charges for General Administration	6,914,592	9,384,636	9,412,752	9,306,064	9,306,012	9,403,380	8,724,084	8,809,572	7,668,000	7,500,026
Intergovernmental Revenue										
Federal, State and Other Grants	10,221,150	10,478,002	9,780,135	11,247,925	15,907,052	20,260,984	24,311,766	16,688,588	24,975,131	16,817,918
State - Sales Tax	17,863,512	17,092,404	16,553,518	15,408,015	14,975,121	14,347,797	13,870,492	14,043,313	15,293,018	16,081,855
State - Revenue Sharing	8,940,196	9,018,877	8,555,369	8,179,856	7,521,597	7,463,366	7,433,838	7,418,031	8,397,333	9,101,029
State - Communication Services Tax	9,729,360	10,318,666	11,005,466	11,493,181	11,956,587	12,802,642	12,795,240	14,085,313	16,190,432	14,498,162
State - Housing Improvement Program	-	-	-	-	-	-	-	2,113,444	1,956,626	686,226
State - Other (1)	634,293	538,399	595,971	579,702	638,497	421,329	498,733	514,170	412,748	577,155
Pinellas County - Gasoline Tax	3,514,565	3,406,675	3,382,161	3,215,565	3,235,960	3,173,633	3,274,266	3,510,104	3,359,779	2,285,019
Pinellas County - Sales Tax	24,571,993	23,435,705	21,813,267	20,427,624	18,994,866	18,185,650	18,847,964	20,829,319	22,838,462	24,334,846
Pinellas County - Tourist Development	-	7,848,164	6,853,977	5,932,587	5,864,763	4,977,610	4,502,390	4,691,881	5,068,347	5,078,252
Pinellas County - Tax Increment	5,127,215	4,879,693	4,203,175	3,575,584	3,423,906	3,779,258	3,986,213	4,535,832	4,139,159	3,888,186
Pinellas County - Pedestrian Improvement Program	-	-	-	-	-	-	-	-	35,017	840
Pinellas County - Other	4,750,000	-	-	-	-	-	-	-	-	-
Total	85,352,284	87,016,585	82,743,039	80,060,039	82,518,349	85,412,269	89,520,902	88,429,995	102,666,052	93,349,488
Use of Money and Property										
Earnings on Investments	6,095,818	3,769,083	5,196,708	2,304,239	4,834,660	1,379,053	5,342,106	6,849,689	2,229,862	11,105,559
Other Interest Revenue (2)	-	-	-	-	-	-	-	-	-	-
Securities Lending	-	-	-	-	-	-	-	-	1,690,777	3,552,684
Securities Lending Unrealized Loss	-	-	-	-	-	-	-	-	(5,082,715)	-
Interest on Assessments	-	-	-	-	-	-	-	-	26,393	34,158
Rentals	649,838	614,453	526,352	432,751	411,250	400,759	358,830	2,920,852	3,064,408	2,633,273
Total	6,745,656	4,383,536	5,723,060	2,736,990	5,245,910	1,779,812	5,700,936	9,770,541	1,928,725	17,325,674
Miscellaneous										
Contributions	358,851	386,981	381,858	509,020	477,021	573,839	410,630	637,117	638,606	945,533
Assessments	1,109,677	465,516	1,999,997	1,059,024	605,383	500,686	615,887	190,434	347,144	1,312,162
Dispositions of Property	695,909	747,008	920,034	815,902	502,051	994,221	184,054	193,110	349,119	4,379,105
Settlement Revenues	-	8,000,000	-	3,997,159	-	-	-	-	-	-
Other (3)	1,545,699	1,249,277	1,416,031	3,015,734	1,108,970	1,007,961	1,284,992	1,763,629	2,523,788	2,912,902
Total	3,710,136	10,848,782	4,717,920	9,396,839	2,693,425	3,076,707	2,495,563	2,784,290	3,858,857	9,549,702
<b>TOTAL REVENUES</b>	<b>284,116,198</b>	<b>284,996,847</b>	<b>268,915,760</b>	<b>260,935,198</b>	<b>248,006,203</b>	<b>251,820,527</b>	<b>267,234,285</b>	<b>292,673,599</b>	<b>297,324,497</b>	<b>314,877,284</b>
<b>EXPENDITURES</b>										
Current Operations										
General Government	21,473,235	23,154,373	16,058,051	13,880,892	14,672,753	15,415,127	25,080,033	26,426,476	25,084,845	27,199,609
Community and Economic Development	14,039,942	14,912,692	17,292,165	14,464,853	15,026,177	17,999,906	28,008,570	24,238,780	22,973,120	23,756,210
Public Works	10,683,589	10,145,310	11,078,333	28,938,443	22,168,371	21,731,956	7,796,719	11,028,172	13,548,520	9,094,467
Public Safety										
Police	99,772,940	93,640,691	90,914,374	91,234,377	88,866,403	88,392,589	86,082,228	85,362,695	86,025,521	82,001,529
Fire and EMS	44,341,874	44,480,137	44,942,714	44,329,900	44,246,454	44,445,246	44,496,378	44,734,932	44,336,345	43,123,890
Recreation, Culture and Social	46,813,999	44,185,356	44,713,043	44,580,867	42,767,519	48,102,411	37,137,303	48,138,462	47,854,805	49,989,056
Securities Lending										
Interest	-	-	-	-	-	-	-	-	1,547,237	3,492,820
Agent Fees	-	-	-	-	-	-	-	-	52,156	38,721
Debt Service										
Principal Payments (5)	14,176,000	14,070,000	31,853,000	11,938,000	38,675,000	15,831,000	17,766,000	18,396,000	46,015,000	19,575,000
Interest Payments (5)	1,087,111	1,543,967	2,968,306	3,220,917	4,066,808	5,078,422	5,908,465	6,581,709	7,084,571	7,712,335
Remarketing and Other Fees	618,555	9,530	56,059	10,184	62,259	49,478	9,792	18,610	72,269	85,851
Bond Costs	-	-	-	-	-	-	-	-	45,123	-
Capital Outlay (4)	38,229,051	38,242,445	26,713,335	9,723,610	18,980,589	25,123,339	33,543,128	39,466,363	42,092,824	45,942,390
<b>TOTAL EXPENDITURES</b>	<b>291,236,296</b>	<b>284,384,501</b>	<b>286,589,380</b>	<b>262,322,043</b>	<b>289,532,333</b>	<b>282,169,474</b>	<b>285,828,616</b>	<b>304,392,199</b>	<b>336,732,836</b>	<b>312,011,878</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,120,098)</b>	<b>612,346</b>	<b>(17,673,620)</b>	<b>(1,386,845)</b>	<b>(41,526,130)</b>	<b>(30,348,947)</b>	<b>(18,594,331)</b>	<b>(11,718,600)</b>	<b>(39,407,839)</b>	<b>2,865,406</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	105,614,551	39,739,900	41,792,708	33,390,956	64,147,101	49,047,267	58,561,938	157,436,302	159,788,626	150,103,149
Transfers Out	(87,990,576)	(24,485,957)	(19,781,731)	(19,666,519)	(52,507,768)	(37,563,167)	(50,273,848)	(145,154,910)	(143,640,576)	(141,180,493)
Loan Proceeds	-	-	-	-	-	-	-	-	23,856,000	-
Issuance of Debt	56,205,000	-	16,340,000	-	21,522,000	4,520,000	-	-	-	-
Premium	4,440,597	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>78,269,572</b>	<b>15,253,943</b>	<b>38,350,977</b>	<b>13,724,437</b>	<b>33,161,333</b>	<b>16,004,100</b>	<b>8,288,090</b>	<b>12,281,392</b>	<b>40,004,050</b>	<b>8,922,566</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 71,149,474</b>	<b>\$ 15,866,289</b>	<b>\$ 20,677,357</b>	<b>\$ 12,337,592</b>	<b>\$ (8,364,797)</b>	<b>\$ (14,344,847)</b>	<b>(10,306,241)</b>	<b>\$ 562,792</b>	<b>\$ 596,211</b>	<b>\$ 11,788,062</b>
Debt Services as % of Non-capital Expenditures (4)	5.94%	6.01%	12.81%	6.11%	15.66%	7.96%	9.35%	9.44%	20.85%	10.18%

(1) State-other revenue includes State shared revenue for alcoholic beverage tax, cigarette tax, fire fighter's supplemental comp. tax, fuel tax rebates, mobile home tax, and state aid to cities.

(2) Other interest revenue includes miscellaneous earnings on other investments

(3) Other revenue includes parks and recreation other service charges, other prior year recoveries, short and over revenue, other licenses and permits, other capital recovery, other transportation service revenue and other miscellaneous revenues of minor dollar amounts.

(4) Debt service as a percent of Noncapital expenditures is calculated by dividing debt service by total expenditures net of capital outlay reported in the reconciliation on Page 55 of the CAFR.

(5) Includes refunding payments on all Sunshine State Government Finance Commission notes of \$21.9 million in 2008, refunding payments on the Bank of America 2008A Non-Ad Valorem Revenue Note of \$21.5M in 2012, and refunding payments on the Professional SportsFacility Sales Tax Refunding Revenue Bond Series 2003 of \$17,170,000 in 2014.

(6) In 2015 the City broke out the Public Service Tax for all years from the previous financial statement line "Taxes".



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**REVENUE**

**CAPACITY**

**INFORMATION**

**City of St. Petersburg, Florida**  
**Taxable Assessed Value and Estimated Actual Value of Property <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(In Thousands)**

Fiscal Year	Tax Year	Residential Property	Commercial Property	Industrial Property	Non Agricultural Property	Institutional Property	Government Property	Mobile Home Property	Other Property <sup>(2)</sup>	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value <sup>(3)</sup>
2006-07	2006	19,314,388	2,910,620	475,306	9,753	923,930	1,535,914	58,824	215,642	10,288,303	15,156,074	6.60	17,830,675
2007-08	2007	20,393,461	3,059,415	525,455	1,859	973,415	1,632,279	69,259	220,502	10,331,656	16,543,988	5.91	19,463,515
2008-09	2008	18,782,403	3,133,542	574,514	1,791	993,442	1,702,431	60,612	218,278	10,009,077	15,457,936	5.91	18,185,807
2009-10	2009	15,156,061	3,163,397	535,144	6,257	1,082,935	1,120,945	50,388	195,115	7,898,324	13,411,918	5.91	15,778,727
2010-11	2010	12,917,788	2,754,488	472,884	5,837	1,134,502	1,013,896	50,474	185,215	6,589,005	11,946,078	5.91	14,054,209
2011-12	2011	11,787,282	2,601,792	429,076	4,779	1,106,711	966,869	48,291	140,285	5,930,993	11,154,092	5.91	13,122,461
2012-13	2012	12,337,191	2,629,033	408,480	2,512	1,093,360	968,441	51,916	149,419	6,154,429	11,485,921	6.77	13,512,848
2013-14	2013	12,404,692	2,648,293	414,555	2,512	1,097,747	972,954	45,855	156,042	6,213,482	11,529,169	6.77	13,563,728
2014-15	2014	14,088,686	2,740,462	436,846	2,512	1,208,183	985,209	49,227	171,162	7,200,310	12,481,977	6.77	14,684,679
2015-16	2015	16,288,810	2,877,275	461,876	2,512	1,239,358	1,009,782	54,463	179,195	8,500,993	13,612,277	6.77	16,014,444

(1) Pinellas County Property Appraiser

(2) Includes leasehold interest, miscellaneous and centrally assessed

(3) Estimated actual value is calculated by dividing the total taxable assessed value by .85 (this value is net of exemptions)

*Additional information concerning property taxed is presented in the Notes to the Financial Statements and includes Calendar of Property Tax Events, Tax Collections, and Tax Limitations.*

**City of St. Petersburg, Florida**  
*Direct and Overlapping Property Tax Rates <sup>(1)</sup>*  
*Last Ten Fiscal Years*  
*In Mills, Per \$1,000 of Assessed Value*

City Of St.Petersburg Direct Rates			Overlapping Rates <sup>(2)</sup>				
General			Pinellas County				
Fiscal Year	Basic Rate	Total Direct Rate	County Board Rate	School Board Rate	EMS Rate	Others Districts Rate <sup>(3)</sup>	Suncoast Transit Authority Rate
2006-07	6.6000	6.6000	5.4700	8.2100	0.6300	1.6378	0.6074
2007-08	5.9125	5.9125	4.8730	7.7310	0.5832	1.5121	0.5601
2008-09	5.9125	5.9125	4.8730	8.0610	0.5832	1.5551	0.5601
2009-10	5.9125	5.9125	4.8730	8.3460	0.8506	1.5106	0.5601
2010-11	5.9125	5.9125	4.8730	8.3400	0.5832	1.4410	0.5601
2011-12	5.9125	5.9125	4.8730	8.3850	0.8506	1.2390	0.7305
2012-13	6.7742	6.7742	5.0727	8.3020	0.9158	1.3034	0.7305
2013-14	6.7700	6.7700	5.3377	8.0600	0.9158	1.2959	0.7305
2014-15	6.7700	6.7700	5.3377	7.8410	0.9158	1.2799	0.7305
2015-16	6.7700	6.7700	5.3377	7.7700	0.9158	1.2629	0.7305

(1) Pinellas County Tax Collector

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of St. Petersburg.

(3) Other districts include Pinellas County Planning Council, Juvenile Welfare Board and Southwest Florida Water Management District.



**City of St. Petersburg, Florida**  
**Property Tax Levies and Collections** <sup>(1)</sup>  
**Last Ten Fiscal Years**

Fiscal Year	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date		
		Amount	Percentage of Levy	Delinquent Collections (2)	Amount	Percentage of Levy (2)	
2006-07	\$ 107,596,506	\$ 103,976,171	96.64	\$ 223,610	\$ 104,211,018	96.85	
2007-08	104,760,430	100,812,274	96.23	676,928	101,035,884	96.44	
2008-09	98,287,212	94,785,536	96.43	372,425	95,462,464	97.13	
2009-10	86,088,634	83,109,215	96.54	415,308	83,481,640	96.97	
2010-11	77,259,092	74,570,330	96.52	584,518	74,985,638	97.06	
2011-12	72,255,376	69,351,677	95.98	1,256,606	69,936,195	96.79	
2012-13	81,749,936	78,779,223	96.37	167,287	80,035,829	97.90	
2013-14	84,995,039	81,910,562	96.37	193,321	82,077,849	96.57	
2014-15	91,706,371	88,387,819	96.38	70,913	88,581,140	96.59	
2015-16	99,433,431	95,949,763	96.50	-	95,949,763	96.50	

(1) Pinellas County Property Appraiser

(2) Prior to fiscal year 2013 the delinquent taxes collected by the original tax year levied data was not available. As such all delinquent tax collections received during the year were applied to the year prior to collection, regardless of the year in which the taxes were originally levied. Fiscal years 2013 to 2015 delinquent tax collections have been applied to the year in which they were originally levied. Consequently, the Percentage of Levy in Total Collections to Date may be greater than 100% for years prior to fiscal year 2013.



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**DEBT  
CAPACITY  
INFORMATION**

**City of St. Petersburg, Florida**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years (5)**

GOVERNMENTAL ACTIVITIES								
Fiscal Year	General Non-ad Valorem Notes	Public Improvement Revenue Bonds	Utility Tax Revenue Bonds	Pro Sports Facility Revenue Bonds	Excise Tax Revenue Bonds	Public Service Tax Revenue Bonds	Capital Improvement Revenue Bonds	Unamortized Premiums and Discounts
2007	\$ 44,395,000	\$ 29,159,779	\$ 9,271,756	\$ 24,360,000	\$ 60,350,000	\$ -	\$ 4,120,000	\$ 4,120,000
2008	39,946,000	24,077,211	5,250,000	23,410,000	54,825,000	-	2,455,000	2,901,608
2009	38,855,000	18,665,000	2,690,000	22,435,000	49,040,000	-	-	2,292,558
2010	36,729,000	12,770,000	-	21,445,000	42,975,000	-	-	1,739,066
2011	39,033,000	6,540,000	-	20,425,000	36,610,000	-	-	1,251,536
2012	36,155,000	-	-	19,375,000	29,925,000	-	-	833,544
2013	32,332,000	-	-	18,290,000	22,895,000	-	-	492,692
2014	26,159,000	-	-	16,340,000	15,505,000	-	-	233,476
2015	19,859,000	-	-	16,340,000	7,735,000	-	-	88,431
2016	13,418,000	-	-	16,340,000	-	56,205,000	-	(4,440,597)

BUSINESS-TYPE ACTIVITIES							
Fiscal Year	Public Utility Revenue Bonds and Notes	Sanitation Revenue Note	Airport Revenue Bonds and Notes	Golf Course Revenue Bonds and Capitalized Lease	Marina Revenue Notes	Unamortized Premiums and Discounts	Total Primary Government
2007	\$ 201,058,376	\$ -	\$ 4,005,612	\$ 105,908	\$ 7,430,000	\$ (39,047)	\$ 387,780,745
2008	196,765,602	-	3,635,612	56,059	7,055,000	(19,044)	360,358,048
2009	244,253,250	-	1,655,612	4,390	6,665,000	1,502,462	388,058,272
2010	239,485,075	-	-	-	6,260,000	1,308,784	362,711,925
2011	283,404,789	-	-	162,153	5,840,000	1,185,744	394,452,222
2012	282,603,489	-	-	116,021	5,405,000	922,161	375,335,215
2013	320,529,123	-	-	68,803	4,950,000	3,222,219	402,779,837
2014	339,033,525	-	-	20,472	4,480,000	3,583,617	405,355,090
2015	365,037,069	6,075,000	-	-	3,990,000	7,075,265	426,199,765
2016	390,865,623	4,880,000	-	-	3,485,000	7,420,391	488,173,417

Fiscal Year	Percentage of Total Taxable Assessed Value (1)	Per Capita	Property Tax Value (2)	Permanent Population (3)	Personal Income (thousands of dollars) (3)	Debt Per Income (4)
2007	0.0238	\$ 1,530.50	\$ 16,302,500,912	253,369	\$ 6,277,977	6.18
2008	0.0203	1,433.07	17,718,466,042	251,459	6,047,640	5.96
2009	0.0233	1,560.16	16,623,629,970	248,729	6,816,447	5.69
2010	0.0249	1,472.18	14,560,445,457	246,378	6,218,154	5.83
2011	0.0302	1,611.53	13,067,079,244	244,769	6,341,838	6.22
2012	0.0307	1,523.94	12,220,784,811	246,293	6,748,428	5.56
2013	0.0334	1,641.57	12,067,827,749	245,363	6,946,717	5.74
2014	0.0336	1,643.50	12,554,657,072	246,642	6,899,070	5.88
2015	0.0315	1,715.58	13,545,991,135	248,429	7,122,459	5.98
2016	0.0332	1,947.14	14,687,359,238	250,713	725,637	6.73

- (1) Total primary government outstanding debt divided by property tax value  
(2) Pinellas County Property Appraiser  
(3) US Census Bureau; per capita personal income multiplied by population  
(4) Total primary government outstanding debt divided by personal income  
(5) Deferred amount on refunding was removed from all years of the schedule in fiscal year 2015.

**City of St. Petersburg, Florida**  
*Ratio of Net General Bonded Debt Outstanding*  
*Last Ten Fiscal Years*

GENERAL BONDED DEBT OUTSTANDING

Fiscal Year	General Obligation Bonds	Restricted to Repay Principal (1)	Net General Obligation Bonds	Percentage of Total Taxable Property Value	Property Tax Value (2)
2007	\$ -	\$ -	\$ -	-	\$ 16,302,500,912
2008	-	-	-	-	17,718,466,042
2009	-	-	-	-	16,623,629,970
2010	-	-	-	-	14,560,445,457
2011	-	-	-	-	13,067,079,244
2012	-	-	-	-	12,220,784,811
2013	-	-	-	-	12,067,827,749
2014	-	-	-	-	12,554,657,072
2015	-	-	-	-	13,545,991,135
2016	-	-	-	-	14,687,359,238

(1) Represents all funds held by Debt Service Funds less the amount provided for the payment of interest.

(2) Pinellas County Property Appraiser

**City of St. Petersburg, Florida**  
*Direct and Overlapping Governmental Activities Debt*  
*As of September 30, 2016*

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pinellas County School Board	\$ 18,891,017	26.92%	\$ 5,085,462
Pinellas County	11,230,104	26.92%	3,023,144
Subtotal, Overlapping Debt			8,108,606
City Direct Debt (3)			<u>90,404,000</u>
Total Direct and Overlapping Debt			<u>\$ 98,512,606</u>

(1) Pinellas County School Board Annual Financial Report for the year ended June 30, 2016; Pinellas County Fiscal Year 2016 CAFR.

(2) Overlap percentage is calculated as the total population for the City of St. Petersburg (250,713) divided by total population for Pinellas County (931,477). US Census Bureau.

(3) Total governmental activities bonds and notes payable net of unamortized premiums/discounts. See footnote 12 "Long-Term Obligations".

**City of St. Petersburg, Florida**  
*Legal Debt Margin Information*  
*Last Ten Fiscal Years*

Legal Debt Margin Calculation for Fiscal Year 2016

Taxable Assessed Value - January 1, 2016 (1)	\$ 14,687,359,238
Debt Limit - Percentage of Taxable Assess Value (2)	<u>0.125</u>
Legal Limitation for the Issuance of General Obligation Bonds	<u>1,835,919,905</u>
Amount of Debt Applicable to Debt Limit	-
Legal Debt Margin	<u>1,835,919,905</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 2,037,812,614	\$ 2,214,808,255	\$ 2,077,953,746	\$ 1,820,055,682	\$ 1,633,384,906	\$ 1,527,598,101	\$ 1,508,478,469	\$ 1,569,332,134	\$ 1,693,248,892	\$ 1,835,919,905
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 2,037,812,614</u>	<u>\$ 2,214,808,255</u>	<u>\$ 2,077,953,746</u>	<u>\$ 1,820,055,682</u>	<u>\$ 1,633,384,906</u>	<u>\$ 1,527,598,101</u>	<u>\$ 1,508,478,469</u>	<u>\$ 1,569,332,134</u>	<u>\$ 1,693,248,892</u>	<u>\$ 1,835,919,905</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Pinellas County Property Appraiser

(2) City Code

**City of St. Petersburg, Florida**  
**Pledged-Revenue Coverage (1)**  
**Last Five Fiscal Years**

Fiscal Year	Professional Sports Facility Sales Tax Bonds, Series 2003 (Refunded) (2) (3)				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2012	\$ 2,000,185	\$ 1,050,000	\$ 861,588	1.05	
2013	2,000,237	1,085,000	825,538	1.05	
2014	2,000,143	1,120,000	786,950	1.05	
2015	-	-	-	-	
2016	-	-	-	-	

Fiscal Year	Professional Sports Facility Sales Tax Bonds, Series 2014 (2) (3)				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2012	\$ -	\$ -	\$ -	-	
2013	-	-	-	-	
2014	-	-	-	-	
2015	2,000,004	-	286,495	6.98	
2016	2,000,004	-	429,742	4.65	

Fiscal Year	Excise Tax Revenue Bonds (2) (4)				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2012	\$ 21,984,733	\$ 6,685,000	\$ 1,690,019	2.63	
2013	22,492,452	7,030,000	1,336,858	2.69	
2014	24,533,313	7,390,000	965,543	2.94	
2015	26,066,386	7,770,000	581,000	3.29	
2016	18,989,330	7,735,000	193,374	2.40	

Fiscal Year	Public Improvement Revenue Bonds (2)				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2012	\$ 8,145,733	\$ 6,540,000	\$ 163,500	1.22	
2013	-	-	-	-	
2014	-	-	-	-	
2015	-	-	-	-	
2016	-	-	-	-	

Fiscal Year	Public Service Tax Revenue Bonds, Series 2016A and 2016B (5)				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2012	\$ 24,384,936	\$ -	\$ -	N/A	
2013	25,755,347	-	-	N/A	
2014	27,309,432	-	-	N/A	
2015	26,774,215	-	-	N/A	
2016	27,599,020	-	-	N/A	

(1) Principal and interest amounts are from the City of St. Petersburg 2016 Debt Supplement. See the footnote 12 for details on pledged revenue.

(2) No operating expense column necessary due to zero balances.

(3) Professional Sports Facility Sales Tax Bonds, Series 2003 were refunded in fiscal year 2014. Series 2014 debt service payments start in fiscal year 2017.

(4) Excise Tax Revenue Bonds had the last debt service payment October 1, 2015.

(5) Public Service Tax Revenue Bonds were issued in 2016, debt service payments start in fiscal year 2017. Therefore coverage of pledged revenue is not yet applicable.

**City of St. Petersburg, Florida**  
**Pledged-Revenue Coverage - Continued** <sup>(1)</sup>  
**Last Five Fiscal Years**

Water Resources and Stormwater Revenue Bonds and Notes						
Fiscal Year	Revenue	Less:	Net	Bond & Note Service Coverage (2)		
		Operating Expenses	Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 116,213,743	\$ 79,346,656	\$ 36,867,087	\$ 5,613,723	\$ 13,485,317	1.93
2013	117,231,258	82,257,239	34,974,019	6,315,150	13,079,206	1.80
2014	120,820,427	81,212,499	39,607,928	6,649,576	14,914,914	1.84
2015	125,637,098	87,774,234	(3) 37,862,864	7,471,456	15,681,005	1.64
2016	129,586,236	87,374,581	(3) 42,211,655	7,786,114	16,326,522	1.75

Fiscal Year	Bond Service Coverage		
	Debt Service		Coverage
	Principal	Interest	
2012	\$ 4,190,000	\$ 12,965,958	2.15
2013	4,675,000	12,535,976	2.03
2014	4,865,000	14,331,525	2.06
2015	5,700,000	15,140,210	1.82
2016	5,960,000	15,840,385	1.94

(1) Principal and interest amounts are from the City of St. Petersburg 2016 Debt Supplement. See the footnote 12 for details on pledged revenue.

(2) Bond service coverage including subordinate debt service.

(3) Excludes pension expense related to application of GASB 68 Pension Accounting Standards. Calculation continues to include the funding of pension expense based on the actuarially determined contribution.



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**DEMOGRAPHIC**

**AND**

**ECONOMIC**

**INFORMATION**

**City of St. Petersburg, Florida**  
*Demographic and Economic Statistics* <sup>(1)</sup>  
*Last Ten Fiscal Years*

Fiscal Year	Permanent Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Unemployment Rate
2007	253,369 \$	6,277,977 \$	24,778	41.4	3.4
2008	251,459	6,047,640	24,050	41.3	5.7
2009	248,729	6,816,447	27,405	42.4	9.6
2010	246,378	6,218,154	25,238	42.8	11.9
2011	244,769	6,341,838	25,909	41.6	10.7
2012	246,293	6,748,428	27,400	41.3	9.1
2013	245,363	7,012,117	28,579	41.7	7.1
2014	246,642	6,899,070	27,972	41.8	5.8
2015	248,429	7,122,459	28,670	42.1	4.4
2016	250,713	7,256,637	28,944	42.2	4.3

(1) US Census Bureau and Bureau of Labor Statistics

**City of St. Petersburg, Florida**  
*Principal Employers (1)(4)*  
*Current and Nine Years Prior*

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment (2)	Employees	Rank	Percentage of Total City Employment (3)
Raymond James & Associates	3,300	1	2.48 %	2,300	1	1.58 %
All Children's Health	3,200	2	2.41 %	2,300	2	1.58 %
HSN	2,200	3	1.65 %	1,580	7	1.08 %
FIS Management Services	2,000	4	1.50 %			
Publix Super Markets	1,900	5	1.43 %	1,430	8	0.98 %
St. Anthony's Hospital	1,900	6	1.43 %	1,240	10	0.85 %
Jabil Circuit	1,700	7	1.28 %	2,000	5	1.37 %
Bayfront Medical	1,700	8	1.28 %	2,100	4	1.44 %
Brighthouse Networks	1,300	9	0.98 %			
Transamerica Life Insurance Company	1,100	10	0.83 %			
Advanced Newhouse Partnership				1,400	9	0.96 %
Times Publishing Corp.				2,200	3	1.51 %
Raytheon Company				1,700	6	1.17 %
Total	<u>20,300</u>		<u>15.27 %</u>	<u>18,250</u>		<u>12.52 %</u>

(1) City of St. Petersburg Economic Development Department.

(2) US Bureau of Labor Statistics. Total employees per principal employer divided by total employees in the City of St. Petersburg (132,977)

(3) City of St. Petersburg Economic Development Department. Total employees per principal employer divided by total employees in the City of St. Petersburg for 2007 (145,500 est.).

(4) Schedule does not include governmental or school employees



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# **OPERATING INFORMATION**

**City of St. Petersburg, Florida**  
*Full and Part Time City Government Employees by Function/Program (1)*  
*Last Ten Fiscal Years*

	2016		2015 (2)		2014		2013		2012 (2)		2011	
	Full Time	Part Time										
General Government	325	13	289	6	279	11	280	11	276	20	399	20
Community and Economic Development	176	46	183	45	180	44	183	45	183	47	153	35
Police	753	34	741	33	738	12	733	16	740	16	755	14
Fire and EMS	352	1	342	1	333	1	330	1	325	2	324	-
Public Works	128	71	143	76	203	80	193	80	189	70	125	75
Recreation and Culture	360	436	343	384	331	418	329	322	325	317	324	316
Water and Wastewater Utility	308	2	297	2	296	2	296	2	310	3	315	2
Stormwater Utility	129	-	128	1	57	-	58	-	57	-	55	2
Sanitation	188	4	180	5	167	4	168	5	167	5	175	5
Airport	3	-	4	-	3	-	3	-	3	-	3	-
Port	1	2	1	3	1	3	1	5	1	5	2	4
Marina	12	6	10	8	10	8	11	8	13	6	11	7
Golf Courses	20	38	20	37	22	38	23	38	23	39	25	27
Jamestown Complex	4	-	4	-	4	-	4	-	4	-	2	-
<b>Total City-Wide</b>	<b>2,759</b>	<b>653</b>	<b>2,685</b>	<b>601</b>	<b>2,624</b>	<b>621</b>	<b>2,612</b>	<b>533</b>	<b>2,616</b>	<b>530</b>	<b>2,668</b>	<b>507</b>

(1) City of St. Petersburg Human Resources Department. Number of full time and part time employees as of September 30 each respective year.

(2) During fiscal years 2012 and 2015 the City had a reorganization that adjusted the classification of some departments to a different functional category.

**City of St. Petersburg, Florida**  
*Full and Part Time City Government Employees by Function/Program (1)*  
*Last Ten Fiscal Years*

	2010		2009		2008		2007	
	Full Time	Part Time						
General Government	406	17	406	27	400	21	412	24
Community and Economic Development	162	38	174	51	178	42	185	17
Police	769	14	753	13	781	13	771	10
Fire and EMS	325	1	343	1	346	1	352	1
Public Works	119	75	125	77	134	76	153	75
Recreation and Culture	330	282	343	263	348	283	324	329
Water and Wastewater Utility	304	4	310	5	317	4	325	3
Stormwater Utility	59	1	61	-	61	-	64	-
Sanitation	172	8	172	7	201	7	203	8
Airport	3	1	3	-	3	-	3	-
Port	4	3	4	3	4	2	4	3
Marina	11	8	11	8	10	8	11	6
Golf Courses	26	34	26	36	29	40	30	37
Jamestown Complex	4	-	3	-	5	-	5	-
<b>Total City-Wide</b>	<b>2,694</b>	<b>486</b>	<b>2,734</b>	<b>491</b>	<b>2,817</b>	<b>497</b>	<b>2,842</b>	<b>513</b>

(1) City of St. Petersburg Human Resources Department. Number of full time and part time employees as of September 30 of the respective years.

(2) During fiscal years 2012 and 2015 the City had a reorganization that adjusted the classification of some departments to a different functional category.

**City of St. Petersburg, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
<b>Parking (1)</b>										
Southcore parking garage (number of monthly contract users)	217,866	180,000	106,000	122,000	181,000	165,000	152,000	121,000	87,000	102,000
Southcore parking garage (number of daily users)	16,260	13,000	13,000	15,000	28,000	19,000	14,000	26,000	28,000	26,000
Midcore parking garage (number of monthly contract users)	146,850	113,000	73,000	135,000	130,000	92,000	89,000	98,000	120,000	128,000
Midcore parking garage (number of daily users)	274,772	220,000	110,000	165,000	154,000	143,000	137,000	245,000	312,000	381,000
<b>Utility Accounts (2)</b>										
Utility Customers	93,690	92,693	91,195	90,816	89,889	90,318	89,780	90,148	90,902	91,946
Meters Read	1,142,013	1,143,034	1,162,471	1,148,820	1,148,011	1,162,474	1,147,709	1,139,169	1,163,097	1,149,224
Bills Produced / Mailed	1,125,236	1,108,543	1,122,012	1,014,791	1,024,706	1,112,702	1,130,158	1,099,861	1,221,841	1,103,851
<b>Community and Economic Development</b>										
<b>Economic Development (3)</b>										
Occupational Licenses Issued	16,082	15,981	16,077	15,520	15,923	15,103	15,498	15,768	16,541	17,344
Total Existing and Available Downtown Office Space (000's)	4,517	4,692	4,692	4,692	4,692	4,692	4,692	4,647	4,580	4,580
Occupancy Rate	95%	88%	85%	87%	86%	83%	86%	89%	89%	92%
Total Existing and Available Gateway Office Space (000's)	5,864	5,846	5,683	5,454	5,454	5,454	5,454	5,454	5,436	5,267
Occupancy Rate	92%	91%	91%	90%	90%	89%	86%	86%	90%	93%
Total Existing and Available Industrial Space Gateway (000's)	4,590	4,590	4,590	4,590	4,590	4,590	4,590	4,590	4,520	4,520
Occupancy Rate	90%	90%	91%	87%	88%	88%	94%	93%	93%	93%
Total Existing and Available Retail Space Citywide (000's)	11,620	11,545	11,598	11,687	11,600	11,523	11,504	11,443	11,370	11,329
Occupancy Rate	92%	94%	93%	93%	93%	91%	91%	92%	96%	95%
<b>Permitting and Community Codes (4)</b>										
Building Permits Issued	28,871	25,509	23,754	22,607	19,463	17,376	15,894	13,007	15,627	20,163
Total Construction Value	654,677,009	468,591,616	391,166,604	402,323,948	310,636,691	201,693,741	195,328,617	248,016,348	219,656,650	635,400,369
<b>Neighborhood Services (5)</b>										
<b>Neighborhood Services - Codes Compliance</b>										
Cases Opened From Citizen Complaints	12,023	15,145	14,204	12,130	11,582	12,967	11,380	10,879	10,235	11,827
Cases Opened Internally and By Survey	17,718	15,909	11,518	13,656	12,235	11,419	13,744	11,881	10,325	11,979
<b>Number of Legal Actions By:</b>										
<b>Specials Magistrate and Code Enforcement Board</b>										
Court Action (Ordinance Violations)	3,485	3,391	3,882	3,695	3,769	3,476	3,800	3,849	3,222	4,938
Civil Citation (6)	557	597	519	480	680	783	841	841	553	507
	1,527	-	-	-	-	-	-	-	-	-

(1) City of St. Petersburg Transportation and Parking Management Department (2) City of St. Petersburg Billing and Collections Department  
(3) City of St. Petersburg Economic Development Department; The City's methodology for Office Space and Occupancy changed during 2013. The 2008-2013 statistics were restated in 2013 for consistency purposes.  
(4) City of St. Petersburg Permits Department (5) City of St. Petersburg Codes Compliance Department (6) New Category added

**City of St. Petersburg, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government (Continued)</b>										
<b>Police (6)</b>										
Citizen Calls for Service	131,163	129,441	128,551	124,549	123,164	125,635	100,592	137,462	136,413	123,543
UCR Part I Crimes (City) (7) (8)	14,036	16,436	16,155	15,291	14,761	15,383	13,465	20,255	18,772	17,468
Average Priority One Travel Time (Minutes)	5	5	5	5	5	5	5	5	4	4
Average Priority One Response Time (Minutes)	6	6	6	6	6	6	6	6	6	6
<b>Fire and EMS (8)</b>										
Fire and Emergency Responses	61,130	56,808	52,834	49,262	47,865	48,625	47,075	47,157	46,918	45,423
Fire Average Response Time (Minutes)	4:50:00	4:56:00	4:50:00	4:34:00	5:57:00	4:33:00	4:49:00	4:38:00	4:36:00	4:43:00
Rescue Average Response Time (Minutes)	4:23:00	4:25:00	4:20:00	4:19:00	4:22:00	4:24:00	4:35:00	4:23:00	4:17:00	4:25:00
<b>Recreation, Culture and Social</b>										
<b>Libraries (9)</b>										
Items Circulated	1,033,011	1,447,480	1,592,234	1,589,862	1,620,866	1,581,182	1,514,469	1,391,681	1,184,479	1,126,571
Facility Use (Number of Patrons Visiting)	1,076,445	1,168,713	1,277,377	1,319,022	1,372,408	1,440,099	1,442,069	1,413,098	1,276,805	1,241,536
Internet/Computer Use	265,314	290,235	333,112	362,963	383,755	438,910	470,709	379,666	328,400	390,104
<b>Parks and Recreation (10)</b>										
<b>Recreation Centers</b>										
Attendance	838,636	827,434	769,483	772,555	799,975	761,915	761,348	757,117	829,331	883,656
Rate of Recovery	34.05%	35.87%	34.46%	38.05%	43.45%	40.56%	40.18%	45.14%	48.58%	43.13%
<b>Swimming Pools</b>										
Attendance	295,951	272,108	267,054	296,524	286,448	252,594	291,384	298,165	259,160	280,758
Rate of Recovery	30.74%	28.62%	32.90%	36.78%	36.87%	31.75%	30.33%	31.41%	28.78%	27.33%
<b>Multi-Service and Adult Centers</b>										
Attendance	208,775	311,210	318,400	285,514	325,858	348,533	350,353	354,421	389,102	414,180
Rate of Recovery	21.41%	24.89%	25.56%	26.12%	26.85%	22.55%	20.54%	19.21%	19.59%	18.45%

(6) City of St. Petersburg Police Department Planning and Accreditation Unit; Beginning in 2009, Police statistics are reported for the fiscal rather than calendar year. 2008 was restated in 2009 to include the month of December 2008.

(7) Uniform Crime Report (UCR) - Numbers reflect the crimes reported by the local agencies (primarily Sheriff Offices and Police Departments) to Florida Department of Law Enforcement. The UCR does not include all offences reported to the police.

(8) City of St. Petersburg Fire and EMS Department; Beginning in 2009, Fire and EMS statistics are reported for the fiscal rather than calendar year. 2008 was restated in 2009 to include the month of December 2008.

(9) City of St. Petersburg Library Department

(10) City of St. Petersburg Parks and Recreation Department

**City of St. Petersburg, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Enterprise</b>										
<b>Sanitation (13)</b>										
Commercial Waste Customers	5,817	5,791	5,793	5,812	5,787	5,783	5,713	5,657	5,950	6,066
Residential Waste Customers	78,563	77,702	76,774	76,309	75,968	76,093	76,080	78,825	77,911	78,251
<b>Special Services</b>										
Pick-up Requests	44,425	34,259	28,936	22,318	20,377	18,809	18,773	20,645	25,625	26,413
Recycling Centers	64	64	64	64	68	73	71	73	74	61
Tons of Yard Waste	60,707	47,247	43,214	39,165	40,773	46,922	42,688	42,962	45,274	38,965
<b>Water Resources (14)</b>										
<b>Potable Water</b>										
Per Capita Usage Per Day (Gross)	80	78	78	79	86	81	82	81	90	95
Gallons Pumped Per Day (MGD)	29	28	28	29	29	28	27	28	29	31
New Installations	339	272	226	227	207	168	182	142	294	416
<b>Reclaimed Water Distribution</b>										
Number of Reclaimed Customers	11,022	11,010	10,988	10,992	10,940	10,925	10,924	11,153	10,901	11,032
Number of New Installations	84	57	61	66	73	54	54	93	121	136
Average Annual Reclaimed Water Use vs. Deep Well Injection (MGD)	19.0/22	16.4/21	16.20/16	17.34/17	17.51/16	17.47/14	15.3/19	17.68/17	18.97/13	20.65/12
Number of Gallons Pumped (In thousands)	15,158	16,400	16,200	17,340	17,510	17,500	15,300	17,680	18,970	20,650
<b>Stormwater (15)</b>										
Number of Acres of Retention Ponds & Drainage Ditches Mowed	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136
Street Sweeping - Miles Swept (Residential, Commercial & Interstate)	37,380	37,380	37,380	37,380	37,380	37,380	37,380	37,380	37,380	37,380
<b>Airport (16)</b>										
Leases (Expired/Renewal/New)	3	2	3	4	5	2	1	1	2	3
Total Lease Value	1,137,000	1,117,000	1,153,000	878,500	989,000	998,000	943,000	896,000	846,000	755,000
Number of Airport Operations	83,296	89,055	97,691	92,710	85,900	77,566	77,600	83,398	83,840	74,427
Number of Based Aircraft	185	185	185	185	185	184	184	184	184	184
<b>Port (17)</b>										
Leases (Expired/Renewal/New)	1	1	1	1	1	1	1	1	-	-
Number of Ship Days Per Year	372	128	447	142	408	677	764	745	609	521
Number of Visiting Ships	34	12	23	32	63	35	42	41	35	32
<b>Marina (18)</b>										
Occupancy Rate	95%	95%	93%	91%	94%	92%	92%	94%	94%	97%
<b>Golf Courses (19)</b>										
<b>Number of Rounds Per Year</b>										
Mangrove Bay	61,621	64,472	66,930	67,357	69,581	68,674	65,939	71,267	76,605	78,519
Twin Brooks	19,377	11,811	15,787	17,599	19,640	19,237	18,856	23,545	23,724	27,211
Cypress Links	29,590	32,050	30,894	31,997	32,349	32,735	32,050	38,244	38,854	38,491
<b>Jamestown Complex (20)</b>										
Vacancy Rate	17.00%	19.00%	22.00%	18.42%	23.68%	39.47%	18.42%	11.84%	9.20%	10.91%

(13) City of St. Petersburg Sanitation Department (14) City of St. Petersburg Water Resources Department (15) City of St. Petersburg Stormwater Department (16) City of St. Petersburg Airport (17) City of St. Petersburg Port (18) City of St. Petersburg Marina (19) City of St. Petersburg Golf Courses Department (20) City of St. Petersburg Jamestown Complex; If units under renovation are excluded, the vacancy rate is 9.0% in 2016 and 8.0% in 2015.

**City of St. Petersburg, Florida**  
**Capital Asset Statistics by Function/Program (1)**  
**Last Ten Fiscal Years**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police (2)										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	419	401	394	414	414	414	381	401	412	398
Fire and EMS (3)										
Stations	12	12	12	11	11	11	11	12	12	13
Fire Fighting Units	16	16	16	16	16	16	22	22	22	22
Rescue Units	10	10	10	12	12	12	14	15	15	15
Support Specialty Units	9	9	8	8	8	8	8	8	8	8
Public Works (4)										
Streets and Alleys (Number)	13,849	13,849	13,849	13,849	13,849	13,849	13,849	14,022	14,022	14,022
Streets and Alleys (Miles)	1,187	1,187	1,187	1,187	1,187	1,198	1,198	1,202	1,202	1,202
Seawalls and Retaining Walls (Miles)	12	12	12	12	12	12	12	12	12	12
Bridges (Number)	81	81	81	81	82	82	81	79	79	79
Culverts (Number)	185	185	185	185	185	185	185	185	185	185
Recreation and Culture										
Libraries (5)	7	7	7	7	7	7	7	7	7	6
Recreation and Parks (6)										
Parks	155	155	155	154	154	151	151	150	141	141
Park Acres	2,457	2,457	2,457	2,449	2,400	2,400	2,400	2,400	2,400	2,400
Recreation Centers	15	15	15	15	15	15	15	15	15	16
Swimming Pools	9	9	9	9	9	9	9	9	9	9
Tennis Courts	66	66	66	66	66	66	66	66	66	66
Dog Parks	6	6	6	6	6	6	6	6	5	5
Public Beaches	5	5	5	5	5	5	5	5	5	5
Skate Parks	2	2	2	2	2	2	2	2	2	2
Water and Wastewater Utility Resources (7)										
Water Mains (Miles)	1,543	1,531	1,531	1,543	1,564	1,564	1,571	1,579	1,658	1,599
Potable Water Mains Replaced (Linear Feet)	42,943	37,319	41,220	34,556	53,179	57,035	56,702	66,282	66,412	438,883
Sanitary Sewer Collection Mains (Miles)	937	943	937	937	937	937	942	944	925	920
Sanitary Sewer Pipe Replacement (Linear Feet)	16,106	25,183	5,568	12,848	11,603	8,894	32,089	18,753	13,854	15,757
Sanitary Sewer Pipe Rehabilitation CIPP Lining (Linear Feet)	67,694	17,858	34,297	49,027	34,288	21,479	27,744	-	-	-
Reclaimed Water Lines	287 Miles	283 Miles	283 Miles	287 Miles	287 Miles	287 Miles	287 Miles	290 miles	300 Miles	291 Miles
Water Reclamation Treatment Plants	3	3	4	4	4	4	4	4	4	4

**City of St. Petersburg, Florida**  
**Capital Asset Statistics by Function/Program (1)**  
**Last Ten Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Stormwater Utility (8)</b>										
Storm Drainage - Miles of Pipe	484	484	484	484	483	483	478	484	484	500
Catch Basins	13,942	13,942	13,942	13,942	13,942	13,942	13,942	13,894	13,894	14,000
Grate Inlets	4,686	4,686	4,686	4,686	4,686	4,686	4,686	4,572	4,686	850
Culverts	185	185	185	185	185	185	185	185	185	185
Seawalls in Miles	12	12	12	12	12	12	12	12	12	12
<b>Sanitation (9)</b>										
Refuse Collection Vehicles	148	144	136	134	136	136	215	217	240	230
<b>Marina (10)</b>										
Slips	641	645	645	645	650	650	650	655	656	610
Number of Transient Boats Docked	817	787	663	388	519	471	411	497	402	250
<b>Golf Courses (11)</b>										
Number of Golf Courses	3	3	3	3	3	3	3	3	3	3
<b>Jamestown Complex (12)</b>										
Number of Units	76	76	76	76	76	76	76	76	76	55

(1) No capital asset indicators are available for the General Government, Community and Economic Development, Airport and the Port

(2) City of St. Petersburg Police Department

(3) City of St. Petersburg Fire and EMS Department; The 2008-2010 number of stations were restated in 2011 to correct prior years for the unlocated variance of 2 stations for 2010 and 1 station for 2008-2009

(4) City of St. Petersburg Public Works Department

(5) City of St. Petersburg Library Department

(6) City of St. Petersburg Parks and Recreation Departments

(7) City of St. Petersburg Water Resources Department

(8) City of St. Petersburg Stormwater Department

(9) City of St. Petersburg Sanitation Department

(10) City of St. Petersburg Marina

(11) City of St. Petersburg Golf Courses Department

(12) City of St. Petersburg Jamestown Complex; Twenty-one units were renovated in 2007 and added in 2008

## **IV. REGULATORY SECTION**

- **Report of Independent Auditor 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***
- **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Grant Guidance and Chapter 10.550, *Rules of the Auditor General* of the State of Florida**
- **Schedule of Expenditures of Federal Awards and State Financial Assistance**
- **Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance**
- **Schedule of Expenditures of Other Governmental Agencies Awards**
- **Notes to the Schedule of Expenditures of Other Governmental Agencies Awards**
- **Schedule of Findings and Questioned Costs**
- **Summary Schedule of Prior Audit Findings**
- **Independent Auditor's Management Letter**
- **Report of Independent Accountant on Compliance with Local Government Investment Policies**
- **Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill**

**Report of Independent Auditor 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 and Members of City Council  
City of St. Petersburg, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Petersburg, Florida (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 20, 2017.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
February 20, 2017

**Report of Independent Auditor on Compliance for Each Major Program  
and on Internal Control Over Compliance required by the Uniform Grant Guidance and Chapter  
10.550, Rules of the Auditor General of the State of Florida**

To the Honorable Mayor and Members of City Council  
City of St. Petersburg, Florida

**Report on Compliance for Each Major Federal Program and State Financial Assistance Project**

We have audited the City of St. Petersburg, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state financial assistance projects for the year ended September 30, 2016. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program and State Financial Assistance Project***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2016.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and the state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and the state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
February 20, 2017

**City of St. Petersburg, Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Fiscal Year Ended September 30, 2016**

FEDERAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	CFDA NUMBER	GRANT CONTRACT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	EXPENDITURES
<b>U. S. DEPARTMENT OF AGRICULTURE</b>				
Child and Adult Care Food Program				
Passed through Florida Department of Health				
Child and Adult Care Food Program FY16	10.558	A-1096	\$ -	\$ 189,084
Summer Food Service Program for Children				
Passed through Florida Department of Agriculture & Consumer Services				
Summer Food Service Program for Children FY16	10.559	04-0911	-	368,824
<b>Total Department of Agriculture</b>			<u>-</u>	<u>557,908</u>
<b>U. S. DEPARTMENT OF ENERGY</b>				
Renewable Energy Research and Development				
Sustainable Biosolids/Renewable Energy Plant	81.087	DE-EE0003145	-	517,803
<b>Total Department of Energy</b>			<u>-</u>	<u>517,803</u>
<b>U. S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>				
Partnerships to Improve Community Health				
Passed through Florida Dept of Health				
Partnerships to Improve Community Health FY16	93.331	PSR 66	-	44,380
Partnerships to Improve Community Health FY16 Supplemental	93.331	AF5F8C	-	37,649
<b>Total Department of Health &amp; Human Services</b>			<u>-</u>	<u>82,029</u>
<b>U. S. DEPARTMENT OF HOMELAND SECURITY</b>				
Homeland Security Grant Program				
Metropolitan Medical Response System	97.067	282-00-0035	-	55,140
Passed through Hillsborough County, FL				
Florida Task Force 3 Urban Search & Rescue Team	97.067	15-DS-P4-08-39-01-448	-	8,016
Passed through City of Tampa, FL				
Urban Area Security Initiative	97.067	16-DS-U7-08-39-02-395	-	150,000
Total Homeland Security Grant Program			<u>-</u>	<u>213,156</u>
Assistance to Firefighters Grant Program				
2014 Assistance to Firefighters Grant	97.044	EMW-2014-FO-01868	-	392,070
Total Assistance to Firefighters Grant Program			<u>-</u>	<u>392,070</u>
Flood Mitigation Assistance				
Passed through Florida Division of Emergency Management				
Flood Mitigation Assistance Grant Program - Shore Acres Elevation	97.029	FMA-PJ-04-FL-2014-022	-	139,965
Flood Mitigation Assistance Grant Program - Reconstruction	97.029	FMA-PJ-04-FL-2014-021	-	74,389
Total Flood Mitigation Assistance			<u>-</u>	<u>214,354</u>
<b>Total Department of Homeland Security</b>			<u>-</u>	<u>819,580</u>
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
CDBG Entitlement Grants Cluster				
Direct Program				
Community Development Block Grant	14.218	B-14-MC-12-0017	235,647	242,291
Community Development Block Grant	14.218	B-15-MC-12-0017	333,553	1,218,909
Community Development Block Grant	14.218	Program Income (3)	73,004	74,659
Neighborhood Stabilization Program	14.218	B-08-MN-12-0026	-	258,601
Neighborhood Stabilization Program	14.218	Program Income (3)	-	144,983
Total CDBG Entitlement Grants Cluster			<u>642,204</u>	<u>1,939,443</u>
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231	E-14-MC-12-0009	6,816	6,816
Emergency Solutions Grant Program	14.231	E-15-MC-12-0017	102,777	110,279
Total Emergency Solutions Grant Program			<u>109,593</u>	<u>117,095</u>
HOME Investments Partnerships Program				
HOME Investment in Affordable Housing	14.239	M-11-MC-12-0220	24,967	148,433
HOME Investment in Affordable Housing	14.239	M-12-MC-12-0220	32,103	612,193
HOME Investment in Affordable Housing	14.239	M-13-MC-12-0220	15,925	30,292
HOME Investment in Affordable Housing	14.239	M-14-MC-12-0220	8,000	20,477
HOME Investment in Affordable Housing	14.239	M-15-MC-12-0220	52,924	116,600
HOME Investment in Affordable Housing	14.239	Program Income (3)	133,415	533,546
Total HOME Investment Partnerships Program			<u>267,334</u>	<u>1,461,541</u>
<b>Total Department of Housing and Urban Development</b>			<u>1,019,131</u>	<u>3,518,079</u>
<b>U. S. DEPARTMENT OF THE INTERIOR</b>				
Outdoor Recreation, Acquisition, Development & Planning				
Passed through Florida Department of Environmental Protection				
Lake Maggiore Park Improvements	15.916	LW597	-	135,492
Total Outdoor Recreation, Acquisition, Development & Planning			<u>-</u>	<u>135,492</u>
<b>Total Department of the Interior</b>			<u>-</u>	<u>135,492</u>

**City of St. Petersburg, Florida**  
*Schedule of Expenditures of Federal Awards and State Financial Assistance*  
*Fiscal Year Ended September 30, 2016*

FEDERAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	CFDA NUMBER	GRANT CONTRACT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	EXPENDITURES
<b>U. S. DEPARTMENT OF JUSTICE</b>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Program				
Passed through Pinellas County				
Edward Byrne Memorial Justice Assistance 2013	16.738	2013-DJ-BX-0371	-	114,036
Edward Byrne Memorial Justice Assistance 2014	16.738	2014-DJ-BX-0133	-	57,814
Edward Byrne Memorial Justice Assistance 2015	16.738	2015-DJ-BX-0798	-	14,407
Total JAG Cluster			-	<u>186,257</u>
Domestic Marijuana Eradication	16.738	023286	-	1,770
Total Domestic Marijuana Eradication			-	<u>1,770</u>
Equitable Sharing Program	16.922	N/A	-	149,000
Total Equitable Sharing Program			-	<u>149,000</u>
<b>Total Department of Justice</b>			-	<u>337,027</u>
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>				
Airport Improvement Program				
Rehabilitate Runway 7/25 Construction Phase	20.106	3-12-0074-023-2015	-	2,315,021
Total Airport Improvement Program			-	<u>2,315,021</u>
Highway Planning & Construction Cluster				
Passed through Florida Department of Transportation				
30th Avenue North Bicycle Facility Project	20.205	AQQ14	-	33,251
On Street Bicycle Lanes Project, Phase II	20.205	ARU40	-	9,649
High Visibility Enforcement for Pedestrian and Bicycle Safety	20.205	BDV25	-	64,094
Treasure Island Causeway Trail	20.205	AQX99	-	73,005
Treasure Island Causeway Trail 2016	20.205	GOB64	-	2,073
Pinellas Trail Extension Project	20.205	AR190	-	9,449
38th/40th Avenue Continuous Median Project	20.205	ARA61	-	55,580
Walter Fuller Park Trail Project	20.205	ARC34	-	24,406
Pedestrian Crossing Enhancement Project	20.205	ARF75	-	775,015
SR 682 Pinellas Bayway Trail North Project	20.205	ARJ10	-	106,714
Total Highway Planning & Construction Cluster			-	<u>1,153,236</u>
Federal Transit Capital Investment Grants				
Passed through Pinellas County				
Central Ave Bus Rapid Transit Corridor Enhancements	20.500	FL-04-0134-00	-	912
Downtown St. Petersburg Intermodal Facility Study	20.500	FL-03-0322-00	-	50,339
Total Federal Transit Capital Investment Grants			-	<u>51,251</u>
<b>Total Department of Transportation</b>			-	<u>3,519,508</u>
<b>U. S. DEPARTMENT OF THE TREASURY</b>				
Equitable Sharing Program - Treasury Forfeiture Fund	21.XXX	N/A	-	3,452
<b>Total Department of the Treasury</b>			-	<u>3,452</u>
<b>Total Expenditures of Federal Awards</b>			\$ 1,019,131	\$ 9,490,878

**City of St. Petersburg, Florida**  
*Schedule of Expenditures of Federal Awards and State Financial Assistance*  
*Fiscal Year Ended September 30, 2016*

STATE AWARDS FUNDING SOURCE AND GRANT PROGRAM	CSFA NUMBER	GRANT CONTRACT NUMBER	EXPENDITURES
<b>DEPARTMENT OF AGRICULTURE &amp; CONSUMER SERVICES</b>			
Natural Gas Fuel Fleet Vehicle Rebate Program			
Natural Gas Fuel Fleet Vehicle Rebate Program	42.029	N/A	\$ 134,086
<b>Total Department of Environmental Protection</b>			<u>134,086</u>
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			
Wastewater Treatment Facility Construction			
Clean Water - State Revolving Funds	37.077	WW520630	3,549,668
<b>Total Department of Environmental Protection</b>			<u>3,549,668</u>
<b>DEPARTMENT OF REVENUE</b>			
Facilities for New Professional Sports, Retained Professional Sports or Retained Spring Training Franchise			
Facilities for New Professional Sports Facilities	73.016	N/A	2,000,004
<b>Total Department of Revenue</b>			<u>2,000,004</u>
<b>DEPARTMENT OF STATE</b>			
Cultural Affairs Grant Program			
Mahaffey Theater Full Kitchen Construction	45.014	15-9915	500,000
Mahaffey Theater Acoustics Renovation	45.014	16-9911	86,639
<b>Total Department of State</b>			<u>586,639</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Florida Highway Beautification Council Grants			
Citywide Highway Landscape Rehabilitation Project	55.003	AQ652	801,907
Citywide Highway Landscape Improvements Project	55.003	ART42	100,759
Citywide Highway Landscape Improvements Project - 4th Street	55.003	AS083	146
Citywide Highway Landscape Improvements Project - (1-375)	55.003	AS189	219
<b>Total FL Highway Beautification Council Grants</b>			<u>903,031</u>
Aviation Grant Programs			
Corporate Hanger at Albert Whitted Airport	55.004	AQQ04	189,874
Hanger #1 Rehabilitation & Upgrade	55.004	AQY57	66,934
Runway 7/25 Extension Study	55.004	GO385	31,981
Airport Terminal Hanger	55.004	ART47	15,673
Runway 7/25 Rehabilitation Project	55.004	AR717	196,159
Southwest Hangar Redevelopment Project	55.004	ARK68	315,970
<b>Total Aviation Development Grants</b>			<u>816,591</u>
Seaport Grant Programs			
Repair and Renovate Port of St. Petersburg	55.005	AR736	6,605
<b>Total Seaport Grants</b>			<u>6,605</u>
<b>Total Department of Transportation</b>			<u>1,726,227</u>
<b>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</b>			
Gopher Tortoise Habitat Management Assistance	N/A	ADCDF3	15,000
<b>Total Florida Fish and Wildlife Conservation Commission</b>			<u>15,000</u>
<b>FLORIDA HOUSING FINANCE CORPORATION</b>			
State Housing Initiatives Partnership (SHIP) Program			
State Housing Initiatives Partnership 2012-2013	52.901	N/A	5,681
State Housing Initiatives Partnership 2014-2015	52.901	N/A	625,992
State Housing Initiatives Partnership 2015-2016	52.901	N/A	269,780
State Housing Initiatives Partnership	52.901	Program Income (3)	430,594
<b>Total Florida Housing Finance Corporation</b>			<u>1,332,047</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 9,343,671</u>
<b>Total Expenditures of Federal Awards And State Financial Assistance</b>			<u>\$ 18,834,549</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**City of St. Petersburg, Florida**

*Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance  
September 30, 2016*

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal awards and state financial assistance of the City of St. Petersburg, Florida (the "City"). The reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2016.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statement for the year ended September 30, 2016. The City elected not to use the 10% de minimis cost rate for indirect costs.

**NOTE 3 - PROGRAM INCOME**

Program income from the Community Development Block, HOME Investment in Affordable Housing, Neighborhood Stabilization and State Housing Initiatives Partnership grants is generated from multiple grant years, including previously closed grant years. The City has elected to show program income expenditures separately from the individual grant year expenditures listed on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 4 - LOANS OUTSTANDING**

The City of St. Petersburg, Florida had the following loan receivables balances outstanding at September 30, 2016.

<b>PROGRAM TITLE</b>	<b>CFDA/CSFA</b>	<b>TOTAL</b>
US Dept of Housing and Urban Development		
Community Development Block Grant		
Neighborhood Stabilization Program	14.218	\$ 168,375
HOME Investment in Affordable Housing	14.218	138,140
Florida Housing Finance Corp	14.239	4,962,396
State Housing Initiative Partnership		
	52.901	4,026,779

**City of St. Petersburg, Florida**  
*Schedule of Expenditures of Other Governmental Agencies Awards*  
*Fiscal Year Ended September 30, 2016*

OTHER GOVERNMENTAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	GRANT CONTRACT NUMBER	EXPENDITURES
<b>SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT</b>		
Snell Isle Blvd NE, Rafael Blvd and Vicinity Storm Drainage Improvements	14C00000019	\$ 969,603
St. Petersburg Sensible Sprinkling Program Phase 6	14C00000010	13,612
St. Petersburg Toilet Replacement Program Phase 14	14C00000012	13,997
St. Petersburg Toilet Replacement Program Phase 15	15C00000050	12,909
Tinney Creek at 94th N Ave Storm Drainage Improvements	14C00000018	56,141
<b>Total Southwest Florida Water Management District</b>		1,066,262
<b>PINELLAS COUNTY</b>		
Local Housing Assistance	Program Income (3)	103,325
Interlocal Agreement - Sidewalks	N/A	121,942
Interlocal Agreement - Jamestown	N/A	223,519
Municipal Recycling Reimbursement Program	N/A	190,960
<b>Total Pinellas County</b>		639,746
<b>JUVENILE WELFARE BOARD OF PINELLAS COUNTY</b>		
Direct Program		
TASCO Out of School Time FY16	N/A	1,332,404
TASCO Youth Programs - Matched Partnership FY16	N/A	441,166
<b>Total Juvenile Welfare Board of Pinellas County</b>		1,773,570
<b>Total Expenditures of Other Governmental Awards</b>		\$ 3,479,578

See accompanying notes to the Schedule of Expenditures of Other Governmental Agencies Awards

**City of St. Petersburg, Florida**  
*Notes to the Schedule of Expenditures of Other Governmental Agencies Awards*  
*September 30, 2016*

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Other Governmental Agencies Awards presents the activity of other governmental financial assistance of the City of St. Petersburg, Florida (the "City"). The reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2016.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Other Governmental Agencies Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statement for the year ended September 30, 2016.

**NOTE 3 - PROGRAM INCOME**

Program income from Local Housing Assistance Program grant is generated from multiple grant years, including previously closed grant years. The City has elected to show program income related expenditures separately from the individual grant year expenditures listed on the Schedule of Expenditures of Other Governmental Agencies Awards.

**NOTE 4 - LOANS OUTSTANDING**

The City of St. Petersburg, Florida had the following loan receivables balances outstanding at September 30, 2016.

<b>PROGRAM TITLE</b>	<b>TOTAL</b>
Pinellas County Local Housing Assistance Program	\$ 2,507,879

**NOTE 5 - SUB-RECIPIENTS**

Of the other governmental agencies expenditures presented in the Schedule, the City provided awards to sub recipients as follows:

<b>PROGRAM TITLE</b>	<b>TOTAL</b>
Pinellas County Local Housing Assistance Program	\$ 13,325

**City of St. Petersburg, Florida**  
*Schedule of Findings and Questioned Costs -  
 Federal Awards Programs and State Financial Assistance Projects  
 Year Ended September 30, 2016*

**Part I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_yes \_X\_no
- Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_yes \_X\_ none reported

Noncompliance material to financial statements noted? \_\_\_yes \_X\_no

**Federal Awards and State Financial Assistance Section**

Internal control over major federal programs:

- Material weaknesses identified? \_\_\_yes \_X\_no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_yes \_X\_ none reported

Noncompliance material to federal awards noted? \_\_\_yes \_X\_no

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.550 \_\_\_yes \_X\_no

Identification of major federal programs:

<u>CFDA#</u>	<u>Cluster or Program Name</u>
14.218	CDBG Entitlement Grant Cluster
20.205	Highway Planning and Construction Cluster

Identification of major state projects:

<u>CSFA#</u>	<u>Cluster or Program Name</u>
37.077	Wastewater Treatment Facility Construction Clean Water – State Revolving Funds
55.004	Aviation Development Grants
45.014	Mahaffey Theater Full Kitchen Construction and Acoustics Renovation
52.901	State Housing Initiatives Partnership Program



**City of St. Petersburg, Florida**  
*Summary Schedule of Prior Audit Findings*  
*Federal Awards Programs and State Financial Assistance Projects*  
*Year Ended September 30, 2016*

There were no prior year audit findings.

## Independent Auditor's Management Letter

To the Honorable Mayor and Members of City Council  
City of St. Petersburg, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of St. Petersburg, Florida (the "City"), as of and for the year ended September 30, 2016, and have issued our report thereon dated February 20, 2017.

### Auditor's 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports

We have issued our Report of Independent Auditor 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*; Report of Independent Auditor on compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* of the State of Florida; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Polices, regarding compliance in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosure in those reports and schedule, which are dated February 20, 2017, 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. There were no findings and recommendations made in the preceding annual financial audit report.

### 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. Such disclosure is included in the notes to the financial statements.

### Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires that we 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 condition(s) 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.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

**Deepwater Horizon Oil Spill**

Section 10.556(10)(3), *Rules of the Auditor General*, requires a determination of the City's compliance with federal and state laws, rules, regulations, contracts, or grant agreements related to the receipt and expenditure of funds related to the Deepwater Horizon oil spill. The City's Deepwater Horizon oil spill funds received are unrestricted and, therefore, do not have related compliance requirements.

**Other Matters**

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

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we 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 statement amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, *Rules of the Auditor General*. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
February 20, 2017

**Report of Independent Accountant on Compliance  
with Local Government Investment Policies**

To the Honorable Mayor and Members of City Council  
City of St. Petersburg, Florida

**Report on Compliance**

We have examined the City of St. Petersburg, Florida's (the "City") compliance with the local government investment policy requirements of Sections 218.415, *Florida Statutes*, during the year ended September 30, 2016. 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.

**Scope**

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

**Opinion**

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.



Tampa, Florida  
February 20, 2017

**City of St. Petersburg, Florida**  
 Other Supplementary Information  
 Schedule of Receipts and Expenditures of Funds  
 Related to the Deepwater Horizon Oil Spill For the  
 Fiscal Year Ended September 30, 2016

Source	Amount Received in the 2015-16 Fiscal Year	Amount Expended in the 2015-16 Fiscal Year
<b>British Petroleum:</b>		
Agreement No. Not Applicable	-	998,251.01

Note: This does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State financial assistance. The City did not receive funds that were considered Federal awards or State financial assistance related to the Deepwater Horizon Oil Spill.



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# FINANCE DEPARTMENT



One Fourth Street North • St. Petersburg, FL 33701  
727-893-7304

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