

City of St. Petersburg, Florida

Comprehensive Annual Financial Report

Fiscal Year 2011
October 1, 2010 • September 30, 2011





COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

CITY OF ST. PETERSBURG, FLORIDA

for the
Fiscal Year Ended
September 30, 2011

Prepared by Department of Finance



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I. INTRODUCTORY SECTION

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

CITY OF ST. PETERSBURG, FLORIDA

MAYOR-COUNCIL FORM OF GOVERNMENT

MAYOR

David W. "Bill" Foster

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

Herbert E. Polson
James R. Kennedy, Jr., Chair
William H. Dudley
Leslie Curran
Steve Kornell
Karl Nurse, Vice Chair
Wengay M. Newton, Sr.
Jeff Danner

OFFICIAL APPOINTED BY CITY COUNCIL

CITY ATTORNEY

John C. Wolfe, Esq.

OFFICIAL APPOINTED BY MAYOR - APPROVED BY CITY COUNCIL

CITY ADMINISTRATOR

Tish Elston

FINANCE DEPARTMENT STAFF APPOINTED BY MAYOR

DIRECTOR OF FINANCE

Anne A. Fritz

CONTROLLER

Thomas J. Hoffman

List of Principal Officials

Elected Officials

Mayor	David W. "Bill" Foster
Council member, District 1	Herbert E. Polson
Council member, District 2	James R. Kennedy, Jr., Chair
Council member, District 3	William H. Dudley
Council member, District 4	Leslie Curran
Council member, District 5	Steve Kornell
Council member, District 6	Karl Nurse, Vice Chair
Council member, District 7	Wengay M. Newton, Sr.
Council member, District 8	Jeff Danner

Officials Appointed or Approved by City Council

City Attorney	John C. Wolfe, Esq.
City Administrator	Tish Elston

Selected Officials Appointed by Mayor

Senior Administrator, City Development	Rick Mussett
Administrator, Public Works	Michael J. Connors
Administrator, Leisure & Community Services	Clarence Scott III
Chief of Police	Charles "Chuck" Harmon
Fire Chief	James Large
Chief Information Officer	Muslim A. Gadiwalla
Finance Director	Anne A. Fritz
Budget & Management Director	Timothy Finch
City Auditor	Bradley H. Scott, CPA, CIA, CFE
Controller	Thomas J. Hoffman





City of St. Petersburg

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St. Petersburg, Florida 33731-2842
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March 29, 2012

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, 2011. 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 Mayer Hoffman McCann P.C. 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, 2011. 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, 2011, are fairly presented, in all material respects, in conformity with GAAP. The report of the independent auditors 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 fourth 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 62 square miles and serves a population of 243,137. 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, 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.

The City also maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Council. Operating budgets are appropriated at the fund level, with the exception of the General Fund which is appropriated at the administration level, and total expenditures may not exceed appropriated amounts. Capital improvement budgets, as set forth in the Capital Improvement Program of the City, are appropriated at the project level and total expenditures may not exceed appropriated amounts. City Council may increase or decrease appropriations through Council resolutions or ordinances during the fiscal year or within 60 days following the close of the fiscal year. Encumbrance accounting is utilized in governmental funds in order to reserve the encumbered portion of the appropriation. Encumbrances outstanding at year end are re-appropriated as part of the following year's budget. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented on pages 57 and 58-60 as part of the basic financial statements for the governmental funds. For non-major special revenue and debt service funds, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 157.

For more information on fiscal year 2011 activities, as shown on the basic financial statements, please refer to Management's Discussion and Analysis beginning on page 28.

Local Economy

St. Petersburg is part of a seven-county media market, largest in Florida and 13th 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.

The City of St Petersburg has benefited from continued commercial growth in a difficult economic environment as seen by the increase in commercial taxable values. However, the economy has affected single family and multi- family taxable values in 2011 resulting in a 13.2% decline, as measured by the Pinellas County Property Appraiser's annual determination of real property taxable assessed value and land use by taxable authority. The City's real property taxable value has decreased by 21.2% over the past 5 years, resulting from the national decline in property values that have dramatically affected municipalities, especially in Florida.

Fiscal Year	St. Petersburg Taxable Value				Total Taxable Value
	Single Family & Mobile Homes	Multi-Family & Condominiums	Commercial	Other	
2007	7,668	3,865	3,382	241	15,156
2008	8,388	4,322	3,582	252	16,544
2009	7,335	4,164	3,706	253	15,458
2010	6,413	3,390	3,377	232	13,412
2011	6,176	2,819	2,749	202	11,946

The amounts above are in millions.

As of April 2011, Pinellas County and the City of St. Petersburg had a population of 912,001 and 243,137, respectively, compared with 916,089 and 244,775 (as adjusted) the year before.

In September 2011, the labor force in Pinellas County and the City of St Petersburg was 444,817 and 123,420, respectively, compared to 443,070 and 122,273, respectively, the year before. Employment within Pinellas County and the City of St. Petersburg differed slightly, with employment at 400,293 and 110,720 for the current year, respectively, and 391,379 and 108,255 respectively for the prior year. The non-seasonally adjusted City unemployment for September 2011 stood at 10.7 percent compared to 11.5 percent a year earlier. (Source: Bureau of Labor Statistics www.bls.gov)

Residential Reductions in Property Values and State Mandated Property Tax Reforms

In June 2007, a Special Session of the State of Florida Legislature produced an important tax reform bill. It provided for immediate measures via state statute, requiring significant budget reductions in fiscal year 2008 and reduction of property tax revenue available to the City in future years. For FY08 the legislation required a rollback of the millage rate to the FY07 level, and then an additional five percent reduction of the FY07 ad valorem revenue.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption for non-school board taxes by another \$25,000 for property values over \$75,000. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009.

With the combination of the 2007 Legislative tax bill, the 2008 electorate approval of Amendment 1, and the residential real estate property value declines in 2011, the City sustained a reduction of 10.9% in taxable values for fiscal 2011 and a loss of ad valorem tax revenue of \$8.68 million. In preparation for these required tax reductions, the City in fiscal years 2008, 2009, 2010 and 2011 established specific strategies to cope with projected revenue reductions. These strategies included: invest capital dollars in ways that reduce operating costs; implement sustainable expenditure reductions; tax relief for all citizens; and control personnel costs.

Cost of City Services

A comparison of city population in relationship to total city employees and cost of city services provides insight into the City's cost to provide all city services.

<u>Fiscal Year</u>	<u>City Population</u>	<u>Budgeted FTE City Positions</u>	<u>Governmental Expenditures (in millions)</u>	<u>Average Cost Per Citizen</u>	<u>Cost increase (decrease)</u>
2007	253,369	2,986	281	1,109	8%
2008	251,459	2,911	295	1,197	8%
2009	248,729	2,860	292	1,176	(1.8%)
2010	246,378	2,745	285	1,157	(1.6%)
2011	243,137	2,733	282	1,161	(1.0%)

Economic Downturn Effects on City Budgets

Since budget year 2008, the City has approved the following reductions:

<u>Date</u>	Citywide Expenditure	Position Reductions		<u>Ad Valorem</u> <u>Millage Rate</u>	<u>Average Utility Rate</u> <u>increase (decrease)</u>
	<u>Reductions</u> <u>(in millions)</u>	<u>Full Time</u>	<u>Part Time</u>		
10/1/2007	\$ 12.0	75	21	5.9125	3.5%
10/1/2008	4.7	51	2	5.9125	2.9%
4/15/2009	8.1	61	26	5.9125	-
10/1/2009	13.2	54	10	5.9125	2.4%
10/1/2010	<u>3.5</u>	<u>26</u>	<u>15</u>	5.9125	0.0%
Totals from 2007 through 2010	<u>\$ 41.5</u>	<u>267</u>	<u>74</u>		

The budgetary reductions were applied first to services affected by the economic downturn such as building permitting and inspections. In addition, all City departments were requested to reduce cost and continue to manage at current service levels.

Cash Management

The primary objective of the City's investment program is the preservation of capital. Investment transactions are conducted in such a manner as to avoid loss, whether by security default or by erosion of market value.

Accordingly, the City's deposits were either insured by federal depository insurance and/or collateralized pursuant to Florida Statutes. The City has the authority to invest surplus funds in securities of the U. S. government and its agencies and instrumentalities, certificates of deposit, collateralized mortgage obligations, AA rated Bankers acceptances, prime commercial paper, the pooled investment account with the State Board of Administration, A rated corporate bonds and notes, guaranteed investment contracts, taxable & tax exempt governmental bonds, institutional money market funds, and external money managers, both fixed income and equity. The City's Investment Oversight Committee meets quarterly to review the investments of the prior quarter and make recommendations. City Council receives quarterly investment reports.

On September 15, 2008, Lehman Brothers Holdings, Inc., filed for bankruptcy. The City held \$15,000,000 of unsecured senior Lehman Brothers notes as collateral for securities loaned by Wachovia Bank, the City's securities lending agent. In addition, \$1,075,000 of unsecured senior Lehman Brothers notes was held in the City's strategic cash fund managed by Columbia Management, a subsidiary of Bank of America. As a result of this bankruptcy, the City elected in May 2009 to unwind all securities lending transactions and to cease all securities lending. As of September 30, 2011, the City has closed all securities lending loans and was required to purchase the \$15 million Lehman Brothers notes for par in 2009. There is a net recognized loss on the Lehman Brothers note of \$11,325,000 for 2011. (See Note 5). All securities are purchased on a delivery-versus-pay basis, which enables the City to take possession of securities concurrent with the release of funds. See the footnote disclosure on pages 90-96 regarding invested balances at September 30, 2011.

Pension Trust Funds

The City of St Petersburg maintains three defined benefit pension plans (Police, Fire and General Employees) for its current employees. Each plan has a separate Board of Trustees as established by City ordinance. Plan administration is the responsibility of the Human Resources Department and investment management is the responsibility of the Boards. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans and investment expenses of the respective plans. Benefits vary depending on the particular membership in the plans.

The City administration and the Pension Boards closely monitor the future costs of both benefit improvement and changes in retirement trends of employees. Recommendations of the actuaries and fund performance monitors are carefully considered and the City takes appropriate measures to ensure the actuarial soundness of the pension plans. The City also contributes to a defined contribution plan for management staff through the ICMA Retirement Corporation.

On October 3, 2007, the City's actuaries (Buck Consultants) delivered a five year pension experience study of each of the three pension plans. Some modifications to the assumptions were adopted by the Boards and are reflected for the 2011 plan year.

Other Post-Retirement Employment Benefits (OPEB)

The City's implementation of Governmental Accounting Standards Board (GASB) Statement 45 began with fiscal year 2008.

The unfunded actuarial liability at October 1, 2011, is \$177,387,000 and the annual OPEB costs for fiscal year 2011 were \$13,247,000. After reducing the ARC OPEB costs by employer contributions for the year, the increase in the net OPEB obligation was \$7,776,000.

Additional information on the City of St. Petersburg pension arrangements and post employment benefits can be found in the notes to the financial statements beginning on page 114.

Risk Management

The Human Resources Department is responsible for the administration of the City's self-insurance programs that include health (as of April 1, 2011), fleet liability, workers' compensation and general liability.

The Human Resources Department also purchases and administers insurance for the City's properties utilizing two property programs to ensure the best premiums available. The City also has policies for airport liability, public fiduciary liability, public dishonesty and flood insurance. The philosophy of risk management is to take a proactive approach to prevent losses due to personal injuries and property damage by establishing communications with all departments within the City regarding accident prevention. The City continues to purchase substantial property coverage in the face of reductions in insurance coverage throughout the state of Florida.

Long Term Financial Planning

In September 2010, the City Council approved revisions to the fiscal policies relating to target fund balances. It was the position of the Mayor and City Council that current targeted fund balances were not sufficient in times of economic stress or natural disasters. The new policy increased targeted fund balances to more closely approximate recommendations of the Governmental Finance Officers Associations (GFOA). Fund balances at September 30, 2011, for the most part, are sufficient to match these new requirements.

These and other financial plans will continue to be discussed in order to provide the quality of city services expected and still remain fiscally solid in the near future.

Mayor's Initiatives

During FY2011, Mayor Bill Foster continued toward his goals for the City - the "7 S's":

- *Safety*—all citizens and employees actively involved in achieving public safety
- *Seamlessness*—entire city well served with quality appearance, schools, amenities, housing, retail and commercial services, and transportation
- *Sustainability*—ensuring the city's long-term economic viability
- *Small Business*—supporting citizen needs for goods, services, and jobs
- *Schools*—preparing students for life
- *Sports, Arts & Culture*—making the city a recognized destination
- *Service*—customer friendly, cost effective, and professional

During FY2012, his focus is being narrowed to four key areas: seamlessness, sustainability, economic development, and service.

A service level budgeting process was continued during the year, with five departments completing the process during FY 2011 budget development and an additional seven participated during the development of the FY 2012 budget. The City continued contracts for street sweeping, water testing, and traffic light maintenance for neighboring communities. During the budget process, emphasis was placed on use of technology and energy efficiency measures to reduce operating and labor costs. The City's self-funding of health insurance became effective April 1, 2011, continuing the emphasis on employee wellness and medical cost containment.

Initial results from the City/School System/Juvenile Welfare Board efforts to implement a "kids' zone" concept in the elementary school located in the highest youth population area of the city showed positive results. For example, the Children's Initiative at Fairmont Park Elementary focused on providing wrap-around services to a targeted group of students. The students involved in this initiative had higher reading and math scores as compared to the control group, and also had significantly lower of discipline referrals.

Also successful was the "Read for Rec" program designed to recognize children and teens for reading ten books from the City Library system with an award certificate that can be redeemed for a free Advantage membership card at the City's Parks and Recreation facilities. The Mayor has continued to promote the Top Apple Program, which recognized for the seventh consecutive year public schools in the city and their leaders for performance gains.

Two highly popular outreach efforts bring City Hall to the neighborhoods: instituted by Mayor Foster, "Mayor's Night Out" and "Breakfast with the Mayor". The "Mayor's Night Out" program brings City Hall into the community, setting up a remote mayor's office along with key city staff one evening a month and revolving through all eight Council Districts. "Breakfast with the Mayor" is held monthly at a locally-owned independent restaurant, allowing residents the opportunity to chat with Mayor Foster about the day's issues over coffee in an informal setting.

2011 Awards, Accomplishments and Acknowledgments

- In 2011, St. Petersburg was again voted number one in *American Style* magazine's Top 25 Arts Destinations for mid-size U.S. cities in the magazine's annual reader's poll.
- Since opening on 1.11.11 at 11:11 a.m., nearly 370,000 people have visited the new location of the Salvador Dali Museum, located at 1 Dali Boulevard along the waterfront in downtown Saint Petersburg. A picture of the new museum is featured on the cover of the City's 2011 Comprehensive Annual Financial Report.
- After nearly two years of public input and debate on the future of the Pier, the elected officials of the City agreed to solicit the talents and vision of the finest design firms throughout the world for the design and replacement of the Pier by sponsoring an international design competition. The results of the competition were announced after the end of the fiscal year with Michael Maltzan Architecture's "The Lens" as the top-ranked design concept. The Pier will remain open through May 31, 2013.
- On April 1, 2011, All Children's Hospital officially became part of the John Hopkins Health System (JHHS), as a fully integrated member of John Hopkins Medicine (JHM). This union makes All Children's the first U.S. hospital outside of the Baltimore/Washington D.C. region to join with JHM, which includes the John Hopkins University School of Medicine and John Hopkins Hospital and Health System. Collaborative efforts and development goals for upcoming year include: broadening the pediatric programs of John Hopkins and the clinical residency programs of All Children's, and plans to demolish the former hospital facility to create a green space setting within the medical district.
- Sports took the spotlight again in St. Petersburg in 2011. St. Pete's home team, Major League Baseball's Tampa Bay Rays, finished the season in dramatic fashion with a return trip to the MLB playoffs in a September to remember. In December, the baseball diamond at Tropicana Field was transformed into a college gridiron for the 2011 Beef O'Brady's Bowl St. Petersburg. For the fourth year in a row, the bowl game has brought St. Petersburg into the homes of America each December with live television coverage on ESPN as it matched two NCAA teams from the Big East and Conference USA. Worldwide television audiences also watched St. Petersburg as it hosted for the seventh year in a row the Honda Grand Prix of St. Petersburg. As part of the Indy Car Racing Series, the world's best drivers raced through the streets of St. Petersburg in March, 2011, and will return again in March, 2012. During Spring 2011 St. Petersburg introduced a new sporting endeavor with the first season of St. Petersburg International Baseball, bringing spring baseball back to the city's historic Al Lang Stadium with a 13-game season of pro baseball with teams from South Korea, Canada and The Netherlands. Additionally, the North American Soccer League FC Tampa Bay soccer team made it to the postseason in its first year of play at Al Lang Field. The team will take back its familiar name, "the Rowdies" for the 2012 season.

- Once known as a retirement city, St. Petersburg now earns honors as a great place for youth. In 2011, St. Petersburg enjoyed the distinction for the fifth year in a row of being named one of the "100 Best Communities for Young People" by America's Promise Alliance, the nation's largest partnership organization dedicated to youth and children.
- During 2011, the City celebrated its 50th anniversary with its sister City of Takamatsu, Japan. As part of the celebration, a delegation from Takamatsu visited St. Petersburg, and in return a delegation from the City, including Mayor Bill Foster, traveled to Japan to visit our sister city.

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, 2010. 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 Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2010. This was the thirteenth consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient 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


Patricia "Tish" Elston
City Administrator

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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

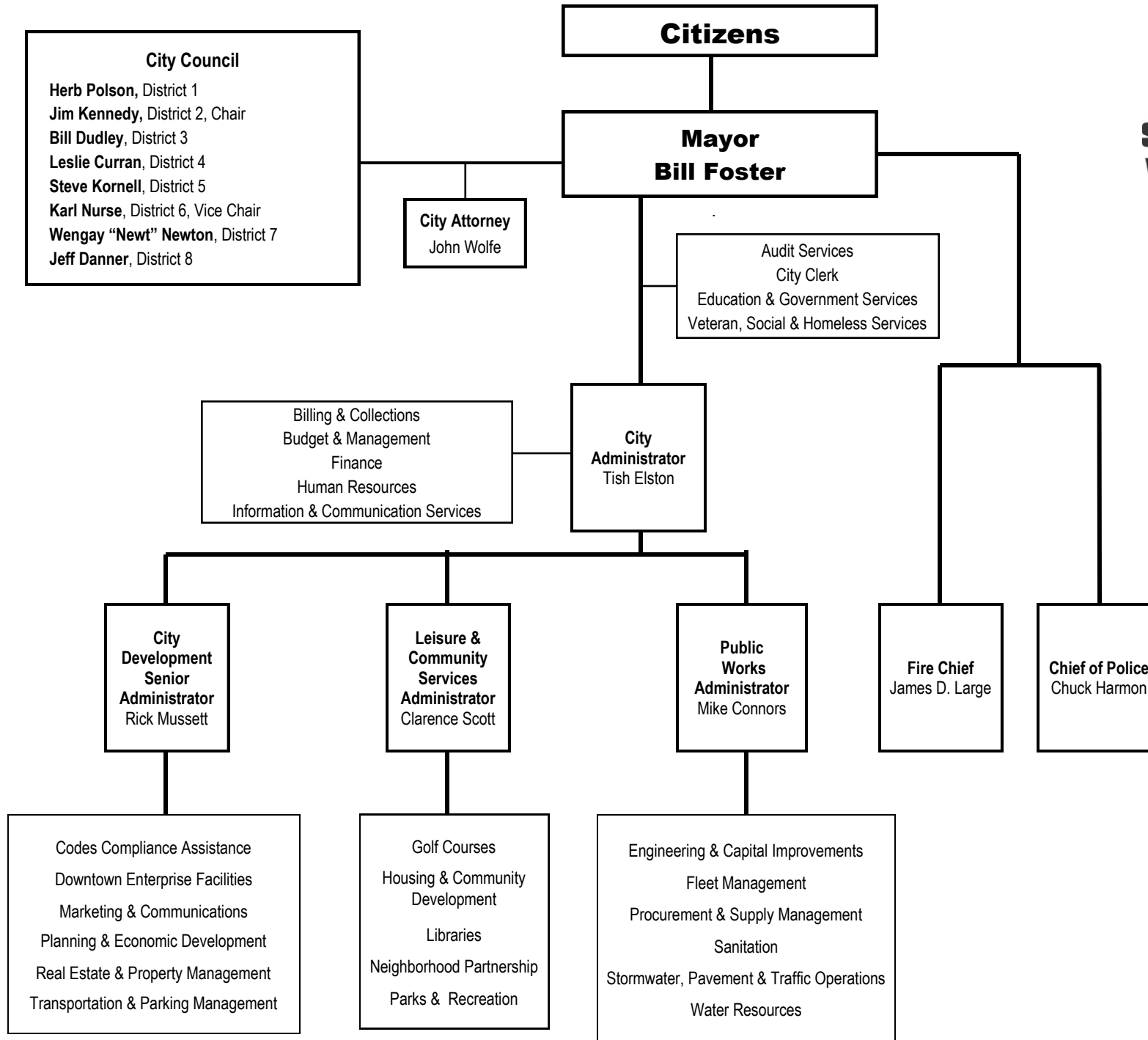


Linda C. Danison

President

Jeffrey R. Enner

Executive Director



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REPORT OF INDEPENDENT AUDITORS'



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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2011, 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 funds, downtown redevelopment fund and the grants funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2012, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and contributions for employer and other contributing entity for the City's defined benefit pension and other post-employment benefit plans 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance in the regulatory section is also presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 including the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. 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.

Maya Hoffman Mc Carr P.C.

March 29, 2012
Clearwater, Florida

City of St. Petersburg, Florida
Management Discussion and Analysis
For the Year Ended September 30, 2011
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of St. Petersburg, Florida
Management Discussion and Analysis
For the Year Ended September 30, 2011
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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, 2011. The information presented here should be considered in conjunction with the letter of transmittal and the financial statements.

FINANCIAL HIGHLIGHTS

- The City's assets exceed its liabilities at the close of this fiscal year by \$1,268.4 million (net assets), which is a decrease from the prior year of \$35.8 million.
- Unrestricted net assets total \$190.1 million and may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental general revenue and transfers totaled \$201.5 million compared to \$209.8 million in 2010, or a 4.0% decrease over the prior year.
- The business-type activities revenue totaled \$179.7 million as compared to \$173.7 million, or a 3.5% increase over the prior year and expenses totaled \$192.4 million as compared to \$180.7 million in 2010, or a 6.5% increase over the prior year. The result produced a decrease in business-type net assets.
- As of the close of the fiscal year, the City of St. Petersburg's governmental activities reported combined ending net assets of \$518.3 million as compared to \$534.7 million in 2010, a decrease of \$16.4 million in comparison with the prior year. Of the \$518.3 million in net assets, \$101.2 million was unrestricted.
- During the current fiscal year, there was a \$16.4 million reduction in net assets for governmental activities and an \$19.4 million reduction in net assets for business activities due to declining revenues and increased expenses.
- The City is committed to providing the Citizens of St. Petersburg with the highest quality services while maintaining efficiency and cost effectiveness. Overall, governmental activities expense increased from \$267.5 million in 2010 to \$290.3 million in 2011 (\$22.8 million) due to increased maintenance costs, additional required reserve funding for claims relating to workers' compensation, public safety costs increases, and the one-time grant for the Salvador Dali museum.

City of St. Petersburg, Florida
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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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets 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 and culture. 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 48 and 49 of this report.

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Management Discussion and Analysis
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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 133 of the report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement, page 57, has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 50 through 60 of this report.

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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 62 through 69.

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 70 and 71.

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 73 of this report.

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Management Discussion and Analysis
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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 125.

The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 136 through 188.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City of St. Petersburg as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2011 as compared to 2010.

Net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded the liabilities by \$1,268.3 million at the close of fiscal year 2011, a decrease of approximately \$35.8 million over fiscal year 2010.

The City's net assets for the past two fiscal years are summarized, as follows:

	NET ASSETS					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 297,935,221	\$ 303,734,558	\$ 251,293,837	\$ 224,271,424	\$ 549,229,058	\$ 528,005,982
Capital Assets	426,630,694	432,022,733	811,090,664	816,741,088	1,237,721,358	1,248,763,821
Total Assets	724,565,915	735,757,291	1,062,384,501	1,041,012,512	1,786,950,416	1,776,769,803
Other Liabilities	55,143,758	48,872,562	21,312,659	24,972,911	76,456,417	73,845,473
Long Term Liabilities	151,101,615	152,185,512	291,023,991	246,542,498	442,125,606	398,728,010
Total Liabilities	206,245,373	201,058,074	312,336,650	271,515,409	518,582,023	472,573,483
Invested in Capital Assets, Net of Related Debt	383,738,567	317,722,669	586,110,679	597,824,125	969,849,246	915,546,794
Nonexpendable	10,052,735	376,886	-	-	10,052,735	376,886
Restricted	23,363,587	76,244,277	74,999,653	37,812,908	98,363,240	114,057,185
Unrestricted	101,165,653	140,355,385	88,937,520	133,860,070	190,103,173	274,215,455
Total Net Assets	\$ 518,320,542	\$ 534,699,217	\$ 750,047,852	\$ 769,497,103	\$ 1,268,368,394	\$ 1,304,196,320

As depicted in Table 1, the largest portion of the City's net assets, 76.5%, 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 investment in its 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. Also,

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approximately 7.8% of the net assets of the City represent resources that are subject to external restriction on how they may be used. Further, 0.8 % of the assets are not in spendable form, of which \$9,706,960 of the net assets that is non expendable represents debt payments made at September 30, 2011 in advance for the October 1, 2011 payments due in the new fiscal year. The remaining 15.0% of net assets are unrestricted net assets 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 assets, both for the government as a whole, as well as for its governmental and business-type activities.

Governmental activities total net assets decreased by \$16.4 million during 2011 as compared to an increase in total net assets of \$13.5 million during the prior fiscal year. The decrease as compared to the prior year's increase is primarily due to significant reductions in revenues while having increases in expenses further described below. The current year decrease in total net assets is attributed to revenues of \$267.1 (\$276.8 in 2010) million under expenses of \$290.3 million (\$267.5 million in 2010), and net transfers of \$6.8 million from other funds (\$4.1 million in 2010).

The decline in net assets is attributable to the City experiencing significant revenue reductions including property tax revenues due to the decline in property values experienced nationwide, but specifically further felt in Florida. While the property values declined, the City's property tax rate remained the same which has resulted in the significant reduction in revenue to the City. Further, the City is experiencing increased expenses due to increased employee related costs, increased maintenance costs for the City's infrastructure, and additional costs relating to public safety.

Business-type activities total net assets decreased by \$19.4 million (\$11.1 million in 2010) during 2011. The decrease is attributed to expenditures of \$192.4 million (\$180.7 million in 2010) exceeding revenues of \$179.7 million (\$173.7 million in 2010), and net transfers of \$6.8 million (\$4.1 million in 2010) to other funds. Expenses increased due to additional maintenance costs relating to the infrastructure and overall cost of operations increasing in excess of rates during FY 2011, and additional depreciation to reflect the remaining service life with the planned closure and reconstruction of the Pier, which is currently scheduled to close May 31, 2013.

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

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	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Program Revenues:						
Charges for Services	\$ 51,191,726	\$46,289,310	\$ 166,642,458	\$ 160,510,972	\$ 217,834,184	\$ 206,800,282
Operating Grants and Contributions	7,458,717	6,525,944	669,447	1,464,498	8,128,164	7,990,442
Capital Grants and Contributions	13,840,226	18,355,946	7,343,376	5,547,370	21,183,602	23,903,316
General Revenues:						
Property Taxes	75,037,770	83,484,249	-	-	75,037,770	83,484,249
Other Taxes	113,465,448	116,387,197	-	-	113,465,448	116,387,197
Other	6,122,785	5,743,077	5,091,253	6,191,417	11,214,039	11,934,494
Total Revenues	<u>267,116,672</u>	<u>276,785,723</u>	<u>179,746,534</u>	<u>173,714,257</u>	<u>446,863,206</u>	<u>450,499,980</u>
Program Expenses:						
General Government	39,973,559	38,178,164	-	-	39,973,559	38,178,164
Community and Economic Developm	27,654,061	23,392,593	-	-	27,654,061	23,392,593
Public Works	25,077,637	16,208,520	-	-	25,077,637	16,208,520
Public Safety - Police	96,398,855	91,135,117	-	-	96,398,855	91,135,117
Public Safety - Fire and EMS	49,592,465	47,954,869	-	-	49,592,465	47,954,869
Recreation and Culture	46,604,748	44,972,705	-	-	46,604,748	44,972,705
Interest on Long-term Debt	5,033,700	5,623,196	-	-	5,033,700	5,623,196
Water and Waste Water Utility	-	-	104,704,408	98,015,537	104,704,408	98,015,537
Stormwater Utility	-	-	13,542,653	14,062,820	13,542,653	14,062,820
Sanitation	-	-	38,102,702	37,707,634	38,102,702	37,707,634
Tropicana Field	-	-	6,820,058	6,358,385	6,820,058	6,358,385
Airport	-	-	1,417,940	1,294,662	1,417,940	1,294,662
Port	-	-	1,532,136	1,094,820	1,532,136	1,094,820
Marina	-	-	3,570,871	2,525,854	3,570,871	2,525,854
Golf Courses	-	-	4,145,459	3,852,204	4,145,459	3,852,204
Jamestown Complex	-	-	640,723	649,880	640,723	649,880
Parking	-	-	4,631,050	4,441,013	4,631,050	4,441,013
Mahaffey	-	-	5,594,814	5,318,367	5,594,814	5,318,367
Pier	-	-	5,488,667	3,317,370	5,488,667	3,317,370
Coliseum	-	-	1,005,036	952,007	1,005,036	952,007
Sunken Gardens	-	-	1,159,590	1,113,125	1,159,590	1,113,125
Total Expenses	<u>290,335,025</u>	<u>267,465,164</u>	<u>192,356,107</u>	<u>180,703,678</u>	<u>482,691,132</u>	<u>448,168,842</u>
Change in Net Assets Before Transfe	(23,218,353)	9,320,559	(12,609,573)	(6,989,421)	(35,827,926)	2,331,138
Transfers	6,839,678	4,145,418	(6,839,678)	(4,145,418)	-	-
Increase (Decrease) in Net Assets	<u>\$ (16,378,675)</u>	<u>\$ 13,465,977</u>	<u>\$ (19,449,251)</u>	<u>\$ (11,134,839)</u>	<u>\$ (35,827,926)</u>	<u>\$ 2,331,138</u>

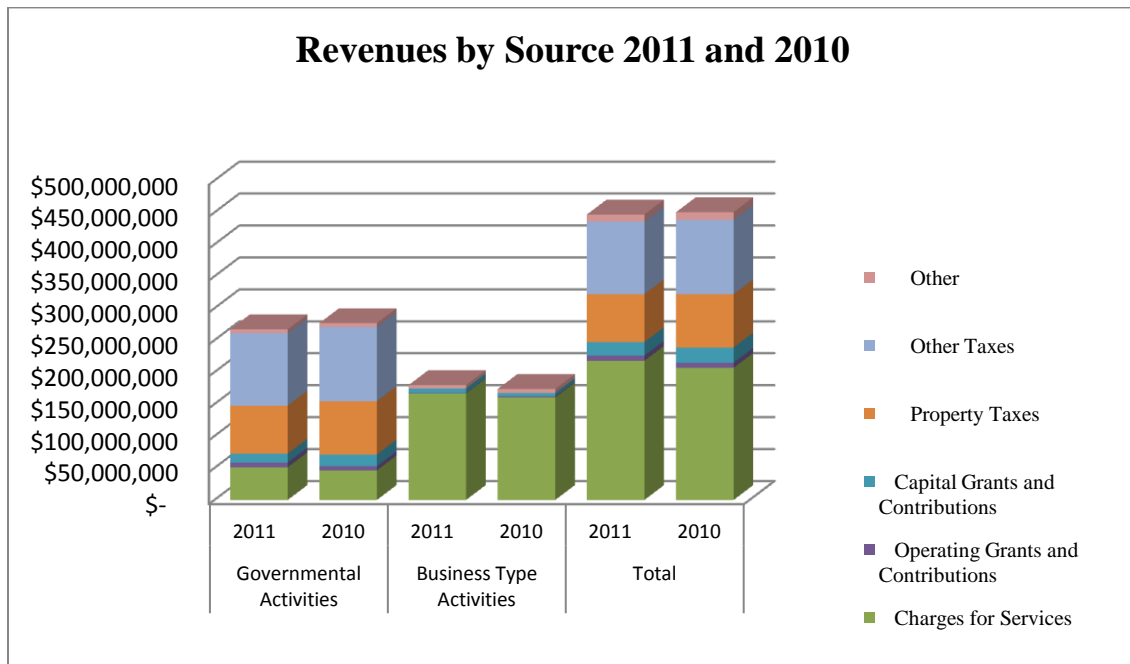
City of St. Petersburg, Florida
Management Discussion and Analysis
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Governmental Activities

Governmental activities change in net assets decreased \$32.5 million over the 2010 change in net assets due to an increase in expenses of \$22.9 million (8.6%) and a \$9.7 million decrease in revenues (3.5%), partially offset by a \$2.7 million increase in transfers-in.

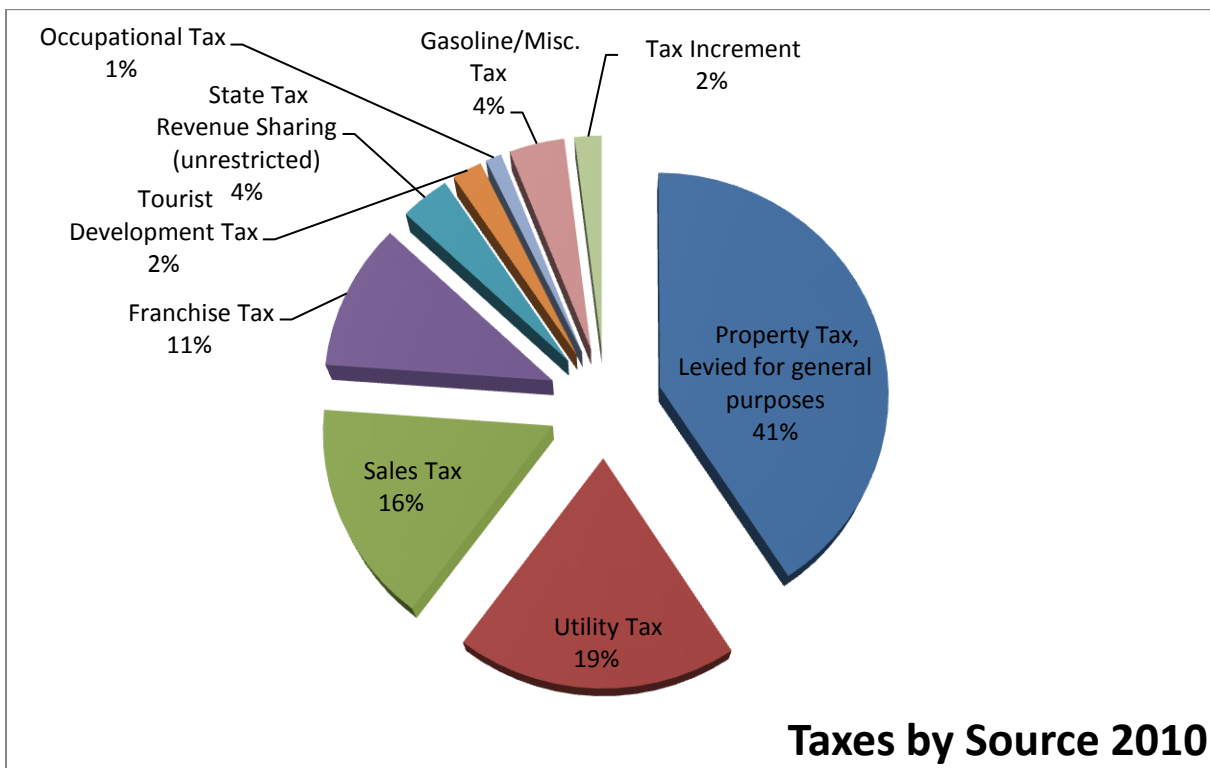
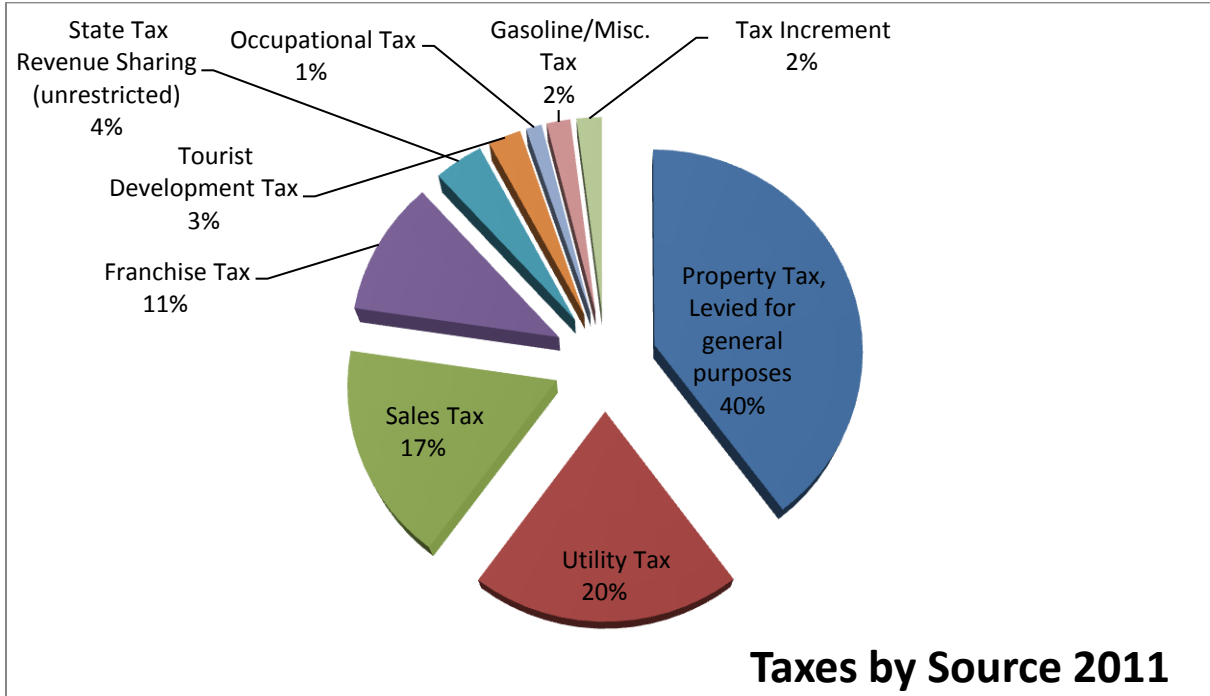
The decreases in revenue are primarily due to the decrease in property and other tax revenues of \$11.0 million (5.3%). Operating grants and contributions and capital grants and contributions also declined by \$3.6 million (14.4%) as the prior year had one-time ARRA funding that did not continue in 2011.

A graphical comparison of total revenues by source is as follows:



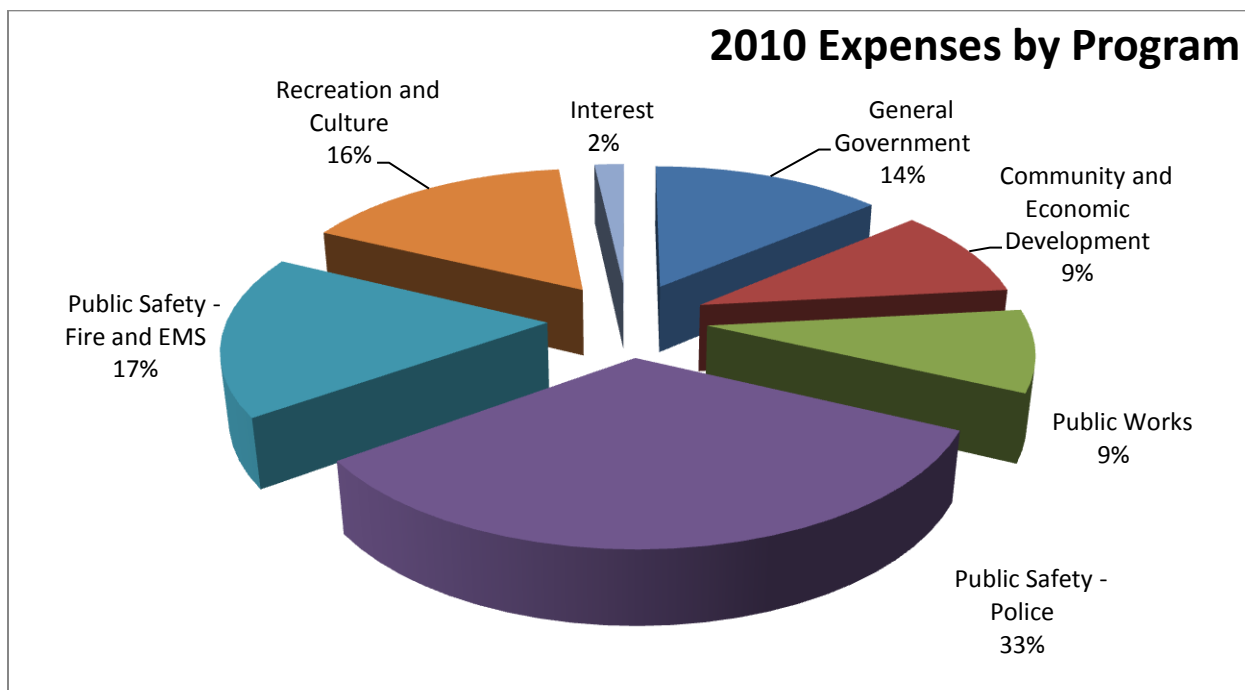
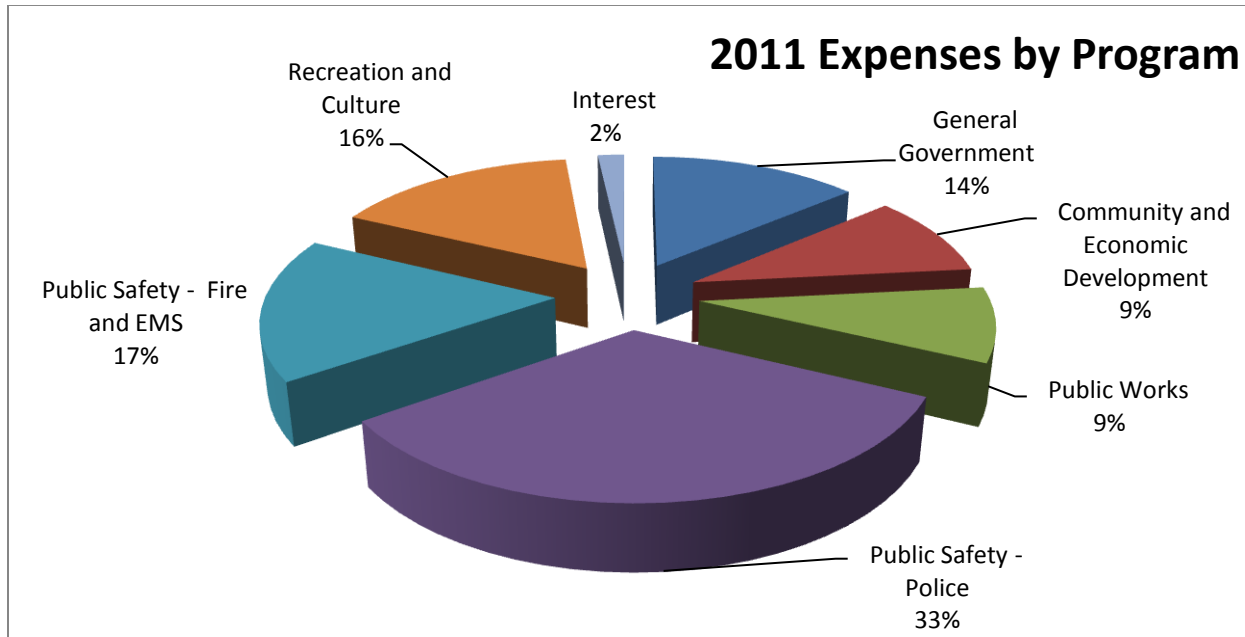
The decline in tax revenue is of significance to the City for 2011. Major budgetary adjustments were required for the current year during the budget preparation process in order to reflect the declining tax revenues. Property tax revenue declined \$8.4 million during 2011 (10.1%). A graphical breakdown of taxes by tax source for 2011 and 2010 is as follows:

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A breakdown of expenses by program for governmental activities for 2011 and 2010 is as follows:



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Program expenses increased by \$22.9 million during 2011 over 2010, primarily due to an \$8.9 million increase in public works projects as expenses for the maintenance of infrastructure increased during the year as projects were completed. Further, public safety expenses also increased by \$5.3 million for police and \$1.6 million for fire. Community and economic development also increased by \$4.3 million, partially due to the one-time grant to the Dali museum of \$2.6 million during the current fiscal year.

Business-Type Activities

Business-type activities change in net assets decreased by \$8.3 million from the prior year. Transfers-out increased by \$2.7 million during the fiscal year, and expenses increased by \$11.7 million. The largest increases related to the water and wastewater utilities expenses, which increased \$6.7 million (6.8%) due to increased costs of water and operational expenses.

Stormwater utility expenses decreased \$0.5 million (-3.7%) due to fewer stormwater related projects and expenses during the current year, Sanitation expenses increased only marginally at 0.7%, and the Port, Marina, Golf Courses, Parking, Mahaffey, Pier, Coliseum also experienced increases in expenses. The large increase in the Pier expense is related to the additional depreciation recognized during the current fiscal period to reflect the remaining estimated life of the Pier which is now scheduled to close May 31, 2013.

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. During 2010 the City early implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. The new standard replaces the previous reserved, unreserved, and designated fund balance categories with five classifications: 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

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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 \$150.8 million. Of that amount, \$10.1 million was nonspendable, \$62.8 million was restricted, \$36.7 million was committed, \$24.0 million was assigned, and \$17.1 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, 2011, of \$42.3 million, with \$25.1 million committed, and \$17.1 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 8.7% of the total General Fund expenditures. The total General Fund fund balance is maintained at 21.6% of total General Fund expenditures at year-end.

The General Fund deficiency of revenue and other sources over expenditures and other uses was \$11.1 million for the current fiscal year due to:

- Revenues of \$181.1 million compared to total expenditures of \$196.2 million resulted in a deficit of revenues over expenditures of \$15.1 million.
- Transfers-in of \$17.0 million as compared to transfers out of \$13.0 million.

General Fund resources have continued to show a decline due to the national recession and the decreases in tax revenues. The use of fund balance for the current fiscal year was planned so that the essential general fund services continued to be maintained. Uncertainty remains in future years' tax projections so the administration is continuing to look for efficiencies. As part of the general fund, the City maintains an amount committed to Economic Stability which can only be utilized with certain established specific criteria set by City Council.

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

City of St. Petersburg, Florida
Management Discussion and Analysis
For the Year Ended September 30, 2011
Unaudited

	Community Redevelopment Districts		Downtown Redevelopment District		Local Option Sales Surtax Improvement		Grants Fund	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues and Other Sources	\$ 8,367	\$ 8,846	\$ 11,290	\$ 8,330	\$ 19,248	\$ 20,149	\$ 7,001	\$ 9,469
Expenses and Other Uses	6,712	10,693	12,680	10,529	21,376	18,791	6,967	9,394
Increase (decrease) in Net Assets	<u>\$ 1,655</u>	<u>\$ (1,847)</u>	<u>\$ (1,390)</u>	<u>\$ (2,199)</u>	<u>\$ (2,128)</u>	<u>\$ 1,358</u>	<u>\$ 34</u>	<u>\$ 75</u>

As can be seen above, there was an increase in net assets for the Community Redevelopment Districts as resources are accumulated for future projects, and the Grants Fund where revenues and other sources exceeded the expenses and other uses by a slight amount. The increases in the Downtown Redevelopment District related to increased revenue for projects and an increase in expenses with a one-time grant to the Salvador Dali Museum. The Local Options Sales Surtax decrease related to the ongoing capital projects.

Further detail regarding these major governmental funds can be found on pages 50 through 55.

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 62 through 69. Detail on the non-major enterprise funds can be found on pages 175 through 180.

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

	Water Resources		Stormwater		Sanitation		Tropicana Field	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues and Other Sources	\$ 101,960	\$ 97,277	\$ 15,854	\$ 19,827	\$ 40,806	\$ 40,723	\$ 2,904	\$ 2,736
Expenses and Other Uses	114,143	106,912	15,582	15,449	39,946	39,449	6,460	6,354
Incr. (decr.) in Net Assets	<u>\$ (12,183)</u>	<u>\$ (9,635)</u>	<u>\$ 272</u>	<u>\$ 4,378</u>	<u>\$ 860</u>	<u>\$ 1,274</u>	<u>\$ (3,556)</u>	<u>\$ (3,618)</u>

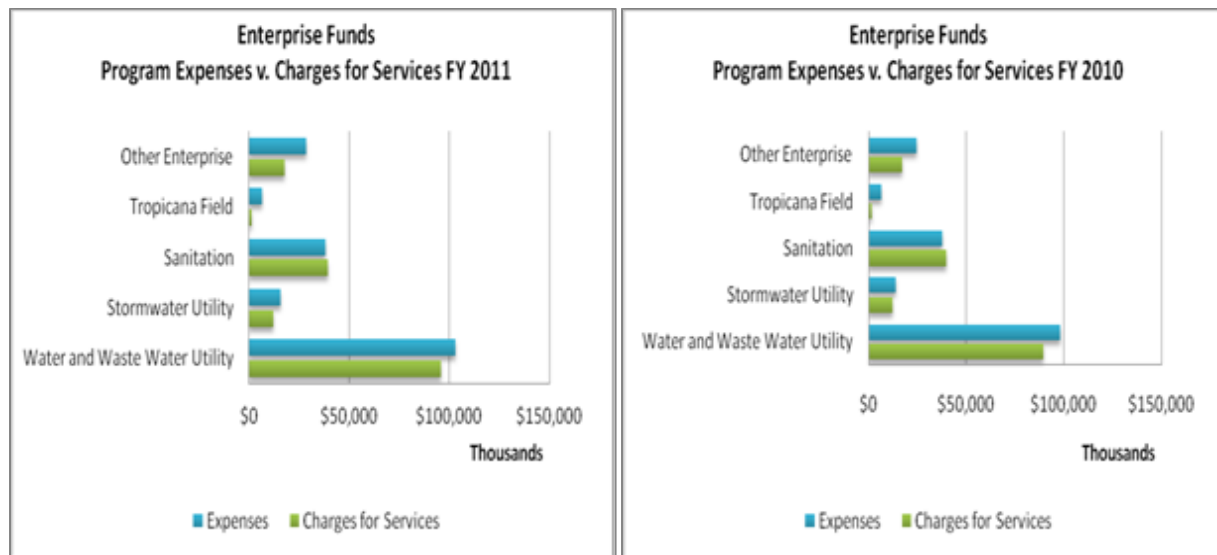
Water Resources decrease in net assets during the current fiscal year relates to minimizing rate increases while experiencing increased expenses for maintenance, cost of water, and employee related costs.

Stormwater had a slight increase in net assets, but had a decline in revenue and other sources from the prior year as during 2010 there was \$5.1 million of capital assets transferred from other funds.

The Sanitation and Tropicana Fields results were consistent with the prior year's results.

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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 2011, while the other enterprise funds had program expenses exceeding charges for services for the current fiscal 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 182 through 188.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget projected that revenues and other sources would have a deficiency over expenditures and other uses by \$3.3 million. The final approved budget reflected a projected increase in revenues of \$2.9 million due to an increase in Fines and Forfeiture revenue projections of \$0.2 million, and a \$2.6 million increase in estimated intergovernmental revenues.

Actual results report a \$12.3 million deficiency of revenues and other sources over expenditures and other uses; a \$2.5 million variance from budget, primarily resulting from a shortfall of \$5.8 million in revenues, partially offset by a \$3.0 million reduction in expenditures from the budgeted amounts. Actual general governmental expenditures were \$1.2 million under budget due to strategic cost containment and personnel hiring delays and/or freezes for general governmental departments. Recreation and culture's actual expenditures is \$1.6 million less than actual due to savings related to the City's reorganization of leisure services' related departments.

Additional budget to actual information on the City's general fund is on page 57.

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CAPITAL ASSETS

The City has invested \$1.2 billion in capital assets (net of depreciation). Approximately 35% 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	
	2011	2010	2011	2010	2011	2010
Land	\$ 125,111	\$ 123,419	\$ 29,415	\$ 29,415	\$ 154,526	\$ 152,834
Buildings & Systems	84,945	89,478	185,338	186,826	270,283	276,304
Improvements & Infrastructure	171,155	178,244	37,409	43,210	208,564	221,454
Machinery & Equipment	27,602	26,611	11,139	12,827	38,741	39,438
Utility Systems	-	-	539,220	537,282	539,220	537,282
Construction in Progress	17,817	14,270	8,570	7,181	26,387	21,451
Totals	<u>\$ 426,630</u>	<u>\$ 432,022</u>	<u>\$ 811,091</u>	<u>\$ 816,741</u>	<u>\$ 1,237,721</u>	<u>\$ 1,248,763</u>

Additional information on the City's capital assets can be found in Note 8 beginning on page 99.

LONG-TERM OBLIGATIONS

For fiscal year ended September 30, 2011, the City had total debt outstanding of \$388.9 million (net of unamortized premium, discount and deferral loss on refunding). Of this amount, \$44.9 million of note debt is backed by a covenant pledge to budget and appropriate from non-ad valorem revenue sources. The remaining \$344.0 million in bonded and note debt is secured solely by specified revenue sources. *(In thousands of dollars)*

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue Bonds	\$ 63,305	\$ 77,164	\$ 263,723	\$ 219,244	\$ 327,028	\$ 296,408
Revenue Notes	-	-	17,010	18,390	17,010	18,390
Covenant Notes	38,913	36,567	5,793	6,206	44,706	42,773
Capitalized Lease	-	-	162	-	162	-
Total	<u>\$ 102,218</u>	<u>\$ 113,731</u>	<u>\$ 286,688</u>	<u>\$ 243,840</u>	<u>\$ 388,906</u>	<u>\$ 357,571</u>

The City of St. Petersburg's Governmental Activities and Business-Type Activities debt increased by \$31.3 million (8.8%) during the current fiscal year. During the current year, there was an additional \$54.1 million in debt issued; including \$49.4 million in revenue debt utilizing the Build America Bonds and Recovery Zone Economic Development Bonds issues for water resource projects, a \$4.5 million note from BB&T for various projects.

City of St. Petersburg, Florida
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The City maintains a rating of Aa3 on all governmental debt from Moody's and currently has an Aa2 and AA rating on all Water Resources Revenue Bonds from Moody's and Fitch rating agencies.

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 104 through 110.

NEXT YEARS BUDGET AND RATES

St. Petersburg, along with much of the rest of the State, has seen over the past four years a significant drop in property values from their extraordinary growth, resulting in an 8 percent decrease in ad valorem taxes expected for FY2012. The decline in value is the result of both the economic recession and abnormally high foreclosure rates, resulting in a loss of budgeted revenue for the City of almost \$6 million for FY2012. Combining the loss of \$6 million in FY2011, \$12 million in FY2010 and \$6.4 million in FY2009, results in the budgeted FY2012 reduction a \$24.4 million decline in revenue when compared to the property tax revenue from FY2008. Along with the decline in property tax revenue there has also been a decline in the amount of sales taxes that the City receives due to the national recession.

Although the reduction of revenue from FY2008 through FY2011 created a difficult transition for the City, it is one for which the City started planning several years ago to address the inevitable results of these economic trends. To prepare for this anticipated decline in gross revenues, the City focused on budget strategies that helped to maintain a consistent level of service, by implementing sustainable expenditure reductions, managing the outstanding debt, and maintenance of the reserves through formal minimum fund balance targets.

The adopted FY2012 budget included the reduction in the city workforce of 42 full-time positions while adding 6 part-time positions, affecting city programs and services in the General Fund. All departments were requested to develop budget reduction packages of 5, 7 and 10 percent that included a variety of wide ranging expenditure cuts in various line item categories.

The adopted FY2012 budget was based on a millage rate of 5.9125 mills, a continuation of the current millage rate from fiscal years 2009, 2010 and 2011. A number of other fees and charges for services were also adjusted to reflect the cost of the services. Management continues to review fees, rates, and other charges to insure that costs are distributed equitably to citizens and users of services and to insure that the City remains in good financial health.

City of St. Petersburg, Florida
Management Discussion and Analysis
For the Year Ended September 30, 2011
Unaudited

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.



BASIC FINANCIAL STATEMENTS

City of St. Petersburg, Florida
Statement of Net Assets
September 30, 2011

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and Cash Equivalents	\$ 41,731,334	\$ 26,663,028	\$ 68,394,362	\$ 50,324
Investments	197,012,366	107,114,599	304,126,965	-
Receivables - Net of Allowance for Uncollectible	26,390,889	16,234,359	42,625,248	-
Internal Balances	2,243,977	(2,243,977)	-	-
Due from Other Governmental Agencies	12,858,710	5,976,656	18,835,366	-
Inventories	1,220,893	1,213,962	2,434,855	-
Property Held for Resale	3,907,756	-	3,907,756	-
Prepays and Deposits	12,111,807	10,256,709	22,368,516	-
Contract Receivable from Other Governmental Agency	-	18,124,752	18,124,752	-
Other Assets	457,489	2,457,329	2,914,818	-
Restricted Assets:				
Investments	-	65,496,420	65,496,420	-
Capital Assets, Not Depreciable:				
Land	125,111,014	29,415,166	154,526,180	-
Construction in progress	17,817,157	8,569,540	26,386,697	-
Capital Assets, Depreciable, Net:				
Buildings and systems	84,945,215	185,337,568	270,282,783	-
Improvements other than buildings	171,154,550	37,408,625	208,563,175	-
Machinery and equipment	27,602,758	11,139,146	38,741,904	-
Utility Systems	-	539,220,619	539,220,619	-
Total assets	\$ 724,565,915	\$ 1,062,384,501	\$ 1,786,950,416	\$ 50,324
Liabilities				
Accounts Payable and Other Current Liabilities	\$ 13,918,355	\$ 6,889,363	\$ 20,807,718	\$ -
Accrued Interest Payable	1,785,376	6,633,429	8,418,805	-
Due to Other Governmental Agencies	640,792	420,380	1,061,172	-
Unearned Revenue	3,388,501	170,360	3,558,861	-
Deposits	7,608,494	968,372	8,576,866	-
Liabilities Payable from Restricted Assets:				
Revenue Bonds Payable Due within One Year	14,275,000	4,190,000	18,465,000	-
Noncurrent Liabilities:				
Due within One Year	13,527,240	2,040,755	15,567,995	-
Due in more than One Year	124,336,713	284,286,892	408,623,605	-
OPEB liability	26,764,902	6,737,099	33,502,001	-
Total liabilities	\$ 206,245,373	\$ 312,336,650	\$ 518,582,023	\$ -
Net assets				
Invested in Capital Assets, Net of Related Debt	\$ 383,738,567	\$ 586,110,679	\$ 969,849,246	\$ -
Restricted for:				
Expendable				
Public Works - Transportation Projects	19,208,944	-	19,208,944	-
Police Programs	1,587,938	-	1,587,938	-
Grant Funded Programs	2,096,882	-	2,096,882	-
Debt Service	469,823	21,319,964	21,789,787	-
Capital Projects	-	53,679,689	53,679,689	-
Nonexpendable				
Prepaid debt service payments	9,706,960	-	9,706,960	-
Culture and Recreation	345,775	-	345,775	-
Unrestricted	101,165,653	88,937,520	190,103,173	50,324
Total net assets	\$ 518,320,542	\$ 750,047,852	\$ 1,268,368,394	\$ 50,324

The accompanying notes are an integral part of these statements.

City of St. Petersburg, Florida
Statement of Activities
Fiscal Year Ended September 30, 2011

Functions/Programs Activities	Program Revenues					Net Revenues (Expenses) and Changes in Net Assets Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-type Activities	Total	Component Unit
Primary Government:									
Governmental Activities:									
General Government	\$ 39,973,559	\$ 21,909,825	\$ 882,498	\$ 2,774,922	\$ 25,567,245	\$ (14,406,314)	\$ -	\$ (14,406,314)	\$ -
Community and Economic Development	27,654,061	5,064,441	1,569,860	5,019,740	11,654,041	(16,000,020)	-	(16,000,020)	-
Public Safety									
Police	96,398,855	3,942,075	1,689,912	-	5,631,987	(90,766,868)	-	(90,766,868)	-
Fire and EMS	49,592,465	13,146,937	436,226	-	13,583,163	(36,009,302)	-	(36,009,302)	-
Public Works	25,077,637	262,034	614,562	5,895,312	6,771,908	(18,305,729)	-	(18,305,729)	-
Recreation and Culture	46,604,748	6,866,414	2,265,659	150,252	9,282,325	(37,322,423)	-	(37,322,423)	-
Interest on Long-Term Debt	5,033,700	-	-	-	-	(5,033,700)	-	(5,033,700)	-
Total governmental activities	290,335,025	51,191,726	7,458,717	13,840,226	72,490,669	(217,844,356)	-	(217,844,356)	-
Business-type Activities:									
Water and Waste Water Utility	104,704,408	95,754,184	469,269	1,687,802	97,911,255	-	(6,793,153)	(6,793,153)	-
Stormwater Utility	13,542,653	12,182,306	7,966	3,314,278	15,504,550	-	1,961,897	1,961,897	-
Sanitation	38,102,702	39,524,555	189,013	-	39,713,568	-	1,610,866	1,610,866	-
Tropicana Field	6,820,058	1,421,744	-	-	1,421,744	-	(5,398,314)	(5,398,314)	-
Airport	1,417,940	996,722	-	1,989,356	2,986,078	-	1,568,138	1,568,138	-
Port	1,532,136	185,026	-	351,940	536,966	-	(995,170)	(995,170)	-
Marina	3,570,871	3,253,788	-	-	3,253,788	-	(317,083)	(317,083)	-
Golf Courses	4,145,459	3,462,240	-	-	3,462,240	-	(683,219)	(683,219)	-
Jamestown Complex	640,723	526,014	-	-	526,014	-	(114,709)	(114,709)	-
Parking	4,631,050	4,919,124	-	-	4,919,124	-	288,074	288,074	-
Mahaffey	5,594,814	2,220,446	-	-	2,220,446	-	(3,374,368)	(3,374,368)	-
Pier	5,488,667	989,196	-	-	989,196	-	(4,499,471)	(4,499,471)	-
Coliseum	1,005,036	559,190	1,000	-	560,190	-	(444,846)	(444,846)	-
Sunken Gardens	1,159,590	647,923	2,199	-	650,122	-	(509,468)	(509,468)	-
Total Business-type Activities	192,356,107	166,642,458	669,447	7,343,376	174,655,281	-	(17,700,826)	(17,700,826)	-
Total Primary Government	\$ 482,691,132	\$ 217,834,184	\$ 8,128,164	\$ 21,183,602	\$ 247,145,950	(217,844,356)	(17,700,826)	(235,545,182)	-
Component Unit									
St Petersburg Health Facilities Authority	174	-	-	-	-				(174)
Total Component Unit	\$ 174	\$ -	\$ -	\$ -	\$ -				\$ (174)
General Revenues:									
Taxes									
Property Tax, Levied for general purposes						75,037,770	-	75,037,770	-
Utility Tax						38,203,614	-	38,203,614	-
Sales Tax						32,533,447	-	32,533,447	-
Franchise Tax						20,506,108	-	20,506,108	-
State Tax Revenue Sharing (unrestricted)						7,463,366	-	7,463,366	-
Tourist Development Tax						4,977,610	-	4,977,610	-
Occupational Tax						2,407,083	-	2,407,083	-
Gasoline Tax						3,173,633	-	3,173,633	-
Tax Increment						3,779,258	-	3,779,258	-
Miscellaneous Taxes						421,329	-	421,329	-
Earnings on unrestricted investments						4,061,012	3,294,385	7,355,397	18
Gain on sale of capital assets						315,113	457,340	772,453	-
Miscellaneous income						1,746,660	1,339,528	3,086,188	-
Transfers						6,839,678	(6,839,678)	-	-
Total General Revenues and Transfers						201,465,681	(1,748,425)	199,717,256	18
Change in Net Assets						(16,378,675)	(19,449,251)	(35,827,926)	(156)
Net assets - October 1						534,699,217	769,497,103	1,304,196,320	50,480
Net assets - September 30						\$ 518,320,542	\$ 750,047,852	\$ 1,268,368,394	\$ 50,324

The accompanying notes are an integral part of these statements.

City of St. Petersburg, Florida
Balance Sheet
Governmental Funds
September 30, 2011

	Major Funds		
	General Fund	Community Redevelopment Districts	Downtown Redevelopment District
Assets			
Cash and Cash Equivalents	\$ 5,088,579	\$ 1,304,991	\$ 2,173,798
Investments	30,394,270	1,001,090	1,165,748
Receivables:			
Accounts	982,298	-	-
Taxes	6,903,366	-	-
Accrued Interest	132,452	2,500	673
Notes	2,778,006	-	-
Assessments	427,683	-	-
Due from Other Funds	3,712,101	-	-
Due from Other Governmental Agencies:			
Grants and Cost Reimbursement	601,193	-	-
State of Florida - Shared Revenue	2,482,274	-	-
Pinellas County - Shared Revenue	-	-	-
Pinellas County - Services	69,958	-	-
Pinellas County - Fines	38,014	-	-
Inventory	38,102	-	-
Prepaid Costs and Deposits	150	-	-
Total assets	\$ 53,648,446	\$ 2,308,581	\$ 3,340,219
Liabilities and fund balances			
Liabilities			
Vouchers and Accounts Payable	\$ 1,490,272	\$ -	\$ -
Accrued Salaries	4,171,119	-	-
Other Accrued Liabilities	60,449	-	-
Retainage on Contracts	-	-	-
Due to Other Governmental Agencies	38,261	-	-
Due to Other Funds	-	-	2,094,130
Deposits:			
Escrow	1,500	-	-
Other	566,063	-	-
Advances from Enterprise Fund	-	-	-
Deferred revenues:			
Notes Receivable	2,778,006	-	-
Assessments Receivable	420,743	-	-
Other	1,786,642	-	-
Total liabilities	11,313,055	-	2,094,130
Fund balances			
Non Spendable	38,252	-	-
Restricted	-	2,308,581	1,246,089
Committed	25,192,252	-	-
Assigned	-	-	-
Unassigned	17,104,887	-	-
Total fund balances	42,335,391	2,308,581	1,246,089
Total liabilities and fund balances	\$ 53,648,446	\$ 2,308,581	\$ 3,340,219

The accompanying notes are an integral part of these statements.

Major Funds			
Local Option Sales Surtax Improvement	Grants	Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,502,252	\$ 424,413	\$ 14,005,763	\$ 28,499,796
37,083,760	101,387	43,246,200	112,992,455
30,657	85,096	227,600	1,325,651
-	-	-	6,903,366
71,648	62	87,614	294,949
-	6,103,180	6,684,903	15,566,089
-	-	-	427,683
-	66,666	2,102,306	5,881,073
-	982,068	4,629,109	6,212,370
-	-	-	2,482,274
2,968,060	-	1,072,313	4,040,373
-	-	23	69,981
-	-	-	38,014
-	-	-	38,102
-	-	9,715,520	9,715,670
<u>\$ 45,656,377</u>	<u>\$ 7,762,872</u>	<u>\$ 81,771,351</u>	<u>\$ 194,487,846</u>
\$ 1,472,897	\$ 160,270	\$ 2,121,615	\$ 5,245,054
-	-	227,589	4,398,708
-	-	117,393	177,842
526,149	-	363,108	889,257
-	-	141,816	180,077
-	964,346	1,314,395	4,372,871
-	292,096	80	293,676
-	567	368,706	935,336
-	-	8,995,565	8,995,565
-	6,103,180	6,684,903	15,566,089
-	-	-	420,743
495	-	456,508	2,243,645
<u>1,999,541</u>	<u>7,520,459</u>	<u>20,791,678</u>	<u>43,718,863</u>
-	-	10,061,295	10,099,547
43,656,836	242,413	15,367,449	62,821,368
-	-	11,527,129	36,719,381
-	-	24,023,804	24,023,804
-	-	-	17,104,887
<u>43,656,836</u>	<u>242,413</u>	<u>60,979,677</u>	<u>150,768,987</u>
<u>\$ 45,656,377</u>	<u>\$ 7,762,872</u>	<u>\$ 81,771,355</u>	<u>\$ 194,487,850</u>



City of St. Petersburg, Florida
*Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
September 30, 2011*

Difference in amounts reported for governmental activities in the Statement of Net Assets on page 48:

Fund balances - total governmental funds	\$ 150,768,987
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.	401,890,723
Property held for resale in governmental activities are not financial resources and are therefore not reported in governmental funds.	3,907,756
Certain long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Notes receivable	13,814,679
Accounts Receivable - Utility Tax Fund	126,712
Assessments	428,584
Unbilled accrued interest on assessments	314,423
Unamortized bond issue costs not included in fund balance	457,489
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(63,575,000)
Unamortized bond discount, issue expense, premium and refund loss	390,571
Notes payable	(39,033,000)
Contingent Liability	(1,749,256)
Compensated absences	(13,737,039)
OPEB Liability	(24,465,113)
Accrued interest payable on notes and bonds	(1,785,376)
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 Assets.	
Net assets from fund statement	80,834,062
Consolidation adjustment to enterprise funds	<u>9,731,340</u>
Net assets of governmental activities.	<u>\$ 518,320,542</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
Governmental Funds
Fiscal Year Ended September 30, 2011

	Major Funds		
	General Fund	Community Redevelopment Districts	Downtown Redevelopment District
Revenues			
Taxes	\$ 136,458,686	\$ -	\$ -
Licenses and Permits	451,906	-	-
Fines and Forfeitures	1,187,416	-	-
Charges for Services and User Fees	10,102,526	-	-
Charges for General Administration	9,403,380	-	-
Intergovernmental Revenue:			
Federal, State and Other Grants	3,267,778	-	-
State - Sales Tax	11,923,368	-	-
State - Revenue Sharing	4,337,544	-	-
State - Other	397,409	-	-
Pinellas County - Gasoline Tax	3,173,633	-	-
Pinellas County - Sales Tax	-	-	-
Pinellas County - Tourist Development	-	-	-
Pinellas County - Tax Increment	-	3,779,258	-
Total	23,099,732	3,779,258	-
Use of Money and Property:			
Earnings on Investments	(485,933)	4,199	57,612
Rentals	377,762	-	-
Total	(108,171)	4,199	57,612
Miscellaneous:			
Contributions	126,979	-	-
Assessments	97,452	-	-
Dispositions of Property	-	-	-
Other	287,748	-	-
Total	512,179	-	-
Total revenues	181,107,654	3,783,457	57,612
Expenditures			
Current Operations:			
General Government	24,427,942	-	-
Community and Economic Development	9,481,888	-	-
Public Works	4,704,558	-	-
Police	87,281,528	-	-
Fire and EMS	31,963,768	-	-
Recreation and Culture	37,122,724	-	-
Debt Service:			
Principal Payments	-	-	-
Interest Payments	-	-	-
Remarketing and Other Fees	-	-	36,746
Capital Outlay	1,211,263	-	-
Total expenditures	196,193,671	-	36,746
Excess (deficiency) of revenues over expenditures	(15,086,017)	3,783,457	20,866
Other financing sources (uses)			
Transfers in	16,936,200	4,583,793	6,712,750
Transfers out	(12,954,145)	(6,712,750)	(12,643,189)
Issuance of Debt	-	-	4,520,000
Total other financing sources (uses)	3,982,055	(2,128,957)	(1,410,439)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(11,103,962)	1,654,500	(1,389,573)
Fund balances - October 1	53,439,353	654,081	2,635,662
Fund balances - September 30	\$ 42,335,391	\$ 2,308,581	\$ 1,246,089

The accompanying notes are an integral part of these statements.

Major Funds			
Local Option Sales Surtax Improvement	Grants	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 136,458,686
-	-	2,826,563	3,278,469
-	1,194	749,032	1,937,642
-	-	13,173,678	23,276,204
-	-	-	9,403,380
496,355	5,502,463	10,994,388	20,260,984
-	-	2,424,429	14,347,797
-	-	3,125,822	7,463,366
-	-	23,920	421,329
-	-	-	3,173,633
18,185,650	-	-	18,185,650
-	-	4,977,610	4,977,610
-	-	-	3,779,258
18,682,005	5,502,463	21,546,169	72,609,627
556,199	18,902	1,228,074	1,379,053
-	22,997	-	400,759
556,199	41,899	1,228,074	1,779,812
-	-	446,860	573,839
-	-	403,234	500,686
-	800,255	193,966	994,221
10,002	295,434	414,777	1,007,961
10,002	1,095,689	1,458,837	3,076,707
19,248,206	6,641,245	40,982,353	251,820,527
56,851	-	278,125	24,762,918
-	5,909,541	9,675,793	25,067,222
5,451,131	-	5,397,051	15,552,740
356,947	-	1,111,190	88,749,665
164,681	-	12,316,797	44,445,246
-	-	386,720	37,509,444
-	-	15,831,000	15,831,000
-	-	5,078,422	5,078,422
-	-	12,732	49,478
15,309,721	13,176	8,589,179	25,123,339
21,339,331	5,922,717	58,677,009	282,169,474
(2,091,125)	718,528	(17,694,656)	(30,348,947)
-	360,000	20,454,524	49,047,267
(36,750)	(1,044,632)	(4,171,701)	(37,563,167)
-	-	-	4,520,000
(36,750)	(684,632)	16,282,823	16,004,100
(2,127,875)	33,896	(1,411,833)	(14,344,847)
45,784,711	208,517	62,391,510	165,113,834
\$ 43,656,836	\$ 242,413	\$ 60,979,677	\$ 150,768,987

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, 2011

Difference in amounts reported for governmental activities in the Statement of Activities on page 49:

Net change in fund balances - total governmental funds	\$ (14,344,847)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.	19,002,216
Property held for resale, reported as expenditures in governmental funds, is shown as an asset in the Statement of Net Assets.	548,238
Depreciation expense on governmental capital assets included in the governmental activities in the Statement of Net Assets.	(20,077,004)
Issuance of long-term debt is reported as other financing sources in governmental funds, but as an increase to long-term liabilities in the Statement of Net Assets.	(4,520,000)
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 Assets.	15,831,000
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.	(1,635,338)
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	(506,303)
Notes receivable deemed uncollectible and written off	(1,732,819)
Assessments receivable principal	(44,832)
Unbilled accrued interest on assessments	17,344
New notes receivable from economic development activity	1,783,494
Contribution amortization on contingent liability	37,218
Utility tax receivable	(304,111)
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	(4,069,422)
Net book value of capital asset dispositions	(1,159,100)
Compensated absences	249,665
OPEB expense	(5,548,274)
Accrued interest expense on long-term debt	94,200
Changes in net assets of governmental activities	\$ <u>(16,378,675)</u>

The accompanying notes are an integral part of these statements.

City of St. Petersburg, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Taxes	\$ 137,472,080	\$ 137,472,080	\$ 136,458,686	\$ (1,013,394)
Licenses and Permits	379,000	379,000	451,906	72,906
Fines and Forfeitures	1,650,386	1,812,386	1,187,416	(624,970)
Charges for Services and User Fees	9,167,526	9,180,746	10,102,526	921,780
Charges for General Administration	9,403,380	9,403,380	9,403,380	-
Intergovernmental Revenue	21,548,628	24,180,520	23,099,732	(1,080,788)
Earnings on Investments	1,924,500	1,924,500	(760,729)	(2,685,229)
Rentals	341,911	341,911	377,762	35,851
Contributions	16,470	16,470	126,979	110,509
Assessments	213,050	213,050	97,452	(115,598)
Dispositions of Property	10,000	10,000	-	(10,000)
Other	1,630,996	1,683,996	287,748	(1,396,248)
Total revenues	183,757,927	186,618,039	180,832,858	(5,785,181)
Expenditures				
Current Operations:				
General Government	24,511,363	25,695,929	24,523,531	1,172,398
Community and Economic Development	9,135,778	9,620,148	9,500,645	119,503
Public Works	4,738,771	4,785,172	4,750,333	34,839
Police	84,400,172	87,512,553	87,414,240	98,313
Fire and EMS	31,209,971	31,508,956	32,072,660	(563,704)
Recreation and Culture	37,372,087	39,091,158	37,443,096	1,648,062
Capital Outlay	855,793	1,957,349	1,452,036	505,313
Total expenditures	192,223,935	200,171,265	197,156,541	3,014,724
Excess (deficiency) of revenues over expenditures	(8,466,008)	(13,553,226)	(16,323,683)	(2,770,457)
Other financing sources (uses)				
Transfers in	16,679,208	16,793,408	16,936,200	142,792
Transfers out	(11,470,566)	(13,126,206)	(12,954,145)	172,061
Total other financing sources (uses)	5,208,642	3,667,202	3,982,055	314,853
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,257,366)	(9,886,024)	(12,341,628)	(2,455,604)
Budgetary Fund Balances - October 1	55,008,500	55,008,500	55,008,500	-
Reserve for Encumbrances – October 1, 2010	-	634,500	634,500	-
Change in Reserve for Prepaid Costs and Inventory	-	-	25,748	-
Budgetary Fund Balances - September 30	\$ 51,751,134	\$ 45,756,976	43,327,120	\$ (2,455,604)
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			960,897	
Reserve for Prepaid Costs and Inventory			38,252	
Recognition of Prior Year's Changes in Fair Value of Investments Held			(2,269,000)	
Recognition of Current Year's Changes in Fair Value of Investments Held			278,122	
Fund Balances – September 30			\$ 42,335,391	

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, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Intergovernmental Revenue	\$ 3,380,897	\$ 3,380,897	\$ 3,779,258	\$398,361
Earnings on Investments	20,000	20,000	3,109	(16,891)
Total revenues	<u>3,400,897</u>	<u>3,400,897</u>	<u>3,782,367</u>	<u>381,470</u>
Other financing sources (uses)				
Transfers in	4,628,225	4,628,225	4,583,793	(44,432)
Transfers out	(6,712,750)	(6,712,750)	(6,712,750)	-
Total other financing sources (uses)	<u>(2,084,525)</u>	<u>(2,084,525)</u>	<u>(2,128,957)</u>	<u>(44,432)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>1,316,372</u>	<u>1,316,372</u>	<u>1,653,410</u>	<u>337,038</u>
Budgetary Fund Balances - October 1	654,081	654,081	654,081	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances - September 30	<u>\$ 1,970,453</u>	<u>\$ 1,970,453</u>	2,307,491	<u>\$ 337,038</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	
Recognition of Current Year's Changes in Fair Value of Investments Held			<u>1,090</u>	
Fund Balances – September 30			<u>\$ 2,308,581</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, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Earnings on Investments	\$ -	\$ -	\$ 19,997	\$ 19,997
Total revenues	-	-	19,997	19,997
Expenditures				
Remarketing and Other Fees	-	42,000	36,746	5,254
Total expenditures	-	42,000	36,746	5,254
Excess (deficiency) of revenues over expenditures	-	(42,000)	(16,749)	25,251
Other financing sources (uses)				
Transfers in	6,712,750	6,712,750	6,712,750	-
Transfers out	(7,533,729)	(12,638,435)	(12,643,189)	(4,754)
Issuance of Debt	-	-	4,520,000	4,520,000
Total other financing sources (uses)	(820,979)	(5,925,685)	(1,410,439)	4,515,246
Excess (deficiency) of revenues and other sources over expenditures and other uses	(820,979)	(5,967,685)	(1,427,188)	4,540,497
Budgetary Fund Balances - October 1	2,649,662	2,649,662	2,649,662	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances - September 30	<u>\$ 1,828,683</u>	<u>\$ (3,318,023)</u>	<u>\$ 1,222,474</u>	<u>\$ 4,540,497</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	-
Reserve for Prepaid Costs and Inventory			-	-
Recognition of Prior Year's Changes in Fair Value of Investments Held			(14,000)	
Recognition of Current Year's Changes in Fair Value of Investments Held			37,615	
Fund Balances – September 30			<u>\$ 1,246,089</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, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Fines and Forfeitures	\$ -	\$ -	\$ 1,194	\$ 1,194
Federal, State and Other Grants	3,755,448	7,464,581	5,502,463	(1,962,118)
Earnings on Investments	10,000	10,000	18,902	8,902
Rentals	-	-	22,997	22,997
Dispositions of Property	-	-	800,255	800,255
Other	387,573	387,573	295,434	(92,139)
Total revenues	4,153,021	7,862,154	6,641,245	(1,220,909)
Expenditures				
Community and Economic Development	3,324,389	9,110,615	6,024,465	3,086,150
Capital Outlay	-	5,733,334	13,176	5,720,158
Total expenditures	3,324,389	14,843,949	6,037,641	8,806,308
Excess (deficiency) of revenues over expenditures	828,632	(6,981,795)	603,604	7,585,399
Other financing sources (uses)				
Transfers in	-	360,000	360,000	-
Transfers out	(828,632)	(1,044,632)	(1,044,632)	-
Total other financing sources (uses)	(828,632)	(684,632)	(684,632)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(7,666,427)	(81,028)	7,585,399
Budgetary Fund balance - October 1	(178,483)	(178,483)	(178,483)	-
Reserve for Encumbrances – October 1, 2010	-	387,000	387,000	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balance – September 30	\$ (178,483)	\$ (7,457,910)	127,489	\$ 7,585,399
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			114,924	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	
Recognition of Current Year's Changes in Fair Value of Investments Held			-	
Fund Balances – September 30			\$ 242,413	

The accompanying notes are an integral part of these statements.



City of St. Petersburg, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2011

	Business-Type Activities - Enterprise Funds		
	Water Resources	Stormwater	Sanitation
Assets			
Current assets:			
Cash and Cash Equivalents	\$ 12,368,737	\$ 5,397,258	\$ 2,329,183
Investments	85,774,663	6,013,144	12,278,542
Receivables (net, where applicable, of allowances for uncollectible):			
Accounts	5,292,204	1,225,953	1,692,958
Accrued Interest	1,123,493	12,659	15,747
Unbilled Revenues	2,974,085	-	113,726
Due from Other Governmental Agencies:			
Grants	57,891	1,363,287	-
Services	3,010,368	18,699	-
Contracts	736,909	-	-
Inventories	931,735	24,213	56,098
Prepaid Expenses and Deposits	9,503,234	603,166	-
Total current assets	<u>121,773,319</u>	<u>14,658,379</u>	<u>16,486,254</u>
Noncurrent assets:			
Restricted Investments	65,496,420	-	-
Assessments (Net of Uncollectible)	12,174	-	2,920,342
Contract Receivable from Other Governmental Agency	18,124,752	-	-
Advances to Governmental Fund	8,995,565	-	-
Unamortized Loan Costs	2,218,134	196,415	-
Capital assets:			
Land	4,332,342	4,376,053	203,692
Buildings	14,408,401	-	847,916
Improvements	3,949,969	25,506,077	595,317
Machinery and Equipment	9,452,957	207,478	27,010,659
Utility Systems	691,903,499	160,452,016	-
Accumulated Depreciation	(279,419,387)	(59,158,478)	(23,456,656)
Projects in Progress	1,905,048	5,247,275	-
Total capital assets	<u>446,532,829</u>	<u>136,630,421</u>	<u>5,200,928</u>
Total noncurrent assets	<u>541,379,874</u>	<u>136,826,836</u>	<u>8,121,270</u>
Total assets	<u>\$ 663,153,193</u>	<u>\$ 151,485,215</u>	<u>\$ 24,607,524</u>

Business-Type Activities - Enterprise Funds

Tropicana Field	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 2,582,964	\$ 3,984,886	\$ 26,663,028	\$ 13,231,535
-	3,048,250	107,114,599	84,019,910
168,025	663,294	9,042,434	1,771,793
-	19,699	1,171,598	258,935
-	-	3,087,811	-
-	786,843	2,208,021	15,698
-	2,659	3,031,726	-
-	-	736,909	-
-	201,916	1,213,962	1,182,791
-	150,309	10,256,709	2,396,137
<u>2,750,989</u>	<u>8,857,856</u>	<u>164,526,797</u>	<u>102,876,799</u>
-	-	65,496,420	-
-	-	2,932,516	-
-	-	18,124,752	-
-	-	8,995,565	-
-	42,780	2,457,329	-
9,683,352	10,819,727	29,415,166	1,929,163
153,875,685	122,042,042	291,174,044	15,892,781
8,849,518	47,539,407	86,440,288	2,916,489
12,605,168	9,428,311	58,704,573	75,150,524
-	-	852,355,515	-
(79,999,591)	(73,534,350)	(515,568,462)	(71,147,336)
-	1,417,217	8,569,540	-
<u>105,014,132</u>	<u>117,712,354</u>	<u>811,090,664</u>	<u>24,741,621</u>
<u>105,014,132</u>	<u>117,755,134</u>	<u>909,097,246</u>	<u>24,741,621</u>
<u>\$ 107,765,121</u>	<u>\$ 126,612,990</u>	<u>1,073,624,043</u>	<u>\$ 127,618,420</u>

City of St. Petersburg, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2011

Business-Type Activities - Enterprise Funds

	Water Resources	Stormwater	Sanitation
Liabilities			
Current liabilities:			
Vouchers and Accounts Payable	\$ 2,683,009	\$ 525,654	\$ 854,952
Accrued Salaries	644,865	72,972	246,384
Accrued Annual Leave	54,544	-	43,343
Retainage on Contracts	566,845	140,188	-
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	298,390	-	21
Claims - Current Portion	-	-	-
Notes Payable - Current Portion	1,424,000	-	-
Payable from Restricted Assets:			
Bonds and Notes Payable - Current Portion	4,040,000	150,000	-
Accrued Interest	6,122,445	453,166	-
Other Current Liabilities	-	-	-
Deposits	363,860	-	50,000
Deferred Revenue	-	-	-
Total current liabilities	<u>16,197,958</u>	<u>1,341,980</u>	<u>1,194,700</u>
Long-term liabilities:			
Accrued Annual Leave less Current Portion	1,866,562	278,572	1,103,841
Notes Payable - State	15,585,789	-	-
Revenue Bonds Payable	241,591,000	20,614,000	-
Claims	-	-	-
Obligation for OPEB	3,157,983	586,894	2,040,098
Unamortized Discount (Premium)	1,209,342	3,667	-
Unamortized Underwriting Discount	(1,620,634)	-	-
Unamortized Deferred Amount on Refunding	(1,479,357)	(784,751)	-
Capital Leases Payable	-	-	-
Notes Payable	-	-	-
Total Long-term Liabilities	<u>260,310,685</u>	<u>20,698,382</u>	<u>3,143,939</u>
Total liabilities	<u>276,508,643</u>	<u>22,040,362</u>	<u>4,338,639</u>
Net assets			
Invested in Capital Assets, Net of Related Debt	247,144,552	116,993,920	5,200,926
Restricted			
Debt Service	20,716,798	603,166	-
Capital Projects	53,679,689	-	-
Unrestricted	<u>65,103,512</u>	<u>11,847,767</u>	<u>15,067,959</u>
Total net assets	<u>\$ 386,644,551</u>	<u>\$ 129,444,853</u>	<u>\$ 20,268,885</u>

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

Net Assets of Business-Type Activities

The accompanying notes are an integral part of these statements.

Business-Type Activities - Enterprise Funds

Tropicana Field	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1	\$ 746,397	\$ 4,810,013	\$ 2,795,696
-	119,220	1,083,441	413,447
-	37,736	135,623	81,181
-	206,341	913,374	-
-	1,508,202	1,508,202	-
2,731	119,238	420,380	460,715
-	-	-	10,020,180
-	435,000	1,859,000	-
-	-	4,190,000	-
-	57,818	6,633,429	-
-	82,535	82,535	-
-	554,512	968,372	6,379,482
-	170,360	170,360	-
2,732	4,037,359	22,774,729	20,150,701
-	444,728	3,693,703	1,250,868
-	-	15,585,789	-
-	-	262,205,000	-
-	-	-	23,083,000
-	952,124	6,737,099	2,299,789
-	(27,264)	1,185,745	-
-	(19,624)	(1,640,258)	-
-	-	(2,264,108)	-
-	162,153	162,153	-
-	5,405,000	5,405,000	-
-	6,917,117	291,070,123	26,633,657
2,732	10,954,476	313,844,852	46,784,358
105,014,132	111,757,089	586,110,619	24,741,621
-	-	21,319,964	-
-	-	53,679,689	-
2,748,257	3,901,425	98,668,920	56,092,441
\$ 107,762,389	\$ 115,658,514	759,779,192	\$ 80,834,062
		(9,731,340)	
		<u>\$750,047,852</u>	

City of St. Petersburg, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended September 30, 2011

Business-Type Activities - Enterprise Funds

	Water Resources	Stormwater	Sanitation
Operating revenues			
Sales - Water	\$ 44,180,202	\$ -	\$ -
Sales - Wastewater	51,288,446	-	-
Sales and Concessions	-	-	-
Service Charges and Fees	272,288	12,182,306	39,524,555
Fines and Forfeitures	-	-	-
Rentals and Parking	13,248	-	-
Total operating revenues	<u>95,754,184</u>	<u>12,182,306</u>	<u>39,524,555</u>
Operating expenses			
Personal Services and Benefits	24,040,568	4,093,760	13,499,837
Supplies, Services and Claims	49,952,828	1,882,853	18,777,989
General Administrative Charges	3,628,872	626,184	2,091,072
Depreciation	15,879,447	5,650,513	2,525,164
Total operating expenses	<u>93,501,715</u>	<u>12,253,310</u>	<u>36,894,062</u>
Operating income (loss)	<u>2,252,469</u>	<u>(71,004)</u>	<u>2,630,493</u>
Nonoperating revenues (expenses)			
Intergovernmental Revenues	1,776,052	3,316,452	189,013
Earnings on Investments	2,627,263	265,466	290,618
Other Interest Revenue	968,935	-	-
Interest Expense	(10,877,907)	(910,899)	-
Amortization of Bond Discount and Issue Cost	51,480	(15,208)	-
Gain (Loss) on Disposition of Capital Assets	(2,105)	-	382,371
Miscellaneous Revenue	251,417	84,394	419,427
Total nonoperating revenues (expenses)	<u>(5,204,865)</u>	<u>2,740,205</u>	<u>1,281,429</u>
Income (loss) before contributions and transfers	<u>(2,952,396)</u>	<u>2,669,201</u>	<u>3,911,922</u>
Transfers and contributions			
Capital Assets from (to) Other Funds	(2,488)	(600,707)	-
Contributions from Citizens and Developers	381,019	5,792	-
Transfers In (Out):			
Transfers In	150,262	-	-
Transfers Out	(9,759,713)	(1,802,064)	(3,051,756)
Total transfers and contributions	<u>(9,230,920)</u>	<u>(2,396,979)</u>	<u>(3,051,756)</u>
Change in net assets	<u>(12,183,316)</u>	<u>272,222</u>	<u>860,166</u>
Net assets - October 1	<u>398,827,867</u>	<u>129,172,631</u>	<u>19,408,719</u>
Net assets - September 30	<u>\$ 386,644,551</u>	<u>\$ 129,444,853</u>	<u>\$ 20,268,885</u>

Change in Net Assets (from above)

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in net assets of business-type activities.

The accompanying notes are an integral part of these statements.

Business-Type Activities - Enterprise Funds

Tropicana Field	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
\$ -	\$ -	\$ 44,180,202	\$ -
-	-	51,288,446	-
-	1,332,163	1,332,163	-
-	9,655,266	61,634,415	83,416,755
-	1,444,549	1,444,549	-
1,421,744	5,327,691	6,762,683	5,912,672
<u>1,421,744</u>	<u>17,759,669</u>	<u>166,642,458</u>	<u>89,329,427</u>
786,197	9,100,671	51,521,033	19,206,498
1,883,376	10,425,172	82,922,218	74,098,239
-	966,000	7,312,128	-
3,788,092	7,935,744	35,778,960	5,717,773
<u>6,457,665</u>	<u>28,427,587</u>	<u>177,534,339</u>	<u>99,022,510</u>
(5,035,921)	(10,667,918)	(10,891,881)	(9,693,083)
-	2,341,296	7,622,813	396,569
1,646	109,392	3,294,385	2,681,959
-	-	968,935	-
-	(246,281)	(12,035,087)	-
-	(20,487)	15,785	-
-	77,074	457,340	479,992
-	584,290	1,339,528	1,272,490
<u>1,646</u>	<u>2,845,284</u>	<u>1,663,699</u>	<u>4,831,010</u>
(5,034,275)	(7,822,634)	(9,228,182)	(4,862,073)
(2,546)	4,675,163	4,069,422	30,333
-	3,199	390,010	-
1,480,335	3,068,000	4,698,597	-
-	(994,164)	(15,607,697)	(575,000)
<u>1,477,789</u>	<u>6,752,198</u>	<u>(6,449,668)</u>	<u>(544,667)</u>
(3,556,486)	(1,070,436)	(15,677,850)	(5,406,740)
111,318,875	116,728,950	775,457,042	86,240,802
<u>\$ 107,762,389</u>	<u>\$ 115,658,514</u>	<u>759,779,192</u>	<u>\$ 80,834,062</u>
		(15,677,850)	
		(3,771,401)	
		<u>\$(19,449,251)</u>	

CITY OF ST. PETERSBURG, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS		
	Water Resources	Stormwater	Sanitation
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (loss)	\$ 2,252,469	\$ (71,004)	\$ 2,630,493
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	15,879,447	5,650,513	2,525,164
Amortization	51,480	60,200	-
Other non-operating income (loss), net	1,218,247	84,394	419,427
Changes in assets and liabilities:	-	-	-
Accounts Receivable, DFOG, net	(1,806,286)	(119,550)	453,503
Prepays & Other Assets	6,321	2,116	(14,292)
Accounts Payable & accrued liabilities	(3,190,747)	(259,597)	(311,429)
Deposits	137,808	-	50,000
Compensated absences and OPEB	73,616	63	(13,975)
CASH USED FOR OPERATING ACTIVITIES	<u>14,622,355</u>	<u>5,347,135</u>	<u>5,738,891</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenue	1,820,614	4,461,260	189,013
(Payment) Receipt on Interfund Loan	-	-	-
Transfers-in	150,262	-	-
Transfers-out	(9,759,713)	(1,802,064)	(3,051,756)
CASH USED FOR NONCAPITAL FINANCING ACTIVITIES	<u>(7,788,837)</u>	<u>2,659,196</u>	<u>(2,862,743)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Proceeds from issuance of debt	49,380,000	-	-
Capital assets from other sources	-	-	-
Proceeds from special assessment	379,304	5,792	(758,052)
Acquisition of property, plant, equipment	(15,467,451)	(6,246,839)	(2,172,879)
Proceeds from sale of property, plant, equipment	-	-	388,878
Principal paid on capital debt	(5,314,286)	(146,000)	-
Bond fees and costs	(945,888)	-	-
Payment of interest	(9,423,495)	(913,819)	-
Principal received	736,910	-	-
Prepaid bond payments	(9,503,234)	(603,166)	-
CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	<u>9,841,860</u>	<u>(7,904,032)</u>	<u>(2,542,053)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase, Sale and Maturities of Investments, net	(24,896,692)	5,048,898	940,761
Interest received on investments	2,079,026	246,061	300,204
CASH USED FOR INVESTING ACTIVITIES	<u>(22,817,666)</u>	<u>5,294,959</u>	<u>1,240,965</u>
NET INCREASE (DECREASE) IN CASH	(6,142,288)	5,397,258	1,575,060
CASH AT BEGINNING OF YEAR	<u>18,511,025</u>	<u>-</u>	<u>754,123</u>
CASH AT YEAR END	<u>\$ 12,368,737</u>	<u>\$ 5,397,258</u>	<u>\$ 2,329,183</u>
NON-CASH TRANSACTIONS			
Non-cash Investing, Capital, and Financing Activities			
Contributions of Capital Assets (to)/from Other Funds	2,488	600,707	-
Interest Receivable	-	-	-
Change in Fair Value of Investments	276,825	(35,630)	(470)
Capitalized interest	-	-	-
TOTAL	<u>\$ 279,313</u>	<u>\$ 565,077</u>	<u>\$ (470)</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	95,357,538	12,222,558	40,447,485
Cash received from interfund services provided	(15,252,545)	(3,600,880)	(12,715,750)
Cash payments to vendors for goods & services	(44,714,500)	(214,604)	(11,542,532)
Cash payments to employees for services	(20,768,138)	(3,059,939)	(10,450,312)
Net Cash provided by operating activities	<u>14,622,355</u>	<u>5,347,135</u>	<u>5,738,891</u>

<u>Tropicana Field</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ (5,035,921)	\$ (10,667,918)	\$ (10,891,881)	\$ (9,693,083)
3,788,092	7,935,744	35,778,960	5,717,773
-	(5,576)	106,104	-
-	584,296	2,306,364	1,272,499
-	-	-	-
22,728	(591)	(1,450,196)	(565,904)
-	92,437	86,582	227,462
(38,072)	79,321	(3,720,524)	9,679,825
-	8,856	196,664	(20,307)
-	(10,574)	49,130	11,557
<u>(1,263,173)</u>	<u>(1,984,005)</u>	<u>22,461,203</u>	<u>6,629,822</u>
-	2,715,286	9,186,173	381,011
(187,565)	-	(187,565)	460,715
1,480,335	3,068,000	4,698,597	-
-	(994,167)	(15,607,700)	(575,000)
<u>1,292,770</u>	<u>4,789,119</u>	<u>(1,910,495)</u>	<u>266,726</u>
-	-	49,380,000	-
-	-	-	-
-	3,199	(369,757)	-
-	(2,130,829)	(26,017,998)	(6,665,194)
141,126	77,074	607,078	544,824
-	(446,599)	(5,906,885)	-
-	-	(945,888)	-
-	(250,481)	(10,587,795)	-
-	-	736,910	-
-	-	(10,106,400)	-
<u>141,126</u>	<u>(2,747,636)</u>	<u>(3,210,735)</u>	<u>(6,120,370)</u>
-	680,629	(18,226,404)	2,213,960
<u>1,646</u>	<u>87,616</u>	<u>2,714,553</u>	<u>1,783,226</u>
<u>1,646</u>	<u>768,245</u>	<u>(15,511,851)</u>	<u>3,997,186</u>
172,369	825,723	1,828,122	4,773,364
<u>2,410,595</u>	<u>3,159,163</u>	<u>24,834,906</u>	<u>8,458,171</u>
<u>\$ 2,582,964</u>	<u>\$ 3,984,886</u>	<u>\$ 26,663,028</u>	<u>\$ 13,231,535</u>
2,546	(4,675,163)	(4,069,422)	30,333
-	(188,752)	(188,752)	-
-	(9,067)	231,658	(988,446)
-	-	-	-
<u>\$ 2,546</u>	<u>\$ (4,872,982)</u>	<u>\$ (4,026,516)</u>	<u>\$ (958,113)</u>
1,444,472	18,195,771	167,667,824	90,015,715
(2,361,833)	(3,740,539)	(37,671,547)	(7,354,748)
(300,680)	(8,992,561)	(65,764,877)	(59,171,888)
(45,132)	(7,446,676)	(41,770,197)	(16,859,257)
<u>(1,263,173)</u>	<u>(1,984,005)</u>	<u>22,461,203</u>	<u>6,629,822</u>

City of St. Petersburg, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2011

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and Cash Equivalents	\$ 49,018	\$ 80,124
Trustee Accounts	12,208,216	-
Total Cash and Cash Equivalents	<u>12,257,234</u>	<u>80,124</u>
Receivables		
Interest and Dividends	2,614,716	-
Accounts	3,879,212	5,195
Prepays and Deposits	-	1,500
Total Receivables	<u>6,493,928</u>	<u>6,695</u>
Investments, at Fair Value		
Government Securities	107,289,380	-
Corporate Bonds	138,083,791	-
Common and Preferred Stock	406,663,906	-
Alternative Investments	29,815,554	-
Total Investments	<u>681,852,631</u>	<u>-</u>
Total assets	<u>700,603,793</u>	<u>86,819</u>
Liabilities		
Payables		
Accounts	494	59,879
Due to Other Entities and Individuals	-	11,737
Due to Other Governmental Agencies	-	15,014
Uncashed Checks	-	189
Total liabilities	<u>494</u>	<u>86,819</u>
Net assets		
Held in Trust for Pension Benefits	<u>700,603,299</u>	<u>-</u>
Total net assets	<u>\$ 700,603,299</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

City of St. Petersburg, Florida
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended September 30, 2011

	<u>Pension Funds</u>
Additions	
Contributions	
Employer (Charges to Other Funds)	\$ 34,438,670
Employees	4,727,939
State Premium Tax	1,606,669
State Insurance Fund	1,842,733
Total Contributions	<u>42,616,011</u>
Investment Income	
Net Decrease in Fair Value of Investments	(59,829,111)
Interest on Investments	49,394,446
Dividends on Stock	7,717,903
Total Investment Income (Loss)	<u>(2,716,762)</u>
Less Investment Expense	3,115,613
Net Investment Income (Loss)	<u>(5,832,375)</u>
Total additions	<u>36,783,636</u>
Deductions	
Benefits	43,093,403
Deferred Retirement Option Contributions	7,094,116
Refunds of Contributions	1,353,551
Administrative Expenses	697,285
Total deductions	<u>52,238,355</u>
Change in net assets	(15,454,719)
Net assets - October 1	<u>716,058,018</u>
Net assets - September 30	<u><u>\$ 700,603,299</u></u>

The accompanying notes are an integral part of these statements.



NOTES TO THE FINANCIAL STATEMENTS

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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. 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 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, FL
Notes to the Financial Statements
September 30, 2011

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, 2011, had a related party transaction with the TBWA as follows: The City paid \$24,865,035 for water purchases, and received \$968,935 in interest and \$704,839 of principal on the TBWA contract receivable. The remaining principal in the TBWA contract receivable is \$18,861,661.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government city-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 Assets 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 Assets reports all financial and capital resources of St. Petersburg's governmental and business-type activities. It is presented in a net assets format (assets less liabilities equal net assets) and shown with three components: amounts invested in capital assets, net of related debt; restricted net assets and unrestricted net assets. 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. Reconciliation is provided that converts the results of governmental fund accounting to the government wide presentation.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

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 revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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, and jointly assessed taxes collected through other governments are within 90 days).

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.

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.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

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 City applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued before November 30, 1989 in accounting and reporting for its proprietary operations but has elected not to apply FASB pronouncements issued after November 30, 1989.

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 all tax increment revenues received from Pinellas County and the City for three current active Community Redevelopment Districts.
- Downtown Redevelopment District Fund accounts for revenues received from the Community Redevelopment Districts fund related to the Downtown Community Redevelopment District (DCRD). Transfers to debt service funds relate to DCRD debt obligations with remaining fund balances restricted to DCRD activities.
- 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.
- The Grants Fund is used to account for two main sources of revenue. First, revenues received from the U.S. Department of Housing and Urban Development under the HOME, Community Development Block Grants and Neighborhood Stabilization Program is included. Second, revenues received from Pinellas County, FL in the Community Housing Trust Program are included.

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.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

- 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.
- 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.

The City also reports the following fund types:

- Internal Service Funds are 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.
- 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, 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.

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, Liabilities and Net Assets 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, and institutional money market accounts. All investments are reported at fair value.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

Florida Statute 218.415 and the City's investment policy authorize the City to invest surplus funds in the following:

- The Local Government Surplus Funds Trust Fund under the management of the State Board of Administration.
- Negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by, the U.S. Government.
- Interest bearing time deposits, savings and money market accounts in banks and savings and loans organized under Florida state law or doing business in and situated in the State, provided they are qualified State of Florida public depositories.
- Obligations of U.S. Governmental sponsored corporations including FAMCA, FNMA, FFCB, FHLB, FHLMC, FLB and SLMA.
- Commercial paper of U.S. corporations having a rating of at least two of the following three ratings: A-1, P-1 and F-1, as rated by any one of the following rating services, Standard & Poor's, Moody's, and Fitch Investors Service.
- Bankers' acceptances that are eligible for purchase by the Federal Reserve Banks and have a letter of credit rating of A or better.
- Tax-exempt governmental obligations. Tax-exempt obligations with a rating of A- or less, must be an insured issue through MBIA, or an equivalent company. Issues rated A+ or higher may or may not carry an insurance backing.
- Collateralized mortgage obligations issued by Federal Agencies and Instrumentalities limited to PAC 1 and TAC's in a sequential pay structure. All purchases must pass the Federal Financial Instrumentalities Examination Council (FFIEC) high risk security test.
- Corporate asset backed notes with the two highest ratings out of the three rating services.
- Guarantee Investment Contracts (GIC) with an issuing financial institution which has at least the two highest ratings on its long-term debt by one of the three rating services.
- Repurchase agreements with primary dealers and the City's primary state certified qualified public depository.
- U.S. Governments and agency registered short-term Mutual Funds.
- Taxable governmental bonds, notes or other obligations of investment grade quality as established by one of the three rating services.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

- The Bank of America - Columbia Strategic Fund account.
- External money managers limited to the parks and recreation funds' investments allocated 40% to fixed income investments and 60% to equity investments.

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, 2011. SBA Fund B is shown at fair value.

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 uncollectible. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible.

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.

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.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

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 endowment not be spent, but only the earnings thereon. The total non major endowment restricted assets at September 30, 2011, total \$345,775. The City's policy is to authorize the expenditures of all interest and dividends earned less management fees and to reinvest all appreciated value.

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 fair value at the time received.

The City maintains a \$1,000 threshold for additions to capital assets, excluding intangible assets. Public domain and system infrastructure assets represent such items as roads, water and wastewater treatment plants and lines, parks and drainage systems.

For intangible assets, the City maintains a \$10,000 threshold for software related assets and a \$100,000 threshold for other intangible assets.

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

	Range	in	Years
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

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

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.

7. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the outstanding interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Losses resulting from advanced refunding 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 reduction of the debt 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. 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

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

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 mandates 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 formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) 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. 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 is 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 other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute.

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

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

9. 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.

10. 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.

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 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 may take into account the 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

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

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.

The Economic Stability Fund had a fund balance of \$21,361,606 at September 30, 2011. The Water Cost Stabilization Fund had a fund balance of \$89,417,012.

11. Minimum Fund Balance Policy

The General Operating Fund reserve target is 20% of the Fund's current year budgeted appropriations. 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 in the list below. 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.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

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 below are a percentage of the annual, appropriated budget.

Enterprise Funds

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

Stormwater Utility Fund – 16.7%

Sanitation Funds

Sanitation Operating Fund – 16.7%

Sanitation Equipment Replacement Fund – 25% of equipment replacement cost

Airport – no target

Marina – 8.3%

Golf Courses – 8.3%

Jamestown – 8.3%

Port – no target

Parking Fund – no target

Mahaffey Theater Fund – no target

Pier Fund – no target

Coliseum Fund – no target

Sunken Gardens Fund – no target

Tropicana Field Fund – no target

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%

Information and Communication Funds

Information and Communication Services – 16.7%

Technology and Infrastructure Fund - \$7,000,000 +/- \$2,000,000

Consolidated Inventory Fund – 8.3%

Insurance Funds

Health Insurance Fund – 50%

Life Insurance Fund – 25%

Self Insurance Fund – 50%

Commercial Insurance Fund – 50%

Workers' Compensation Fund – 25%

Billing and Collections Fund – 16.7%

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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. 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 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 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, FL
Notes to the Financial Statements
September 30, 2011

	General	Community Redevelopment Districts	Downtown Redevelopment District	Local Option Sales Surtax Improvement	Grants	Non major Governmental	Total Governmental Funds
Non Spendable							
Library	-	-	-	-	-	238,220	238,220
Kopsick Palm Arboretum	-	-	-	-	-	107,555	107,555
Prepaid Deposit and Inventory	<u>38,252</u>	-	-	-	-	<u>9,715,520</u>	<u>9,753,772</u>
Total Non Spendable	<u>38,252</u>	-	-	-	-	<u>10,061,295</u>	<u>10,099,547</u>
Restricted							
Redevelopment Districts	-	2,308,581	1,246,089	-	-	-	3,554,670
Public Safety Capital Improvement	-	-	-	7,469,249	-	-	7,469,249
City & Neighborhood Infrastructure	-	-	-	25,181,318	-	-	25,181,318
Recreation and Culture Capital Improvement	-	-	-	7,722,982	-	-	7,722,982
City Facilities Capital Improvement	-	-	-	3,283,287	-	-	3,283,287
Fire Rescue and EMS Awards	-	-	-	-	-	30,935	30,935
Debt Service Payments	-	-	-	-	-	483,657	483,657
Public Safety	-	-	-	-	-	2,921,731	2,921,731
Housing Assistance	-	-	-	-	242,413	2,222,299	2,464,712
Recreation and Culture	-	-	-	-	-	9,189,168	9,189,168
Building Code Enforcement	-	-	-	-	-	<u>519,659</u>	<u>519,659</u>
Total Restricted	-	<u>2,308,581</u>	<u>1,246,089</u>	<u>43,656,836</u>	<u>242,413</u>	<u>15,367,449</u>	<u>62,821,368</u>
Committed							
General Capital Improvements	-	-	-	-	-	2,019,112	2,019,112
Housing Capital Improvements	-	-	-	-	-	818,383	818,383
Transportation Improvements	-	-	-	-	-	733,809	733,809
Downtown Parking Garage Improvements	-	-	-	-	-	8,577	8,577
Arts Programs	300,087	-	-	-	-	-	300,087
Economic Stability and Budget Shortfalls	23,361,606	-	-	-	-	-	23,361,606
Preservation Projects	912,246	-	-	-	-	-	912,246
Land sale Proceeds	40,000	-	-	-	-	-	40,000
Operating reappropriations	398,313	-	-	-	-	-	398,313
Qualified Target Industry (QTI) Tax	80,000	-	-	-	-	-	80,000
Housing	100,000	-	-	-	-	-	100,000
Recreation and Culture	-	-	-	-	-	<u>7,947,248</u>	<u>7,947,248</u>
Total Committed	<u>25,192,252</u>	-	-	-	-	<u>11,527,129</u>	<u>36,719,381</u>
Assigned							
General Capital Improvement	-	-	-	-	-	5,338,320	5,338,320
Transportation Improvement	-	-	-	-	-	18,475,134	18,475,134
Downtown Parking Garage Improvement	-	-	-	-	-	210,350	210,350
Total Assigned	-	-	-	-	-	<u>24,023,804</u>	<u>24,023,804</u>
Unassigned	<u>17,104,887</u>	-	-	-	-	-	<u>17,104,887</u>
Total Fund Balances	<u>42,335,391</u>	<u>2,308,581</u>	<u>1,246,089</u>	<u>43,656,836</u>	<u>242,413</u>	<u>60,979,677</u>	<u>150,768,987</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 4 – PROPERTY TAXES

A. CALENDAR OF PROPERTY TAX EVENTS

January 1, 2010 - Property taxes are based on assessed property value at this date as determined by the Pinellas County Property Appraiser.

June 1, 2010 – Estimate of taxable value, property assessment roll and certificates of value by County Property Appraiser provided to the City.

July 16, 2010 - Proposed tax millage rate approved by the City Council and provided to the County Property Appraiser, who mails notices to the taxpayers.

September 17, 2010 - Property tax millage rate resolution approved by the City Council.

October 1, 2010 - Beginning of fiscal year for which taxes are levied.

November 1, 2010 - Property Tax levy due and payable.

March 3, 2011 - County Property Appraiser notifies the City of taxable value on the final property tax assessment roll.

April 1, 2011 - Unpaid property taxes become delinquent and become a lien.

June 1, 2011 - 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, 2011, the approved operating millage was 5.9125 mills.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 5 – DEPOSITS AND INVESTMENTS

The City maintains cash management accounts for its cash and cash equivalents in which each fund and/or account or sub-account of a fund participates on a dollar equivalent and daily transaction basis. Interest income for cash equivalents is distributed monthly based on a monthly average balance.

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.

At fiscal year end, the carrying amounts of the City's deposits were \$34,394,889 and the bank balances were \$38,149,675. Of the bank balances, \$35,654,954 was insured by federal depository insurance. During the past year Bank of America was a participant in the FDIC's Transaction Account Guarantee Program, which means all non-interest bearing transaction accounts were fully guaranteed by the FDIC for the entire amount in the account.

As part of its contract with the St. Petersburg Baseball Commission, Inc., in lieu of a performance bond the Commission deposited \$100,000 into a public funds account at Wells Fargo. As of September 30, 2011, this account had a balance of \$99,870.

On April 28, 2011, the City entered into a two year banking services agreement with Bank of America with three one year extensions. There are no compensating balances required to be maintained. There are no line of credit commitments within the contract. The agreement requires payment monthly for all banking service costs. Collected funds on the City's three main accounts earned interest daily and are credited to the accounts monthly. 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's contract for merchant account processing is in the second of a two year contract extension. 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

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, and selection of broker/dealers, payment, custody, safekeeping, reporting requirements, and investment oversight. The policy establishes four portfolios to identify cash flow requirements within the City as well as modifying interest rate and concentration risk. The short term portfolio contains investments in approved government money market funds and other authorized investments due within one year. The debt service portfolio contains short term funds accumulated for periodic debt payments as well as any invested reserves and debt reserve investments with a modified duration not exceeding 5 years. The two remaining portfolios are considered core investment portfolios and as such contain investments with maturities that

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)

can be as long as 10 years with a modified duration not exceeding 5 years. The policy was modified in 2006 to authorize \$14 million of core investments to be invested with two outside money managers for the Parks Preservation Fund, and was modified in 2010 to alter the diversification schedule to further protect the City's investments by limiting the percentages of certain investment instruments.

The State Board of Administration is part of the Local Government Surplus Funds Trust Fund and is governed by Ch. 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Funds A and B. Additionally, the State of Florida Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The fair value of the position in the external investment Fund A (Florida Prime) is the same as the value of the pool shares. The fair value of the positions in the external investment Fund B is currently less than the book value of the fund's shares, and the Fair Value Factor at June 30, 2011 is .7896533 of each 1.00 share in the fund. The Local Government Surplus Funds Trust Fund A (Florida Prime) is not a registrant with the Securities and Exchange Commission, however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund. The Local Government Surplus Fund B does not meet the requirements of a 2a-7 – like fund.

The City continues to maintain accounts with Local Governmental Surplus Funds Trust Fund and the remaining assets are separated into two funds, the “A” fund, which is the more liquid fund and the “B” fund, which holds the questionable remaining assets and no direct withdrawals can occur from this fund. As assets in the “B” fund mature or are sold the cash flow would be redistributed to the “A” fund and are available for withdrawal. The balances in these funds are identified below.

The Bank of America - Columbia Strategic Fund account is a separately run investment account for the City. Money is withdrawn from the account when investments mature or are sold. All investments within this separately managed account are included below under the Bank of America – Columbia Strategic Fund and are divided into five different categories of investments. There are twelve investment positions with a fair value of \$759,966 that are rated below investment grade or not rated. The fair market values of these investments by category are as follows: Corporate Bonds \$251,068, Asset Backed Obligations \$18,025 and the Mortgage Backed Securities \$490,873.

In May 2009, the city ended its participation in the Securities Lending program with Wachovia. All loans were repaid and the City was required to purchase a \$15,000,000 Lehman Brothers Note, at par, which is recorded at fair market value. Lehman Brothers is currently in bankruptcy and the city intends to hold the Note until bankruptcy court liquidation. The City recorded a \$13.1 million dollar unrecognized loss in Fiscal Year 2008 and had a \$695,000 unrecognized gain in 2009 and a \$11,325,000 recognized loss 2011 to reflect the write-down in value as the Lehman bankruptcy nears completion.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 5 – DEPOSITS AND INVESTMENTS – (Continued)

At year end, the government's deposits and investment balances were as follows:

	Credit Ratings	Fair Value	Modified Duration (Years)	Percent of Portfolio
Cash and Cash Equivalents:				
Cash		\$ 33,456,479		7.6 %
State of Florida Local Government Surplus Trust Fund A	AAA	38,669		0.0 %
Morgan Stanley – Governmental Money Market	AAA	17,452,020		4.0 %
AIM – Governmental Money Market	AAA	17,447,194		4.0 %
Total Cash and Cash Equivalents		<u>\$ 68,394,362</u>		<u>15.6 %</u>
Investments:				
State of Florida Local Governmental Surplus Trust Fund B	Not Rated	\$ 137,978	N/A	0.0 %
Certificates of Deposit	Not Rated	108,682,000	N/A	24.8 %
Bank of America – Columbia Strategic Fund:				
Cash		285,108	N/A	0.1 %
Corporate Bonds	Not Rated	248,640	N/A	0.1 %
Asset Backed Obligations	AAA thru Not Rated	311,590	N/A	0.1 %
Mortgage Backed Securities	AAA thru D	2,409,585	N/A	0.6 %
FHLB Mortgage Backed	AAA	5,200,984	2.4	1.2 %
FHLMC Mortgage Backed	Not Rated	3,639,751	0.1	0.8 %
FNMA Mortgage Backed	Not Rated	9,028,604	1.3	2.1 %
GNMA Mortgage Backed	Not Rated	2,331,723	2	0.5 %
Berkshire Hathaway	AA2	5,032,650	5	1.1 %
General Electric Capital Corp	AA2	5,011,050	4	1.1 %
Lehman Brothers	Not Rated	3,675,000	N/A	0.8 %
Federal Agency Bond/Notes:				
US Treasury	AAA	50,333,700	3.3	11.5 %
FFCB	AAA	26,284,110	1.5	6.0 %
FHLB	AAA	17,410,580	1.1	4.0 %
FAMC	AAA	10,020,600	1.2	2.3 %
FHLMC	AAA	10,292,950	1.3	2.4 %
STEP COUPON FHLB	AAA	20,179,200	1.8	4.6 %
STEP COUPON FHLMC	AAA	3,003,090	-	0.7 %
STEP COUPON FNMA	AAA	35,260,320	-	8.1 %
FNMA	AAA	20,638,900	1.2	4.7 %
Tennessee Valley Authority (TVA)	AAA	2,158,560	1.4	0.5 %
Taxable Municipal Bonds	AAA thru A1	14,455,692	3.7	3.3 %
Externally Managed Investments:				
Fidelity Government Portfolio	AAA	61,581	-	0.0 %
Common Stock	N/A	7,507,307	N/A	1.7 %
U.S. Agencies	AAA	1,602,334	1.4	0.4 %
Collateralized Mortgage Obligations	AAA	833,961	3	0.2 %
Corporate Bonds	AAA-A3	3,370,686	3.3	0.8 %
Total Investments		<u>\$ 369,408,234</u>		<u>84.5 %</u>
Total Deposits and Investments		<u>\$ 437,802,596</u>		<u>100 %</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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. All cash equivalent investments are based on total investments held in the investment pool at the balance sheet date. All investments are held in custodial trust accounts in the City's name.

Interest Rate Risk (Modified Duration)

Interest rate risk is the risk that as market rate changes 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 10 years with a modified duration of 5 years. The respective modified durations were based on the securities maturity date, not the call date.

The State Board of Administration Fund B interest rate risk information is not available. An estimate of the Weighted Average Life (based on expected future cash flows) is 7.16 years at September 30, 2011. As the fund consists of defaulted or restructured securities there is considerable uncertainty regarding weighted average life.

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).

The State Board of Administration Fund B is not rated by any nationally recognized statistical rating agency. Certain other investments held in the Bank of America - Columbia Strategic Fund are also not rated by any nationally recognized rating agency.

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.

A maximum of 25% of the short term portfolio may be invested in either the Local Governments Surplus Funds Trust Fund or checking and savings accounts. A maximum of 100% of the total short term portfolio may be invested in U.S. treasury securities, and a maximum 50% in U.S. Agency and U.S. Instrumentality securities. A maximum of 100% of the overnight and debt service portfolios may be invested in U.S. Governmental Short-term money market funds.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Bankers' Acceptances is limited to the short-term portfolio only at 20% of the total short term portfolio.

Commercial paper is limited to 20% of the portfolio for 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.

The policy provides that a maximum of 30% of the core portfolios may be invested in taxable municipal bonds. A maximum of 100% of the total core portfolios may be invested in U.S. treasury securities, U.S. Agency securities, and U.S. Instrumentality securities. A maximum of 20% of the core portfolios may be invested in collateralized mortgage obligations, and corporate bonds and notes are limited to 30% of the core portfolio.

A maximum of 10% of the short-term portfolio and 5% of the core portfolio may be invested in the Columbia Strategic Fund.

At year end, the government's trustee deposits and investment balances were as follows:

<u>Trust Accounts:</u>	<u>Credit Ratings</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>Percent of Portfolio</u>
Cash and Cash Equivalents:				
BOA Cash Reserve	AAA	\$ 1,475		0.7 %
Total Cash and Cash Equivalents		<u>1,475</u>		<u>0.7 %</u>
Investments:				
Charles Schwab Money Market	Not Rated	5,074	0.4	2.4 %
American Income Stock Fund	Not Rated	102,481	N/A	48.7 %
Columbia Equity Funds	Not Rated	35,817	N/A	17.0 %
Columbia High Yield Bond Fund	Not Rated	61,472	N/A	29.2 %
Columbia Total Return Bond Fund	Not Rated	730	N/A	0.3 %
Columbia Real Estate Equity Fund	Not Rated	3,622	N/A	1.7 %
Total Investment Accounts		<u>209,196</u>		<u>99.3 %</u>
Total Trustee Accounts		<u>\$ 210,671</u>		<u>100.0 %</u>

At year end, the component unit deposits and investments balances were as follows:

Cash	\$ 12,994
AIM	37,330
Total	<u>\$ 50,324</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

At year end, the Fiduciary Funds deposits and investment balances were as follows:

<u>Agency Funds:</u>	<u>Credit Ratings</u>	<u>Fair Value</u>	<u>Weighted Average</u>	<u>Percent of Portfolio</u>	
Cash		\$ 80,124		100.0	%
Total Agency Funds		<u>\$ 80,124</u>		<u>100.0</u>	<u>%</u>
 <u>Pension Funds:</u>					
(General Employees, Police and Firefighters)					
Cash and Cash Equivalents:					
Cash		\$ 49,018		0.0	%
Institutional Money Markets	AAA	12,208,216	0.13	1.8	%
Total Cash and Cash Equivalents		<u>12,257,234</u>		<u>1.8</u>	<u>%</u>
Investments:					
U. S. Treasuries	AA+	6,248,432	13.70	0.9	%
U. S. Agencies	AA+	101,040,948	12.80	14.5	%
Corporate Bonds	AA – A1	138,083,791	6.20	19.9	%
Common and Preferred Stock		357,930,273		51.6	%
Commingled Foreign Stock Mutual Funds		48,733,633		7.0	%
Real Estate		29,815,554		4.3	%
Total Investments		<u>681,852,631</u>		<u>98.2</u>	<u>%</u>
Total Pension Funds		<u>\$ 694,109,865</u>		<u>100.0</u>	<u>%</u>

Interest Rate Risk (Weighted Average)

The investment policies for the pension funds do not place limits on investment maturities. The weighted average maturity of the pension funds are 13.70 for U.S. Treasuries, 12.80 for U.S. Agencies and 6.2 for Corporate Bonds at year end. As a result, the pension funds are exposed to the risk of fair value losses arising from increasing interest rates.

Credit Risk (Credit Rating)

The investment policies of the pension funds limit investments to the top four ratings of a nationally recognized rating agency. U.S. Treasuries were rated AAA, U.S. agencies were rated AAA, corporate bonds were rated AA-A1 or above; commercial paper was rated A1-P1; the money market funds were rated AAA.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk (Percent of Portfolio)

The investment policy of the General Employees Retirement Fund, Firefighters and Police Officers Pension Funds limits investment in any single issuer to 5 percent 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 and Police Officers Funds. No funds had investments in a single issuer that exceeded 5 percent of the total portfolio.

Foreign Currency Risk

The Employee Retirement System, Firefighters and Police Officers Pension Fund's investment policy permits investments of up to 12 percent of the total portfolio in foreign currency-denominated investments. The funds' current position is 7.0 percent in equity co-mingled funds.

NOTE 6 - RECEIVABLES

Receivables as of yearend for the City's individual major funds and nonmajor funds, and internal service funds 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	\$ 1,959	\$ -	\$ -	\$ 31	\$ 85	\$ 530	\$ 1,772	\$ 4,377
Taxes	6,903	-	-	-	-	-	-	6,903
Accrued Interest	132	3	1	72	0	88	259	555
Notes	2,778	-	-	-	6,103	6,685	-	15,566
Assessments	505	-	-	-	-	-	-	505
Total Governmental	12,277	3	1	103	6,188	7,303	2,031	27,906
Less: Allowance for uncollectible	(1,054)	-	-	-	-	(302)	-	(1,356)
Net Governmental Receivable	\$ 11,223	\$ 3	\$ 1	\$ 103	\$ 6,188	\$ 7,001	\$ 2,031	\$ 26,550

*Local Option Sales Surtax Improvement

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 6 – RECEIVABLES – (Continued)

<u>Business-Type Activities</u>	Water Resource	Stormwater	Sanitation	Tropicana Field	Nonmajor Enterprise Funds	Total
Accounts	\$ 5,662	\$ 1,226	\$ 2,139	\$ 168	\$ 2,872	\$ 12,067
Accrued Interest	1,123	13	16	-	20	1,172
Unbilled Revenues	2,974	-	114	-	-	3,088
Total Business-Type	9,759	1,239	2,269	168	2,892	16,327
Less: Allowance for uncollectible	(370)	-	(446)	-	(2,209)	(3,025)
Net Business Type Receivable	<u>\$ 9,389</u>	<u>\$ 1,239</u>	<u>\$ 1,823</u>	<u>\$ 168</u>	<u>\$ 683</u>	<u>\$ 13,302</u>

Amounts actually written off during the year were \$147,055 for the General Fund, \$672 for the nonmajor Governmental Funds, \$18,888 for the Water Resources Fund, \$2,160 for the Stormwater Fund, \$13,319 for the Sanitation Fund and \$5,295 for the nonmajor Enterprise Funds.

The City had notes receivable in the following funds at September 30, 2011. No allowance for uncollectible notes has been recorded in the fund financial statements since the amounts are considered to be fully collectible.

GENERAL FUND

0.00%	Note from Neighborhood Lending Partners of West Florida 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	\$ 1,350,000
5.00%	Note from Grand Bohemian SP, Ltd. for property purchased, bearing interest of 5%. Monthly payments of interest only of \$6,250 through August 15, 2010. Monthly payments of principal and interest of \$9,899 due thereafter through August 15, 2013. The remainder shall be due and payable at the earliest of August 14, 2013 or upon transfer of ownership of property.	1,428,006
		<u>\$ 2,778,006</u>

GRANTS FUND

Community Development Block Grants

Various %	Mortgage notes of various term dates and interest rates for residential rehabilitation loans from the Community Development Block Grants, due in various monthly payments	\$ 421,961
Neighborhood Stabilization Program		
Various %	Mortgage notes of various term dates from individuals for home-buyer assistance loans from the Neighborhood Stabilization Program, due in various monthly payments.	17,650
HOME Grants		
Various %	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.	5,663,569
		<u>\$ 6,103,180</u>

City of St. Petersburg, FL
Notes to the Financial Statements
 September 30, 2011

NOTE 6 – RECEIVABLES – (Continued)

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	\$ 3,798,694
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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.	2,636,680
		\$ 6,435,374

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.	\$ 249,529
	Total Governmental Notes Receivable	\$ 15,566,089

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, 2011.

ENTERPRISE FUNDS

Water Resources

3.43% - 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.	\$ 18,861,661
	Less Current Portion	(736,909)
	Total Non-Current Portion	\$ 18,124,752

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 is presented in the following schedules:

Primary Government

<u>Governmental 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	\$ 123,419,231	\$ 1,691,783	\$ -	\$ -	\$ 125,111,014
Construction in progress	14,269,985	19,909,178	(16,362,006)	-	17,817,157
Total Capital Assets, not being depreciated	<u>137,689,216</u>	<u>21,600,961</u>	<u>(16,362,006)</u>	<u>-</u>	<u>142,928,171</u>
Capital assets, being depreciated:					
Buildings and systems	153,257,010	3,180,366	(845,785)	(3,729,926)	151,861,665
Improvements and Infrastructure	381,605,930	6,107,089	(4,241,610)	(86,618)	383,384,791
Machinery and equipment	138,691,844	11,131,816	(8,527,973)	(428,097)	140,867,590
Total Capital Assets being depreciated	<u>673,554,784</u>	<u>20,419,271</u>	<u>(13,615,368)</u>	<u>(4,244,641)</u>	<u>676,114,046</u>
Less accumulated depreciation for:					
Buildings and systems	(63,778,709)	(3,639,903)	561,051	(58,889)	(66,916,450)
Improvements and Infrastructure	(203,361,425)	(12,594,190)	3,715,879	9,495	(212,230,241)
Machinery and equipment	(112,081,133)	(9,561,702)	8,150,497	227,506	(113,264,832)
Total accumulated depreciation	<u>(379,221,267)</u>	<u>(25,795,795)</u>	<u>12,427,427</u>	<u>178,112</u>	<u>(392,411,523)</u>
Total Capital Assets, being depreciated, net	<u>294,333,517</u>	<u>(5,376,524)</u>	<u>(1,187,941)</u>	<u>(4,066,529)</u>	<u>283,702,523</u>
Governmental activities Capital Assets, net	<u>\$ 432,022,733</u>	<u>\$ 16,224,437</u>	<u>\$ (17,549,947)</u>	<u>\$ (4,066,529)</u>	<u>\$ 426,630,694</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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	\$ 29,415,166	\$ -	\$ -	\$ -	\$ 29,415,166
Construction in progress	7,180,713	23,069,577	(21,680,750)	-	8,569,540
Total Capital Assets, not being depreciated	<u>36,595,879</u>	<u>23,069,577</u>	<u>(21,680,750)</u>	<u>-</u>	<u>37,984,706</u>
Capital assets, being depreciated:					
Buildings and systems	282,902,972	2,592,477	(8,042)	5,686,637	291,174,044
Improvements other the buildings	86,260,754	225,556	(167,727)	121,705	86,440,288
Machinery and equipment	72,249,049	2,847,195	(14,799,749)	(1,591,922)	58,704,573
Utility Systems	833,261,705	19,067,109	(1,521)	28,222	852,355,515
Total Capital Assets being depreciated	<u>1,274,674,480</u>	<u>24,732,337</u>	<u>(14,977,039)</u>	<u>4,244,642</u>	<u>1,288,674,420</u>
Less accumulated depreciation for:					
Buildings and systems	(96,076,931)	(8,519,292)	8,069	(1,248,326)	(105,836,480)
Improvements other than buildings	(43,051,168)	(5,239,785)	160,778	(901,496)	(49,031,671)
Machinery and equipment	(59,421,564)	(4,023,145)	14,749,473	1,129,807	(47,565,429)
Utility Systems	(295,979,608)	(17,996,738)	(438)	841,902	(313,134,882)
Total accumulated depreciation	<u>(494,529,271)</u>	<u>(35,778,960)</u>	<u>14,917,882</u>	<u>(178,113)</u>	<u>(515,568,462)</u>
Total Capital Assets, being depreciated, net	<u>780,145,209</u>	<u>(11,046,623)</u>	<u>(59,157)</u>	<u>4,066,529</u>	<u>773,105,958</u>
Business-type Activities Capital Assets, net	<u>\$ 816,741,088</u>	<u>\$ 12,022,954</u>	<u>\$ (21,739,907)</u>	<u>\$ 4,066,529</u>	<u>\$ 811,090,664</u>

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

Governmental Activities:

General Government	\$ 6,032,341
Community and Economic Development	2,343,621
Public Safety – Police	1,375,618
Public Safety – Fire and EMS	1,535,429
Public Works, including depreciation of general infrastructure assets	8,377,453
Recreation and Culture	6,131,333
Total depreciation expense – governmental activities	<u>\$ 25,795,795</u>

Business-type Activities:

Water Resources	\$ 15,879,447
Stormwater	5,650,513
Sanitation	2,525,164
Tropicana	3,788,092
Other nonmajor business-type funds	7,935,744
Total depreciation expense – business-type activities	<u>\$ 35,778,960</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 8 - CAPITAL ASSETS - (Continued)

Pier Closure:

The City-owned Pier, which is operated as an enterprise fund, is scheduled to close May 31, 2013. For the current fiscal year, the estimated useful life was recalculated for the building and improvements reflecting the remaining service life of the facility. A new Pier design has been selected and a contract awarded in FY 2012 to the architectural firm of Michael Maltzan Architecture, Inc., winners of the City's international design competition.

Construction Commitments:

Outstanding construction contract and special order equipment commitments and estimated additional costs to complete projects in progress at September 30, 2011 are summarized as follows:

	Construction Contracts	Estimated Additional Costs to Complete Projects in Progress	Total Additional Costs to Complete Projects in Progress
CAPITAL PROJECTS FUNDS			
General Capital Improvement	\$ 2,019,112	\$ 14,851,956	\$ 16,871,068
Local Option Sales Surtax Improvement	5,886,524	29,243,387	35,129,911
Housing Capital Improvement	-	227,591	227,591
Transportation Improvement	733,809	5,664,277	6,398,086
Downtown Parking Garage	8,577	190,786	199,363
Weeki Wachee	5,444	2,480	7,924
Total Capital Projects Funds	<u>\$ 8,653,466</u>	<u>\$ 50,180,477</u>	<u>\$ 58,833,943</u>
ENTERPRISE FUNDS			
Water Resources	\$ 7,889,920	\$ 14,445,627	\$ 22,335,547
Stormwater	962,381	12,231,802	13,194,183
Sanitation	107,544	-	107,544
Tropicana	-	521,469	521,469
Other nonmajor business-type funds	939,836	1,126,977	2,066,813
Total Enterprise Funds	<u>\$ 9,899,681</u>	<u>\$ 28,325,875</u>	<u>\$ 38,225,556</u>
INTERNAL SERVICE FUNDS			
Equipment Maintenance	\$ 3,795,445	\$ -	\$ 3,795,445
Facilities Maintenance	2,713	-	2,713
Information and Communication Services	226,935	-	226,935
Consolidated Inventory	96,883	-	96,883
Total Internal Service Funds	<u>\$ 4,121,976</u>	<u>\$ -</u>	<u>\$ 4,121,976</u>
SPECIAL REVENUE FUNDS			
American Recovery & Rehabilitation Act	\$ -	\$ 57,172	\$ 57,172
Local Housing Assistance Trust	210	238,537	238,747
Community Housing Trust	5,200	235,466	240,666
Grants	114,923	4,398,531	4,513,454
Total Special Revenue Funds	<u>\$ 120,333</u>	<u>\$ 4,929,706</u>	<u>\$ 5,050,039</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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	\$ 14,000	\$ 18	\$ (13,982)
Expenditures	14,000	174	13,826
Excess of Revenues Over Expenditures	-	(156)	(156)
Budgetary Fund Balance October 1, 2010	50,480	50,480	-
Reserve for Encumbrances – October 1, 2010	-	-	-
Budgetary Fund Balance September 30, 2011	\$ <u>50,480</u>	\$ <u>50,324</u>	\$ <u>(156)</u>

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

The composition of due to/from other funds as of September 30, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grants	\$ 964,346
	Nonmajor Governmental Funds	1,239,553
	Nonmajor Enterprise Fund	1,508,202
Grants	Nonmajor Governmental Funds	66,666
Nonmajor Governmental Fund	Downtown Redevelopment District	2,094,130
	Weeki Wachee Capital improvement	<u>8,176</u>
	Total	\$ <u>5,881,073</u>

The purpose of interfund receivable and payables is to meet temporary cash flow requirements and timing between receiving and recognizing certain revenues.

Water Resources advanced \$8,995,565 to the Excise Tax Debt Service Fund in fiscal year 2008 to cover debt covenant requirements of the debt service fund. The advance is considered long term.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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

The composition of interfund transfers during fiscal year 2011 is as follows:

Interfund Transfers of Financial Assets:

	General Fund	Community Redevelopment District	Downtown Redevelopment District	Grants	Nonmajor Governmental	Water Resources	Tropicana	Nonmajor Business- type	Total Transfers Out
General Fund	\$ -	\$ 4,583,793	\$ -	\$ 360,000	\$ 3,462,017	\$ -	\$ 1,480,335	\$ 3,068,000	\$ (12,954,145)
Community Redevelopment District	-	-	6,712,750	-	-	-	-	-	(6,712,750)
Downtown Redevelopment District	-	-	-	-	12,643,189	-	-	-	(12,643,189)
Local Option Sales Surtax Improvement	36,750	-	-	-	-	-	-	-	(36,750)
Grants	759,400	-	-	-	285,232	-	-	-	(1,044,632)
Nonmajor Governmental	337,353	-	-	-	3,684,086	150,262	-	-	(4,171,701)
Internal Service	300,000	-	-	-	275,000	-	-	-	(575,000)
Water Resources	9,759,713	-	-	-	-	-	-	-	(9,759,713)
Stormwater	1,802,064	-	-	-	-	-	-	-	(1,802,064)
Sanitation	3,051,756	-	-	-	-	-	-	-	(3,051,756)
Nonmajor Business-type	889,164	-	-	-	105,000	-	-	-	(994,164)
					-				
Total Transfers in	\$ 16,936,200	\$ 4,583,793	\$ 6,712,750	\$ 360,000	\$ 20,454,524	\$ 150,262	\$ 1,480,335	\$ 3,068,000	\$53,745,864

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.

NOTE 11 – OPERATING LEASE OBLIGATIONS

The City has entered into several non-cancelable operating lease agreements for equipment which end on various dates through 2016, with an option for an additional five year term. The cost of the fiscal year was \$482,051. The following is a schedule by years of the future rentals on non-cancelable leases as of September 30, 2011:

Fiscal Year Ending September 30:	2012	\$ 452,656
	2013	340,495
	2014	92,739
	2015	36,627
	2016	2,404
Total Minimum Future Rentals		<u>\$ 924,921</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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, 2011. Compensated absences are paid from the fund in which they occur. (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>
Bonds & Notes Payable:					
Revenue Bonds	\$ 77,190	\$ -	\$ (13,615)	\$ 63,575	\$ 14,275
Notes	36,729	4,520	(2,216)	39,033	2,867
	<u>113,919</u>	<u>4,520</u>	<u>(15,831)</u>	<u>102,608</u>	<u>17,142</u>
Unamortized Premiums, Discounts and Deferred Amounts on Refunding for Bonds	(26)	-	(244)	(270)	-
Unamortized Premiums, Discounts and Deferred Amounts on Refunding for Notes	<u>(162)</u>	<u>-</u>	<u>42</u>	<u>(120)</u>	<u>-</u>
Total Bonds and Notes Payable	113,731	4,520	(16,033)	102,218	17,142
Claims and Judgments	23,865	26,561	(17,323)	33,103	10,020
Compensated Absences	15,307	402	(640)	15,069	640
Contingent Liability	<u>1,786</u>	<u>-</u>	<u>(37)</u>	<u>1,749</u>	<u>-</u>
Subtotal before OPEB Liability	154,689	31,483	(34,033)	152,139	27,802
OPEB Liability	<u>20,695</u>	<u>6,070</u>	<u>-</u>	<u>26,765</u>	<u>-</u>
Governmental Activity Long-term Liabilities	<u>\$ 175,384</u>	<u>\$ 37,553</u>	<u>\$ (34,033)</u>	<u>\$ 178,904</u>	<u>\$ 27,802</u>

On December 10, 2010, the City borrowed \$4,520,000 from the Branch Banking and Trust Company (BB&T Bank). The loan was used for ongoing projects at the Progress Center for the Arts, the Pier and grant funds for the Salvador Dali Museum. The interest rate for the new loans is 2.06% and the loan matures in 2020. The interest is due semi-annually and the principal is due annually.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)

<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>
Bonds, Notes Payable and Capitalized Lease:					
Revenue Bonds	\$ 221,095	\$ 49,380	\$ (4,080)	\$ 266,395	\$ 4,190
Notes	24,650	-	(1,800)	22,850	1,859
Capitalized Lease	-	189	(27)	162	46
	<u>245,745</u>	<u>49,569</u>	<u>(5,907)</u>	<u>289,407</u>	<u>6,095</u>
Unamortized Premiums, Discounts and Deferred Amounts on Refunding for Bonds	(1,851)	(806)	(15)	(2,672)	-
Unamortized Premiums, Discounts and Deferred Amounts on Refunding for Notes	<u>(54)</u>	<u>-</u>	<u>7</u>	<u>(47)</u>	<u>-</u>
Total Bonds, Notes Payable and Capitalized Lease	243,840	48,763	(5,915)	286,688	6,095
Compensated Absences	<u>3,780</u>	<u>185</u>	<u>(136)</u>	<u>3,829</u>	<u>136</u>
Subtotal before OPEB Liability	<u>247,620</u>	<u>48,948</u>	<u>(6,051)</u>	<u>290,517</u>	<u>6,231</u>
OPEB Liability	<u>5,031</u>	<u>1,706</u>	<u>-</u>	<u>6,737</u>	<u>-</u>
Business Type Activity Long-term Liabilities	<u>\$ 252,651</u>	<u>\$ 50,654</u>	<u>\$ (6,051)</u>	<u>\$ 297,254</u>	<u>\$ 6,231</u>

On February 9, 2011, the City entered into an \$188,572 capital lease with Branch Banking And Trust Company (BB&T Bank) for the purchase of golf carts for the City's Mangrove Bay Golf Course. The interest rate is 2.33% and the capital lease matures in 2015.

On December 7, 2010, the City issued \$29,685,000 in Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable, Build America Bonds - Direct Subsidy). The bond proceeds were used to fund capital projects in the Water Resources department. The bonds were competitively bid with a true interest cost of 4.097% and mature in 2039. Direct Subsidy payments from the US Treasury Secretary are 35%.

On December 7, 2010, the City issued \$19,695,000 in Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable, Recovery Zone Economic Development Bonds - Direct Subsidy). The bond proceeds were used to fund capital projects in the Water Resources department. The bonds were competitively bid with a true interest cost of 3.719% and the bonds mature in 2040. Direct Subsidy payments from the US Treasury Secretary are 45%.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)

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. 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 7 – 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 2011, \$37,218 was amortized and recognized as contribution revenue on the city wide financial statements leaving a balance of \$1,749,256 at September 30, 2011, which is included in the long term obligations for Governmental Activities on page 104.

Bonds, Notes Payable and Capitalized Lease by major and non-major businesses (in thousands of dollars.):

Major & Non-Major <u>Business Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water Resources	\$ 218,575	\$ 49,380	\$ (5,314)	\$ 262,641	\$ 5,464
Stormwater	20,910	-	(146)	20,764	150
Non-major Business Activities	<u>6,260</u>	<u>189</u>	<u>(447)</u>	<u>6,002</u>	<u>481</u>
	245,745	49,569	(5,907)	289,407	6,095
Unamortized Premiums, Discounts and Deferred Amounts on Refunding for Bonds	(1,851)	(806)	(15)	(2,672)	-
Unamortized Premiums, Discounts and Deferred Amounts on Refunding for Notes	<u>(54)</u>	<u>-</u>	<u>7</u>	<u>(47)</u>	<u>-</u>
Total Bonds, Notes Payable and Capitalized Lease	<u>\$ 243,840</u>	<u>\$ 48,763</u>	<u>\$ (5,915)</u>	<u>\$ 286,688</u>	<u>\$ 6,095</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)

Since 1998, the City has requested and received loans from the State of Florida Revolving Loan (SRF) fund from the State Department of Environmental Protection. The loans represent direct grants from the Federal Governments Clean Water Act or bonded debt proceeds from the State of Florida Department of Environmental Protection. The State requires 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.) :

Loan Approval Date	Issue Date	Loan Number	Original Loan Amount	Remaining Loan Amount	Interest Rate	Maturity
Apr 15, 1998	03/15/01	CS120521010	\$ 13,228	\$ 7,214	3.11% -3.18%	09/15/20
May 4, 2000	09/15/03	CS120521020	3,587	2,339	3.33%	11/15/22
Nov 2, 2001	09/15/03	CS12052104P	446	299	3.05%	09/15/23
Nov 8, 2001	09/05/04	CS120521030	5,852	3,943	2.93% - 3.05%	09/15/23
Dec 5, 2001	01/15/04	CS12052105A	392	109	2.96%	01/15/24
Dec 5, 2003	01/15/04	CS12052105L	4,519	3,106	2.96%	01/15/24
			<u>\$ 28,024</u>	<u>\$ 17,010</u>		

Debt Service requirements at September 30, 2011 were as follows (in thousands of dollars):

Year End September 30	Governmental Activities			
	Revenue Bonds		Notes	
	Principal	Interest	Principal	Interest
2012	\$ 14,275	\$ 2,715	\$ 2,867	\$ 1,654
2013	8,115	2,162	3,419	1,518
2014	8,510	1,753	5,772	1,315
2015	8,930	1,327	5,947	1,061
2016	8,940	896	6,137	798
2017-2021	6,770	2,710	14,891	1,434
2022-2026	8,035	914	-	-
Total	<u>\$ 63,575</u>	<u>\$ 12,477</u>	<u>\$ 39,033</u>	<u>\$ 7,780</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)

Business-Type Activities

Year End	Water Resources			Notes		Stormwater	
	Revenue Bonds					Revenue Bonds	
September 30	Principal	Interest	Subsidy (1)	Principal	Interest	Principal	Interest
2012	\$ 4,040	\$ 12,063	\$ (1,189)	\$ 1,424	\$ 519	\$ 150	\$ 903
2013	4,517	11,918	(1,188)	1,468	475	158	897
2014	4,705	11,728	(1,185)	1,492	428	160	891
2015	4,897	11,524	(1,182)	1,516	382	168	884
2016	5,104	11,306	(1,179)	1,564	334	176	877
2017-2021	26,207	52,987	(5,817)	7,655	905	3,818	4,162
2022-2026	27,536	47,271	(5,642)	1,891	75	9,414	2,593
2027-2031	39,220	39,959	(5,400)	-	-	6,720	461
2032-2036	57,210	28,506	(5,064)	-	-	-	-
2037-2041	72,195	11,344	(3,189)	-	-	-	-
Total	<u>\$ 245,631</u>	<u>\$ 238,606</u>	<u>\$ (31,035)</u>	<u>\$ 17,010</u>	<u>\$ 3,118</u>	<u>\$ 20,764</u>	<u>\$ 11,668</u>

Note 1: Anticipated Direct Subsidy Payments for the 2010A Public Utility Revenue Bonds (Build America Bonds) and the 2010B Public Utility Revenue Bonds (Recovery Zone Economic Development Bonds).

Non-Major Business Activities

Year End	Notes		Capitalized Lease	
	Principal	Interest	Principal	Interest
September 30				
2012	\$ 435	\$ 231	\$ 46	\$ 3
2013	455	214	47	2
2014	470	196	48	1
2015	490	178	21	1
2016	505	160	-	-
2017-2021	2,845	486	-	-
2022	640	27	-	-
Total	<u>\$ 5,840</u>	<u>\$ 1,492</u>	<u>\$ 162</u>	<u>\$ 7</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)

The following is a summary of bonds and notes interest requirements to maturity (in thousands of dollars):

	Original Issue Par	Debt Payable 9/30/11	Interest Requirements To Maturity	Total
<u>Revenue Bonds</u>				
2001 Public Improvement Refunding Revenue	\$ 18,665	\$ 6,540	\$ 163	\$ 6,703
1993 Excise Tax Refunding Revenue	114,305	36,610	4,767	41,377
2003 Professional Sports Facility	27,185	20,425	7,547	27,972
2003 Public Utility Revenue	45,000	43,625	36,866	80,491
2005 Public Utility Revenue	50,420	47,830	40,808	88,638
2006 Public Utility Refunding Revenue	52,550	51,910	29,171	81,081
2009A Public Utility Revenue	53,015	52,505	61,187	113,692
2009B Public Utility Refunding Revenue	23,375	21,145	4,453	25,598
2010A Public Utility Revenue - Build America Bonds	29,685	29,685	39,698	69,383
2010B Public Utility Revenue - Recovery Zone Economic Development Bonds	19,695	19,695	38,091	57,786
Total Revenue Bonds	<u>\$ 433,895</u>	<u>329,970</u>	<u>262,751</u>	<u>592,721</u>
Less: Direct Subsidy Payments (Note 1)		-	(31,035)	(31,035)
Less: Unamortized Premiums, Discounts and Deferred Amounts on Refunding		(2,942)	-	(2,942)
Net Revenue Bonds		<u>327,028</u>	<u>231,716</u>	<u>558,744</u>
<u>Notes Payable</u>				
2001 FFGFC Note	17,480	11,495	1,952	13,447
2007 FFGFC Note	7,430	5,840	1,492	7,332
2008A Bank of America Note	21,982	21,473	5,066	26,539
2008B Bank of America Note	1,874	1,545	408	1,953
2010 BB&T Note	4,520	4,520	353	4,873
State Revolving Loans	28,024	17,010	3,119	20,129
Total Notes Payable	<u>\$ 81,310</u>	<u>61,883</u>	<u>12,390</u>	<u>74,273</u>
Less: Unamortized Premiums, Discounts and Deferred Amounts on Refunding		(167)	-	(167)
Net Notes Payable		<u>61,716</u>	<u>12,390</u>	<u>74,106</u>
<u>Capitalized Lease</u>				
2011 BB&T Lease	189	162	7	169
Total Capitalized Lease	<u>\$ 189</u>	<u>162</u>	<u>7</u>	<u>169</u>
Total Bonds, Notes and Capitalized Lease		<u>\$ 388,906</u>	<u>\$ 244,113</u>	<u>\$ 633,019</u>

Note 1: Anticipated Direct Subsidy Payments for the 2010A Public Utility Revenue Bonds (Build America Bonds) and the 2010B Public Utility Revenue Bonds (Recovery Zone Economic Development Bonds).

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 12 - LONG - TERM OBLIGATIONS - (Continued)

Bonds outstanding at September 30, 2011, mature in varying amounts during succeeding fiscal years through 2041. Interest rates are as follows: 1.5% to 6.60% on Revenue Bonds, and 2.06% to 4.79% on Notes Payable. The Capital Lease matures on February 9, 2015 and the interest rate is 2.33%.

The Professional Sports Facility Sales Tax Refunding Revenue Bonds, the Excise Tax Revenue Bonds, the Public Improvement Refunding Revenue Bonds and the Public Utility Revenue and Refunding Bonds and Notes are all secured by pledged revenue from the Professional Sports Facility Sales Tax fund, the Excise Tax fund, the CRA fund and the Water Resources and Stormwater funds, respectively. Revenues received are transferred into the debt services funds up to the amount of principal and interest required for the year. All remaining revenues are used for other purposes as specified by the fund.

The authorizing resolutions for the 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, 2011, the City believes it is in compliance with these requirements.

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, 2011.

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. 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, 2011, there were nine series of Private Activity Bonds outstanding relating to health facilities that have been issued since December 1, 2002. The aggregate principal amount of all Outstanding Private Activity Bonds cannot be determined; however the original issue amounts totaled \$261 million, including three refunding issues totaling \$105 million.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

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, 2011 is shown below:

	Water Resources	Stormwater	Marina	Golf Courses
Interest Paid on Debt	\$ 9,983,684	\$ 909,252	\$ 248,071	\$ 2,410
Less: Accrued Interest 9/30/10	(4,668,033)	(456,086)	(62,018)	-
Plus: Accrued Interest 9/30/11	6,122,446	453,166	57,818	-
Interest Expense on State Revolving Loan	562,797	-	-	-
Amortization of Deferred Gain/Loss on Bond Refunding	140,750	60,399	-	-
Total Interest Cost	12,141,644	966,731	243,871	2,410
Less: Capitalized Interest	(1,263,737)	(55,832)	-	-
Net Interest Expense on Debt Before Interest Subsidy	10,877,907	910,899	243,871	2,410
Interest Subsidy	(330,209)	-	-	-
Accrued Interest Subsidy 9/30/11	(594,376)	-	-	-
Net Interest Subsidy	(924,585)	-	-	-
Net Interest Expense on Debt	\$ 9,953,322	\$ 910,899	\$ 243,871	\$ 2,410

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 bond current debt service amount	\$ 10,700,776
Revenue bond future debt service amount	10,619,189
Bond proceeds for construction	53,679,689
Total	\$ 74,999,654

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.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 17 – RISK MANAGEMENT - (Continued)

General and Automotive Liability:

State statutes limit municipal liability associated with tort actions to \$100,000 per person and \$200,000 per occurrence except under certain circumstances. The limit will increase to \$200,000 per person and \$300,000 per occurrence as of October 1, 2011 and that increase applies to claims on or after that date. The City obtained an actuarial valuation of the outstanding claims as of September 30, 2011.

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 assets 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. The City obtained an actuarial valuation of the outstanding claims as of September 30, 2011.

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.

At September 30, 2011, the plan had net assets of \$18,851,371. Included as a liability of the fund at September 30, 2011 was incurred but not reported claims (IBNR) of \$2,439,527.

Life Insurance – Public Safety Officers:

Florida State Statutes require the employer of any public safety officer less than 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.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 17 – RISK MANAGEMENT - (Continued)

During the current fiscal year, the City tragically lost three police officers in the line of duty and the City paid the death benefits as described above.

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 3.0%. 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 & General Liability</u>	<u>Total</u>
Balance 9/30/09	\$ -	\$ 13,622,000	\$ 4,761,000	\$ 18,383,000
Paid Claims	-	(4,883,812)	(271,642)	(5,155,454)
Incurred Claims	-	9,968,812	668,642	10,637,454
Balance 9/30/10	-	18,707,000	5,158,000	23,865,000
Paid Claims	(13,441,641)	(2,162,896)	(1,718,459)	(17,322,996)
Incurred Claims	15,881,168	8,668,896	2,011,112	26,561,176
Balance 9/30/11	\$ <u>2,439,527</u>	\$ <u>25,213,000</u>	\$ <u>5,450,653</u>	\$ <u>33,103,180</u>

Current portion of claims liabilities were estimated at \$2,360,180 for Health Insurance, \$5,937,000 for Workers' Compensation and \$1,723,000 for Auto and General Liability as of September 30, 2011. Actuarial valuation of the claims liabilities were calculated as of September 30, 2010 and 2011.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS

A. DEFINED BENEFIT PLANS

The City maintains three separate single employer defined benefit retirement systems (General Employees, Police and Fire) covering full-time City employees which 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. Each of the three systems has a prior plan (prior to January 1, 1964, for General Employees and October 1, 1970, for Police and Fire) which does not include Social Security coverage and a supplemental plan which provides for Social Security coverage after the previously noted dates. There are no active employees in the prior plans. Each retirement system has a board of trustees which administer the systems. 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. 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 the General Employees' Retirement System.

The following two statements reflect the Plan Net Assets and Changes in Plan Net Assets for each of the three pension plans for the year ended September 30, 2011.

	Employees Retirement Fund	Fire Pension Fund	Police Pension Fund	Total
ASSETS				
Cash and Cash Equivalents				
Demand Deposits	\$ 29,199	\$ 100	\$ 19,719	\$ 49,018
Trustee Accounts	4,594,759	4,532,241	3,081,216	12,208,216
Total Cash and Cash Equivalents	4,623,958	4,532,341	3,100,935	12,257,234
Receivables				
Interest and Dividends	923,624	672,865	1,018,227	2,614,716
Accounts Receivable	-	1,567,532	2,311,680	3,879,212
Total Receivables	923,624	2,240,397	3,329,907	6,493,928
Investments, at Fair Value				
Government Securities	39,836,131	31,214,252	36,238,997	107,289,380
Corporate Bonds	56,578,023	33,302,855	48,202,913	138,083,791
Common and Preferred Stock	141,911,289	98,684,693	166,067,924	406,663,906
Alternative Investments	13,031,688	-	16,783,866	29,815,554
Total Investments	251,357,131	163,201,800	267,293,700	681,852,631
TOTAL ASSETS	256,904,713	169,974,538	273,724,542	700,603,793
LIABILITIES				
Payables				
Accounts	-	413	81	494
TOTAL LIABILITIES	-	413	81	494
NET ASSETS				
Held in Trust for Pension Benefits	\$ 256,904,713	\$ 169,974,125	\$ 273,724,461	\$ 700,603,299

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS – (Continued)

	Employees Retirement Fund	Fire Pension Fund	Police Pension Fund	Total
ADDITIONS				
Contributions				
Employer (Charges to Other Funds)	\$ 12,302,052	\$ 10,660,878	\$ 11,475,740	\$ 34,438,670
Employees	1,495,159	1,046,203	2,186,577	4,727,939
State Insurance Fund	-	1,842,733	1,606,669	3,449,402
Total Contributions	<u>13,797,211</u>	<u>13,549,814</u>	<u>15,268,986</u>	<u>42,616,011</u>
Investment Income				
Net Decrease in Fair Value of Investments	(21,551,678)	(13,871,235)	(24,406,199)	(59,829,112)
Interest on Investments	18,010,598	12,491,776	18,892,073	49,394,447
Dividends on Stock	2,848,963	1,425,700	3,443,240	7,717,903
Total Investment Loss	(692,117)	46,241	(2,070,886)	(2,716,762)
Less Investment Expense	(1,227,131)	(672,750)	(1,215,732)	(3,115,613)
Net Investment Loss	(1,919,248)	(626,509)	(3,286,618)	(5,832,375)
Total Additions	<u>11,877,963</u>	<u>12,923,305</u>	<u>11,982,368</u>	<u>36,783,636</u>
DEDUCTIONS				
Benefits	13,937,727	12,487,136	16,668,540	43,093,403
DROP Contributions	1,252,596	2,742,633	3,098,887	7,094,116
Refund of Contributions	242,272	1,299	1,109,980	1,353,551
Administrative Expenses	60,138	88,234	548,913	697,285
Total Deductions	<u>15,492,733</u>	<u>15,319,302</u>	<u>21,426,320</u>	<u>52,238,355</u>
NET CHANGE IN NET ASSETS	(3,614,770)	(2,395,997)	(9,443,952)	(15,454,719)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS BEGINNING OF YEAR – OCTOBER 1	<u>260,519,483</u>	<u>172,370,122</u>	<u>283,168,413</u>	<u>716,058,018</u>
END OF YEAR – SEPTEMBER 30	<u>\$ 256,904,713</u>	<u>\$ 169,974,125</u>	<u>\$ 273,724,461</u>	<u>\$ 700,603,299</u>

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS – (Continued)

The General Employees, Fire and Police systems use the Entry Age Actuarial Cost Method, with allocation of future Normal Costs based on earnings and determined by individual. Entry Age is the age nearest the employees' birthday on the first of October following employment. This method is intended to provide for a funding of normal costs as a level percentage of payrolls over time and provides for funding of the frozen initial liability (FIL) as a level dollar over time, and the Police and Fire method provides for funding of the unfunded actuarial accrued liabilities (UAAL) as a level percentage of payrolls. The Annual Pension Cost (APC) that the City records in its funds is the same as the Annual Required Contribution (ARC).

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 the following schedule) for determining the employer contribution required. The total City payroll for the fiscal year ended September 30, 2011, is approximately \$165.4 million. Fire and Police pensions require employee contributions based on a percentage of covered payrolls of 7% and 7% for the supplemental plans, respectively. Participants in the General Employees Pension Plan contribute 2% of the employees covered payroll. The following schedule (derived from the respective actuarial reports and City information) reflects accounting policies, membership and plan provisions, assumptions, liabilities and funding provisions for the three pension systems as of October 1, 2010.

	General Employees	Fire	Police
ACCOUNTING POLICIES & PLAN ASSETS:			
Establishing and Amending Authority			
Prior	City Ordinance	Special State Act	Special State Act
Supplemental (Supp.)	City Ordinance	City Ordinance	City Ordinance
Basis of Accounting	Accrual	Accrual	Accrual
Asset Valuation:			
Reporting	Market	Market	Market
Actuarial Valuation	(1)	(1)	(1)
Covered Payroll	\$ 78,316,965	\$ 15,948,831	\$ 31,746,536
Internal Loans	None	None	None
Non-governmental Investment > 5%	None	None	None

(1) The difference between actual investment return and the expected investment return (based on an 8.00% assumption for fire and police, 7.75% for general employees) each year is recognized over 4 years; in order to be used as valuation assets, the smoothed value must be within the range of 80% and 120% of market value.

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS – (Continued)

Membership and Plan Provisions Employees' Retirement System

A. Number of Participants		As of October 1, 2009	As of October 1, 2010
a.	Retirees and beneficiaries receiving benefits	1,113	1,131
b.	Terminated plan participants entitled to but not yet receiving benefits	257	242
c.	Active plan participants	1,705	1,642
d.	Total	3,075	3,015

B. Development of Annual Required Contribution (ARC)		Fiscal Year Ending September 30, 2010	Fiscal Year Ending September 30, 2011
a.	Employer normal cost:		
i.	Normal cost	\$10,514,634	\$ 8,936,936
ii.	Administrative expense	44,547	64,986
iii.	Total normal cost plus administrative expenses	\$10,559,181	\$ 9,001,922
b.	Amortization of UAAL		
i.	Unfunded AAL (UAAL)	\$2,124,818	\$60,313,852
ii.	Amortization of UAAL	469,197	3,791,863
c.	Interest Adjustment	1,074,550	1,181,129
d.	ARC (Item B.a.iii. plus item B.b.ii. plus item B.c.)	\$12,102,928	\$13,974,914
e.	ARC as percentage of payroll	14.22%	16.71%

C. Additional Information		October 1, 2009	October 1, 2010
Valuation date		Entry Age Normal	Entry Age Normal
Actuarial cost method		-Level % of Pay	-Level % of Pay
Amortization method		Level percent closed	Level percent closed
Remaining amortization period		3 to 30	2 to 30
Asset valuation method		Four-year phase-in of investment gains and losses	Four-year phase-in of investment gains and losses
Actuarial assumptions:			
Investment rate of return		7.75%	7.75%
Projected salary increases		5.00% to 8.5%	3% to 5.10%
Cost-of-living adjustments			In Fiscal 2011;
Prior Plan:		0.00% in Fiscal 2010;	5.00% to 8.5% thereafter
		2.00% thereafter	1.1% in Fiscal 2011;
Supplemental Plan:		0.00% in Fiscal 2010;	2.00% thereafter
		1.50% thereafter	1.1% in Fiscal 2011;
			1.50% thereafter

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS – (Continued)

Membership and Plan Provisions Firefighters' Retirement System

A. Number of Participants		As of October 1, 2009	As of October 1, 2010
a.	Retirees and beneficiaries receiving benefits	418	427
b.	Terminated plan participants entitled to but not yet receiving benefits	11	11
c.	Active plan participants	266	248
d.	Total	695	686
B. Development of Annual Required Contribution (ARC)		Fiscal Year Ending September 30, 2010	Fiscal Year Ending September 30, 2011
a.	Employer normal cost:		
i.	Total normal cost plus administrative expenses	\$ 4,092,946	\$ 3,982,788
ii.	Expected employee contributions	(1,223,966)	(1,197,824)
iii.	Total normal cost plus administrative expenses	\$ 2,868,980	\$ 2,784,964
b.	Amortization of UAAL		
i.	Present value of future benefits	\$247,119,898	\$250,413,666
ii.	Present value of future employer normal costs	(26,985,513)	(26,408,155)
iii.	Present value of future employee contributions	(10,046,825)	(9,909,266)
iv.	Actuarial accrued liability (AAL)	\$210,087,560	\$214,096,245
v.	Actuarial value of assets	(177,730,604)	(180,417,584)
vi.	Unfunded AAL (UAAL)	\$32,356,956	\$ 33,678,661
vii.	Amortization of UAAL	7,335,724	7,961,886
c.	Interest Adjustment	1,074,246	1,124,944
d.	ARC (Item B.a.iii. plus item B.b.vii. plus item B.c.)	\$11,278,950	11,871,794
e.	ARC as percentage of payroll	64.51%	69.38%
C. Additional Information		October 1, 2009	October 1, 2010
Valuation date		Entry Age Normal	Entry Age Normal
Actuarial cost method		-Level % of Pay	-Level % of Pay
Amortization method		Level percent closed	Level percent closed
Remaining amortization period		1 to 30	1 to 30
Asset valuation method		Four-year phase-in of investment gains and losses	Four-year phase-in of investment gains and losses
Actuarial assumptions:			
Investment rate of return		8%	8%
Projected salary increases		5.00% to 9.5%	5% to 9.50%
Cost-of-living adjustments			
Prior Plan:		4.00%	4.00%
Supplemental Plan:		0.00%	0.00%

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS – (Continued)

Membership and Plan Provisions Police Retirement System

A. Number of Participants		As of October 1, 2009	As of October 1, 2010
a.	Retirees and beneficiaries receiving benefits	505	529
b.	Terminated plan participants entitled to but not yet receiving benefits	72	71
c.	Active plan participants	510	494
d.	Total	1,087	1,094

B. Development of Annual Required Contribution (ARC)		Fiscal Year Ending September 30, 2010	Fiscal Year Ending September 30, 2011
a.	Employer normal cost:		
i.	Total normal cost plus administrative expenses	\$ 5,984,445	\$ 6,325,525
ii.	Expected employee contributions	(2,306,360)	(2,443,520)
iii.	Total normal cost plus administrative expenses	\$ 3,678,085	\$ 3,882,005
b.	Amortization of UAAL		
i.	Present value of future benefits	373,705,840	385,254,159
ii.	Present value of future employer normal	(29,472,245)	(31,220,542)
iii.	Present value of future employee contributions costs	(15,442,643)	(16,595,767)
iv.	Actuarial accrued liability (AAL)	\$328,790,952	\$337,437,850
v.	Actuarial value of assets	(305,207,318)	(307,477,804)
vi.	Unfunded AAL (UAAL)	\$23,583,634	29,960,046
vii.	Amortization of UAAL	6,979,214	7,922,418
c.	Interest Adjustment	1,199,429	1,322,151
d.	ARC (Item B.a.iii. plus item B.c.)	\$ 11,856,728	\$ 13,126,574
e.	ARC as percentage of projected payroll	35.99%	37.60%

C. Additional Information		October 1, 2009	October 1, 2010
Valuation date		October 1, 2009	October 1, 2010
Actuarial cost method		Entry Age Normal	Entry Age Normal
		-Level % of Pay	-Level % of Pay
Amortization method		Level percent closed	Level percent closed
Remaining amortization period		1 to 30	1 to 30
Asset valuation method		Four-year phase-in of investment gains and losses	Four-year phase-in of investment gains and losses
Actuarial assumptions:			
Investment rate of return		8%	8%
Projected salary increases		4.50% to 8.0%	0.5% to 4.00% for fiscal 2011; 4.5% to 8.00% thereafter
Cost-of-living adjustments			
Prior Plan:		4.00%	4.00%
Supplemental Plan (after age 60)		0.00% for fiscal 2010; 2.0% thereafter	1.10% for fiscal 2011; 2.0% thereafter

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS – (Continued)

CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE:

Contributions for the fiscal year ended September 30, 2011 were made in accordance with requirements determined by actuarial valuations of the plans as of October 1, 2009. Those amounts and respective percentages of covered annual payroll for this and the ten prior years are in the Required Supplementary Information beginning on page 125.

The current year and the two preceding years' contributions for the three pension systems follow.

EMPLOYEE'S RETIREMENT SYSTEM SCHEDULE OF CONTRIBUTIONS FOR EMPLOYER AND OTHER CONTRIBUTING ENTITY				
Fiscal Year	Required Employer Contribution	Actual Employer Contributions	% Contributed	Net Pension Obligation
9/30/11	\$ 12,302,052	\$ 12,302,052	100	-
9/30/10	\$ 12,102,928	\$ 12,102,928	100	-
9/30/09	\$ 10,805,325	\$ 10,805,325	100	-

FIRE RETIREMENT SYSTEM SCHEDULE OF CONTRIBUTIONS FOR EMPLOYER AND OTHER CONTRIBUTING ENTITY								
	Required Contribution	Required Contribution	Required Contribution	Actual Contribution	Actual Contribution	Actual Contribution	% Contr.	Net Pension Obligation
Fiscal Year	Employer	State	Total	Employer	State	Total	Employer / State	
9/30/11	\$ 10,660,878	1,372,731	\$ 12,033,609	\$ 10,660,878	\$ 1,372,731	\$ 12,033,609	100	-
9/30/10	\$ 10,068,035	\$ 1,210,916	\$ 11,278,951	\$ 10,068,034	\$ 1,210,916	\$ 11,278,950	100	-
9/30/09	\$ 10,221,578	\$ 1,210,916	\$ 11,432,494	\$ 10,221,578	\$ 1,210,916	\$ 11,432,494	100	-

POLICE RETIREMENT SYSTEM SCHEDULE OF CONTRIBUTIONS FOR EMPLOYER AND OTHER CONTRIBUTING ENTITY								
	Required Contribution	Required Contribution	Required Contribution	Actual Contribution	Actual Contribution	Actual Contribution	% Contr.	Net Pension Obligation
Fiscal Year	Employer	State	Total	Employer	State	Total	Employer / State	
9/30/11	\$ 11,475,740	\$ 1,650,834	\$ 13,126,574	\$ 11,475,740	\$ 1,606,669	\$ 13,082,409	100	-
9/30/10	\$ 10,205,894	\$ 1,650,834	\$ 11,856,728	\$ 10,205,894	\$ 1,650,834	\$ 11,856,728	100	-
9/30/09	\$ 10,843,249	\$ 1,629,569	\$ 12,472,818	\$ 10,843,261	\$ 1,629,569	\$ 12,472,830	100	-

City of St. Petersburg, FL
Notes to the Financial Statements
 September 30, 2011

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS – (Continued)

The funded status of the Plans as of October 1, 2011, the most recent actuarial valuation date, is as follows:

FUNDED STATUS						
Plan	Actuarial Value of Assets (a)	Actuarial Accrued Liability (FAAL) Frozen Entry Age (b)	Unfunded Frozen (UFAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (1) (c)	UFAAL as % of Covered Payroll (b-a) /c
EMPLOYEES' RETIREMENT SYSTEM*	\$ 278,691,684	\$ 345,049,252	\$ 66,357,568	80.8	\$ 78,316,965	84.7
FIRE RETIREMENT SYSTEM	\$ 182,152,382	\$ 215,167,485	\$ 33,015,103	84.7	\$ 15,948,831	207.0
POLICE RETIREMENT SYSTEM	\$ 306,957,033	\$ 347,627,201	\$ 40,670,168	88.3	\$ 31,746,536	128.1

* Changed to entry age actuarial @ cost method effective October 1, 2009.

(1) Excludes membership above assumed 100% retirement age of 70 years

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

B. DEFINED CONTRIBUTION PLAN

The City contributes to a defined contribution 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, 2011, the rate was 11% of pre-deferral salary. The total City contribution to the 401a plan was \$1,017,380 or 11% of covered payroll. For the fiscal year ended September 30, 2011, payroll covered by this plan was \$9,248,909 compared to the total City payroll of approximately \$165.4 million.

C. DEFERRED RETIREMENT OPTION PLANS (DROP)

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.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 18 – EMPLOYEE RETIREMENT AND PENSION PLANS – (Continued)

The General Employees, Police and Fire DROP accounts which started in 2000 and 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, 2011, participants and amounts deferred in the DROP plans are as follows:

	<u>Participants</u>	<u>Custodial Assets</u>
Fire	60	\$ 10,834,363
General Employees	57	\$ 5,209,725
Police	61	\$ 7,564,128

NOTE 19 – POST-RETIREMENT HEALTH BENEFITS

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.

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, 2011, the cost of retiree health care for 1,183 participants was \$8,415,772 of which \$2,343,764 was paid by the retirees. The City offers vision, dental and AD&D policies paid for entirely by active and retired employees.

The City received the revised results of an actuarial valuation of the retiree health benefits for the fiscal year beginning October 1, 2010. The valuation was completed under the requirements of Governmental Accounting Standards Board (GASB) Statement 45. The development of the Net OPEB Obligation is listed below for the fiscal year ended:

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 19 – POST-RETIREMENT HEALTH BENEFITS - (Continued)

	September 30, 2011	September 30, 2010
Annual Required Contribution	\$ 13,154,000	\$ 12,455,000
Interest on the Net OPEB Obligation	1,158,000	872,000
Adjustment on the ARC	(1,065,000)	(802,000)
Annual OPEB Costs	13,247,000	12,525,000
Less: Contributions made (1)	(5,471,000)	(6,187,000)
Increase in Net OPEB Obligation	7,776,000	6,338,000
Net OPEB Obligation – beginning of year	25,726,000	19,388,000
Net OPEB Obligation – end of year	<u>\$ 33,502,000</u>	<u>\$ 25,726,000</u>

(1) = The percentage contributed was 41.3% (projected) and 49.3% for fiscal year ended September 30, 2011 and 2010 respectively.

The funded status of the plan was as follows:

	October 1, 2010	July 30, 2009
Actuarial Valuation Date		
Actuarial accrued liability (AAL)	\$177,387,000	\$166,670,000
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	\$177,387,000	\$166,670,000
Actuarial value of assets as a % of the AAL	0%	0%

Actuarial valuations involved 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 on page 130 in the Required Supplementary Information.

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, 2010 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10% initially, reduced by 1% 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.

NOTE 20 - 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.

City of St. Petersburg, FL
Notes to the Financial Statements
September 30, 2011

NOTE 21 - 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.

NOTE 22 – SUBSEQUENT EVENT

On December 6, 2011 the City executed a eight year (matures February 1, 2020) Non Ad-Valorem revenue note agreement with JPMorgan Chase Bank for a \$21,522,000 at an interest rate of 1.91% for the current refunding of the outstanding Non-Ad Valorem Revenue Note Series 2008A from Bank of America.

REQUIRED SUPPLEMENTARY INFORMATION



DEFINED BENEFIT PENSION PLANS

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Contributions were made in accordance with requirements determined by actuarial valuations of the plans. Ten years of funding information and six years of contribution amounts and percentages of covered annual payroll are presented in the schedules which follow for each of the three pension systems.

EMPLOYEES' RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS						
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as % of Covered Payroll (3)/(5)
10/01/10	\$ 278,691,684	\$345,049,252	\$66,357,568	80.8%	\$78,316,965	84.7%
10/01/09	274,136,384	334,450,236	60,313,852	82.0%	81,764,688	73.8%
10/01/08	270,745,862	272,870,680	2,124,818	99.2%	82,941,890	2.6%
10/01/07	260,805,618	265,596,801	4,791,183	98.2%	79,853,814	6.0%
10/01/06	223,141,776	242,039,796	18,898,020	92.2%	76,394,925	24.7%
10/01/05	203,725,230	223,660,071	19,934,841	91.1%	72,187,635	27.6%
10/01/04	193,116,000	214,024,000	20,908,000	90.2%	67,971,000	30.8%
10/01/03	188,252,000	209,991,000	21,739,000	89.6%	66,092,000	32.9%
10/01/02	169,555,000	191,779,000	22,224,000	88.4%	63,044,000	35.3%
10/01/01	179,077,000	203,534,000	24,457,000	88.0%	60,635,000	40.3%

EMPLOYEES' RETIREMENT SYSTEM SCHEDULE OF CONTRIBUTIONS FOR EMPLOYER AND OTHER CONTRIBUTING ENTITY					
Valuation Date (1)	Fiscal Year Ended (1)	Annual Pension Cost	Annual City and State Contribution	Total Percentage Contributed	Net Pension Obligation
10/01/09	9/30/11	12,302,052	12,302,052	100%	\$0
10/01/08	9/30/10	12,102,928	12,102,928	100%	0
10/01/07	9/30/09	10,805,325	10,805,325	100%	0
10/01/06	9/30/08	11,828,152	11,828,152	100%	0
10/01/05	9/30/07	11,954,272	11,954,272	100%	0
10/01/04	9/30/06	12,111,768	12,111,768	100%	0

(1) Funding for valuations occurs in the second fiscal year after the valuation date.

FIRE RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS						
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as % of Covered Payroll (3)/(5)
10/01/10	\$182,152,382	\$215,167,485	\$33,015,103	84.7%	\$15,948,831	207.0%
10/01/09	180,417,584	214,096,245	33,678,661	84.3%	16,613,368	202.7%
10/01/08	177,730,604	210,087,560	32,356,956	84.6%	16,975,952	190.6%
10/01/07	169,035,339	215,766,120	46,730,781	78.3%	15,646,253	298.7%
10/01/06	152,821,786	217,430,969	64,609,183	70.3%	16,121,136	400.8%
10/01/05	139,369,278	208,262,040	68,892,762	66.9%	15,824,974	435.3%
10/01/04	130,415,000	202,161,000	71,746,000	64.5%	14,747,000	486.5%
10/01/03	127,768,000	194,637,000	66,869,000	65.6%	15,376,000	434.9%
10/01/02	121,887,000	176,475,000	54,588,000	69.1%	14,232,000	383.6%
10/01/01	120,913,000	170,127,000	49,214,000	71.1%	13,275,000	370.7%

FIRE RETIREMENT SYSTEM SCHEDULE OF CONTRIBUTIONS FOR EMPLOYER AND OTHER CONTRIBUTING ENTITY								
Valuation Date (1)	Fiscal Year Ended (1)	Required Contribution Employer	Required Contribution State	Required Contribution Total	Actual Contribution Employer	Actual Contribution State	Total % Contributed	Net Pension Obligation
10/01/09	9/30/11	10,660,878	1,372,731	12,033,609	10,660,878	1,372,731	100%	\$0
10/01/08	9/30/10	10,068,034	1,210,916	11,278,950	10,068,034	1,210,916	100%	0
10/01/07	9/30/09	10,221,578	1,210,916	11,432,494	10,221,578	1,210,916	100%	0
10/01/06	9/30/08	10,859,256	1,207,030	12,066,286	10,859,256	1,207,030	100%	0
10/01/05	9/30/07	10,157,000	1,211,000	11,368,000	10,157,000	1,211,000	100%	0
10/01/04	9/30/06	8,652,168	2,502,075	11,154,243	8,652,168	2,502,075	100%	0

1) Funding for valuations occurs in the second fiscal year after the valuation date.

POLICE RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS						
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as % of Covered Payroll (3)/(5)
10/1/10	\$306,957,033	\$347,627,201	\$40,670,168	88.3%	\$31,746,536	128.1%
10/1/09	307,477,804	337,437,850	29,960,046	91.1%	33,890,712	88.4%
10/1/08	305,207,318	328,790,952	23,583,634	92.8%	31,988,348	73.7%
10/1/07	289,252,368	335,692,840	46,440,472	86.2%	30,789,619	150.8%
10/1/06	252,908,430	319,596,093	66,687,663	79.1%	30,265,843	220.3%
10/1/05	222,841,149	305,106,387	82,265,238	73.0%	29,244,546	281.3%
10/1/04	204,414,000	286,678,000	82,264,000	71.3%	26,478,000	310.7%
10/1/03	194,010,000	275,096,000	81,086,000	70.5%	24,900,000	325.6%
10/1/02	188,105,000	246,888,000	58,783,000	76.2%	22,417,000	262.2%
10/1/01	193,588,000	225,896,000	32,308,000	85.7%	21,370,000	151.2%

POLICE RETIREMENT SYSTEM SCHEDULE OF CONTRIBUTIONS FOR EMPLOYER AND OTHER CONTRIBUTING ENTITY									
Valuation Date (2)	Fiscal Year Ended (2)	Required Contribution Employer	Required Contribution State	Total Required Contribution	Actual Contribution Employer	Actual Contribution State	Actual Contribution Total	Total % Contributed	Net Pension Obligation
10/1/09	9/30/11	11,475,740	1,650,834	13,126,574	11,475,740	1,606,669	13,082,409	100%	\$0
10/1/08	9/30/10	10,205,894	1,650,834	11,856,728	10,250,894	1,629,569	11,835,463	100%	0
10/1/07	9/30/09	10,843,249	1,629,569	12,472,818	10,843,261	1,489,149	12,332,398	100%	0
10/1/06	9/30/08	13,022,553	1,489,149	14,511,702	13,022,553	1,489,149	14,511,702	100%	0
10/1/05	9/30/07	12,895,000	1,489,000	14,384,000	12,895,000	1,489,000	14,384,000	100%	0
10/1/04	9/30/06	13,496,809	3,221,107	13,496,809	10,275,702	3,221,107	13,496,809	100%	0

(1) The State delayed payment of the insurance premium tax until fiscal year 2006; therefore the City was required to fund the total required contribution.

2) Funding for valuations occurs in the second fiscal year after the valuation date.

**REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2011
(UNAUDITED)**

DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Available funding information and contribution amounts are presented in the schedules which follow for other post employment benefits (OPEB).

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
10/01/10	\$ 0	\$ 177,387,000	\$ 177,387,000	0.0%	N/A	N/A
10/01/08	0	166,670,000	166,670,000	0.0%	N/A	N/A

OTHER POST EMPLOYMENT BENEFITS SCHEDULE OF GOVERNMENT CONTRIBUTIONS				
Fiscal Year Ended	Annual Required Contribution	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
9/30/11	\$ 13,154,000	\$ 13,247,000	41.3%	\$ 33,502,000
9/30/10	12,455,000	12,525,000	49.4%	25,726,000
9/30/09	14,353,000	14,390,000	35.9%	19,388,000

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.

American Recovery & Rehabilitation Act - This fund is used to account for revenue received under the American Recovery & Rehabilitation Act (ARRA) and is used for expenditures allowed under the program. These expenditures includes such things as sidewalk improvements and mast arms in low to moderate income housing areas and reimbursement of housing related expenses to help the homeless.

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.

City of St. Petersburg, Florida

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.

Police Officers Training Fund - 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.

Donations 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.

Public Improvement - This fund is used to account for principal and interest on the city's Public Improvement bonds which were used for redevelopment in a designated downtown area.

Utility 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 - 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 (FFGFC) - 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.

Bank of America - This fund is used to account for principal and interest on the City's Bank of America Public Capital Corp. and Bank of America, N.A. loans.

BB and T - This fund is used to account for principal and interest on the City's BB & T Corp. loan.

Capital Project 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.

City of St. Petersburg, Florida

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 Fund - This fund is used to account for various downtown parking construction projects funded by general revenues and debt proceeds.

Weeki Wachee Fund - 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.

Kopsik Palm Arboretum 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 Arboretum.

Fire Rescue and EMS Awards Trust - This fund is to account for principal trust 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.

City of St. Petersburg, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2011

	Special Revenue	Debt Service	Permanent	Capital Projects	Total Nonmajor Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 5,458,444	\$ 3,361,799	\$ 269,155	\$ 4,916,365	\$ 14,005,763
Investments	17,681,560	5,000,150	107,555	20,456,935	43,246,200
Receivables:					
Accounts	183,951	-	-	43,649	227,600
Accrued Interest	15,797	31,126	-	40,691	87,614
Notes	6,435,374	-	-	249,529	6,684,903
Due from Other Funds	8,176	-	-	2,094,130	2,102,306
Due from Other Governmental Agencies:					
Grants and Cost Reimbursement	30,291	-	-	4,598,818	4,629,109
Pinellas County - Shared Revenue	-	1,072,313	-	-	1,072,313
Pinellas County - Services	23	-	-	-	23
Prepaid Costs and Deposits	8,484	9,706,960	-	76	9,715,520
Total assets	\$ 29,822,100	\$ 19,172,348	\$ 376,710	\$ 32,400,193	\$ 81,771,351
Liabilities and fund balances					
Liabilities					
Vouchers and Accounts Payable	\$ 1,067,959	\$ -	\$ -	\$ 1,053,656	\$ 2,121,615
Accrued Salaries	227,589	-	-	-	227,589
Other Accrued Liabilities	117,393	-	-	-	117,393
Retainage on Contracts	-	-	-	363,108	363,108
Due to Other Governmental Agencies	67	-	-	141,749	141,816
Due to Other Funds	-	-	-	1,314,395	1,314,395
Escrow	80	-	-	-	80
Other Deposits	368,706	-	-	-	368,706
Advances from Enterprise Fund	-	8,995,565	-	-	8,995,565
Deferred Revenues:					
Notes Receivable	6,435,374	-	-	249,529	6,684,903
Other	456,508	-	-	-	456,508
Total liabilities	8,673,676	8,995,565	-	3,122,437	20,791,678
Fund balances					
Non Spendable	8,484	9,706,960	345,775	76	10,061,295
Restricted	14,866,691	469,823	30,935	-	15,367,449
Committed	6,273,253	-	-	5,253,876	11,527,129
Assigned	-	-	-	24,023,804	24,023,804
Total fund balances	21,148,428	10,176,783	376,710	29,277,756	60,979,677
Total liabilities and fund balances	\$ 29,822,104	\$ 19,172,348	\$ 376,710	\$ 32,400,193	\$ 81,771,355

See accompanying Independent Auditor's Report.

City of St. Petersburg, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011

	Special Revenue	Debt Service	Permanent	Capital Projects	Total Nonmajor Governmental Funds
Revenues					
Licenses and Permits	\$ 2,826,563	\$ -	\$ -	\$ -	\$ 2,826,563
Fines and Forfeitures	749,032	-	-	-	749,032
Charges for Services and User Fees	13,173,678	-	-	-	13,173,678
Intergovernmental Revenues:					
Federal, State and Other Grants	2,110,566	-	-	8,883,822	10,994,388
State - Sales Tax	2,000,004	424,425	-	-	2,424,429
State - Revenue Sharing	-	3,125,822	-	-	3,125,822
State - Other	23,920	-	-	-	23,920
Pinellas County - Tourist Development	-	4,977,610	-	-	4,977,610
Total	4,134,490	8,527,857	-	8,883,822	21,546,169
Use of Money and Property:					
Earnings on Investments	335,782	170,775	2,451	719,066	1,228,074
Total	335,782	170,775	2,451	719,066	1,228,074
Miscellaneous Revenue:					
Contributions	345,405	-	1,455	100,000	446,860
Assessments	-	-	-	403,234	403,234
Dispositions of Property	42,668	-	-	151,298	193,966
Other	355,361	-	-	59,416	414,777
Total	743,434	-	1,455	713,948	1,458,837
Total revenues	21,962,979	8,698,632	3,906	10,316,836	40,982,353
Expenditures					
Current Operations:					
General Government	-	-	-	278,125	278,125
Community and Economic Development	7,023,988	-	-	2,651,805	9,675,793
Public Works	-	-	-	5,397,051	5,397,051
Police	1,111,190	-	-	-	1,111,190
Fire and EMS	12,314,797	-	2,000	-	12,316,797
Recreation and Culture	383,703	-	-	3,017	386,720
Debt Service:					
Principal Payments	-	15,831,000	-	-	15,831,000
Interest Payments	-	5,078,422	-	-	5,078,422
Remarketing and Other Fees	-	12,732	-	-	12,732
Capital Outlay	581,153	-	-	8,008,026	8,589,179
Total expenditures	21,414,831	20,922,154	2,000	16,338,024	58,677,009
Excess (deficiency) of revenues over expenditures	548,148	(12,223,522)	1,906	(6,021,188)	(17,694,656)
Other financing sources (uses)					
Transfers in	2,082	13,079,096	-	7,373,346	20,454,524
Transfers out	(4,019,357)	(150,262)	(2,082)	-	(4,171,701)
Total other financing sources (uses)	(4,017,275)	12,928,834	(2,082)	7,373,346	16,282,823
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,469,127)	705,312	(176)	1,352,158	(1,411,833)
Fund balances - October 1	24,617,555	9,471,471	376,886	27,925,598	62,391,510
Fund balances - September 30	\$ 21,148,428	\$ 10,176,783	\$ 376,710	\$ 29,277,756	\$ 60,979,677

See accompanying Independent Auditor's Report.

City of St. Petersburg, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
September 30, 2011

	<u>Weeki Wachee</u>	<u>Professional Sports Facility Sales Tax</u>	<u>Building Permit</u>	<u>Local Law Enforcement Trust</u>
Assets				
Cash and Cash Equivalents	\$ 1,542,191	\$ 13,834	\$ 699,748	\$ 179,151
Investments	13,375,869	-	16,199	1,500,000
Receivables:				
Accounts	-	-	223	-
Accrued Interest	-	-	-	1,221
Notes	-	-	-	-
Due from Other Governmental Agencies:				
Due from Other Funds	8,176	-	-	-
Grants and Cost Reimbursement	-	-	-	-
Pinellas County - Services	-	-	-	-
Prepaid Costs and Deposits	-	-	-	8,360
Total assets	<u>\$ 14,926,236</u>	<u>\$ 13,834</u>	<u>\$ 716,170</u>	<u>\$ 1,688,732</u>
Liabilities and fund balances				
Liabilities				
Vouchers and Accounts Payable	\$ 14,750	\$ -	\$ 2,967	\$ 4,079
Accrued Salaries	-	-	48,230	-
Other Accrued Liabilities	-	-	-	-
Due to Other Governmental Agencies	-	-	-	-
Escrow	-	-	-	-
Other Deposits	-	-	145,314	223,392
Deferred Revenue:				
Notes Receivable	-	-	-	-
Other	-	-	-	-
Total liabilities	<u>14,750</u>	<u>-</u>	<u>196,511</u>	<u>227,471</u>
Fund balances				
Non Spendable	-	-	-	8,360
Restricted	8,638,234	13,834	519,659	1,452,901
Committed	6,273,253	-	-	-
Total fund balances	<u>14,911,487</u>	<u>13,834</u>	<u>519,659</u>	<u>1,461,261</u>
Total liabilities and fund balances	<u>\$ 14,926,237</u>	<u>\$ 13,834</u>	<u>\$ 716,170</u>	<u>\$ 1,688,732</u>

See accompanying Independent Auditor's Report.

Emergency Medical Services	Local Housing Assistance Trust	Community Housing Trust	American Recovery And Rehabilitation Act	School Crossing Guard Fund	Police Grants Funds
\$ 1,453,617	\$ 182,177	\$ 355,588	\$ 6,048	\$ 99	\$ 430,799
-	2,141,495	540,405	-	-	-
32,706	101,624	-	-	45,080	-
-	14,349	227	-	-	-
-	3,798,694	2,636,680	-	-	-
-	-	-	-	-	-
-	-	-	784	-	29,507
23	-	-	-	-	-
76	-	-	-	-	-
<u>\$ 1,486,422</u>	<u>\$ 6,238,339</u>	<u>\$ 3,532,900</u>	<u>\$ 6,832</u>	<u>\$ 45,179</u>	<u>\$ 460,306</u>
\$ 20,559	\$ 467,636	\$ 528,390	\$ 6,832	\$ 8	\$ 2,957
179,359	-	-	-	-	-
-	117,393	-	-	-	-
-	67	-	-	-	-
-	80	-	-	-	-
-	-	-	-	-	-
-	3,798,694	2,636,680	-	-	-
-	-	-	-	-	456,508
<u>199,918</u>	<u>4,383,870</u>	<u>3,165,070</u>	<u>6,832</u>	<u>8</u>	<u>459,465</u>
76	-	-	-	-	-
1,286,428	1,854,469	367,830	-	45,174	841
-	-	-	-	-	-
<u>1,286,504</u>	<u>1,854,469</u>	<u>367,830</u>	<u>-</u>	<u>45,174</u>	<u>841</u>
<u>\$ 1,486,422</u>	<u>\$ 6,238,339</u>	<u>\$ 3,532,900</u>	<u>\$ 6,832</u>	<u>\$ 45,182</u>	<u>\$ 460,306</u>

(Continued)

City of St. Petersburg, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
September 30, 2011

	Police Officers Training	Donation Funds	Total Nonmajor Special Revenue Funds
Assets			
Cash and Cash Equivalents	\$ 120,492	\$ 474,700	\$ 5,458,444
Investments	-	107,592	17,681,560
Receivables:			
Accounts	3,444	874	183,951
Accrued Interest	-	-	15,797
Notes	-	-	6,435,374
Due from Other Governmental Agencies:			
Due from Other Funds	-	-	8,176
Grants and Cost Reimbursement	-	-	30,291
Pinellas County - Services	-	-	23
Prepaid Costs and Deposits	48	-	8,484
Total assets	\$ 123,984	\$ 583,166	\$ 29,822,100
Liabilities and fund balances			
Liabilities			
Vouchers and Accounts Payable	\$ 1,360	\$ 18,421	\$ 1,067,959
Accrued Salaries	-	-	227,589
Other Accrued Liabilities	-	-	117,393
Due to Other Governmental Agencies	-	-	67
Escrow	-	-	80
Other Deposits	-	-	368,706
Deferred Revenue:			
Notes Receivable	-	-	6,435,374
Other	-	-	456,508
Total liabilities	1,360	18,421	8,673,676
Fund balances			
Non Spendable	48	-	8,484
Restricted	122,576	564,745	14,866,691
Committed	-	-	6,273,253
Total fund balances	122,624	564,745	21,148,428
Total liabilities and fund balances	\$ 123,984	\$ 583,166	\$ 29,822,104

See accompanying Independent Auditor's Report.



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, 2011

	Weeki Wachee	Professional Sports Facility Sales Tax	Building Permit	Local Law Enforcement Trust
Revenues				
Licenses and Permits	\$ -	\$ -	\$ 2,826,563	\$ -
Fines and Forfeitures	-	-	-	378,435
Charges for Services and User Fees	-	-	560,939	-
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	256,012	7	(1,305)	2,326
Total	256,012	7	(1,305)	2,326
Miscellaneous Revenue:				
Contributions	-	-	-	-
Dispositions of Property	-	-	-	-
Other	-	-	39	443
Total	-	-	39	443
Total revenues	256,012	2,000,011	3,386,236	381,204
Expenditures				
Current Operations:				
Community and Economic Development	-	-	3,471,415	-
Police	-	-	-	279,640
Fire and EMS	-	-	-	-
Recreation and Culture	87,480	-	-	-
Capital Outlay	-	-	-	1,501
Total expenditures	87,480	-	3,471,415	281,141
Excess (deficiency) of revenues over expenditures	168,532	2,000,011	(85,179)	100,063
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,690,223)	(2,000,004)	-	-
Total other financing sources (uses)	(1,690,223)	(2,000,004)	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,521,691)	7	(85,179)	100,063
Fund balances - October 1	16,433,178	13,827	604,838	1,361,198
Fund balances - September 30	\$ 14,911,487	\$ 13,834	\$ 519,659	\$ 1,461,261

See accompanying Independent Auditor's Report.

Emergency Medical Services	Local Housing Assistance Trust	Community Housing Trust	American Recovery And Rehabilitation Act	School Crossing Guard Fund	Police Grants Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,709	-	-	324,753	-
12,594,257	-	-	-	-	-
24,234	218,027	-	1,082,195	-	786,110
-	-	-	-	-	-
23,920	-	-	-	-	-
48,154	218,027	-	1,082,195	-	786,110
142	100,561	(23,921)	-	13	463
142	100,561	(23,921)	-	13	463
-	-	-	-	-	-
42,668	-	-	-	-	-
18,837	332,992	-	-	-	-
61,505	332,992	-	-	-	-
12,704,058	653,289	(23,921)	1,082,195	324,766	786,573
-	1,626,612	938,744	853,229	-	-
-	-	-	-	-	793,627
12,314,171	-	-	-	-	-
-	-	-	-	-	-
331,526	-	-	229,116	-	-
12,645,697	1,626,612	938,744	1,082,345	-	793,627
58,361	(973,323)	(962,665)	(150)	324,766	(7,054)
-	-	-	-	-	-
(6,950)	-	-	-	(322,180)	-
(6,950)	-	-	-	(322,180)	-
51,411	(973,323)	(962,665)	(150)	2,586	(7,054)
1,235,093	2,827,792	1,330,495	150	42,588	7,895
\$ 1,286,504	\$ 1,854,469	\$ 367,830	\$ -	\$ 45,174	\$ 841

(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, 2011

	Police Officers Training	Donation Funds	Total Nonmajor Special Revenue Funds
Revenues			
Licenses and Permits	\$ -	\$ -	\$ 2,826,563
Fines and Forfeitures	44,135	-	749,032
Charges for Services and User Fees	-	18,482	13,173,678
Intergovernmental Revenues:			
Federal, State and Other Grants	-	-	2,110,566
State - Sales Tax	-	-	2,000,004
State - Other	-	-	23,920
Total	-	-	4,134,490
Use of Money and Property			
Earnings on Investments	52	1,432	335,782
Total	52	1,432	335,782
Miscellaneous Revenue:			
Contributions	-	345,405	345,405
Dispositions of Property	-	-	42,668
Other	3,050	-	355,361
Total	3,050	345,405	743,434
Total revenues	47,237	365,319	21,962,979
Expenditures			
Current Operations:			
Community and Economic Development	-	133,988	7,023,988
Police	37,677	246	1,111,190
Fire and EMS	-	626	12,314,797
Recreation and Culture	-	296,223	383,703
Capital Outlay	-	19,010	581,153
Total expenditures	37,677	450,093	21,414,831
Excess (deficiency) of revenues over expenditures	9,560	(84,774)	548,148
Other financing sources (uses)			
Transfers in	-	2,082	2,082
Transfers out	-	-	(4,019,357)
Total other financing sources (uses)	-	2,082	(4,017,275)
Excess (deficiency) of revenues and other sources over expenditures and other uses	9,560	(82,692)	(3,469,127)
Fund balances - October 1	113,064	647,437	24,617,555
Fund balances - September 30	\$ 122,624	\$ 564,745	\$ 21,148,428

See accompanying Independent Auditor's Report.



City of St. Petersburg, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
Debt Service Funds
September 30, 2011

	Public Improvement	Excise Tax	Professional Sports Facility Sales Tax
Assets			
Cash and Cash Equivalents	\$ -	\$ 2,891,976	\$ -
Investments	-	5,000,150	-
Receivables:			
Accrued Interest	-	31,126	-
Due from Other Governmental Agencies:			
Pinellas County - Shared Revenue	-	1,072,313	-
Prepaid Costs and Deposits	-	7,616,079	1,489,325
Total assets	\$ -	\$ 16,611,644	\$ 1,489,325
Liabilities and fund balances			
Liabilities			
Advances from Enterprise Fund	\$ -	\$ 8,995,565	\$ -
Total liabilities	-	8,995,565	-
Fund balances			
Non Spendable	-	7,616,079	1,489,325
Restricted	-	-	-
Total fund balances	-	7,616,079	1,489,325
Total liabilities and fund balances	\$ -	\$ 16,611,644	\$ 1,489,325

See accompanying Independent Auditor's Report.

<u>First Florida</u>	<u>BB and T Notes</u>	<u>Bank Of America</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ -	\$ -	\$ 469,823	\$ 3,361,799
-	-	-	5,000,150
-	-	-	31,126
-	-	-	1,072,313
-	601,556	-	9,706,960
<u>\$ -</u>	<u>\$ 601,556</u>	<u>\$ 469,823</u>	<u>\$ 19,172,348</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,995,565</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,995,565</u>
-	601,556	-	9,706,960
-	-	469,823	469,823
-	601,556	469,823	10,176,783
<u>\$ -</u>	<u>\$ 601,556</u>	<u>\$ 469,823</u>	<u>\$ 19,172,348</u>

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, 2011

	Public Improvement	Excise Tax	Professional Sports Facility Sales Tax
Revenues			
State - Sales Tax	\$ -	\$ 424,425	\$ -
State - Revenue Sharing	-	3,125,822	-
Pinellas County - Tourist Development	-	4,977,610	-
Earnings on Investments	10	170,113	374
Total revenues	<u>10</u>	<u>8,697,970</u>	<u>374</u>
Expenditures			
Debt Service:			
Principal Payments	6,230,000	6,365,000	1,020,000
Interest Payments	482,750	2,021,283	893,950
Remarketing and Other Fees	500	550	540
Total expenditures	<u>6,713,250</u>	<u>8,386,833</u>	<u>1,914,490</u>
Excess (deficiency) of revenues over expenditures	<u>(6,713,240)</u>	<u>311,137</u>	<u>(1,914,116)</u>
Other financing sources (uses)			
Transfers in	6,713,240	-	1,928,816
Transfers out	-	(150,262)	-
Total other financing sources (uses)	<u>6,713,240</u>	<u>(150,262)</u>	<u>1,928,816</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>160,875</u>	<u>14,700</u>
Fund balances - October 1	<u>-</u>	<u>7,455,204</u>	<u>1,474,625</u>
Fund balances - September 30	<u>\$ -</u>	<u>\$ 7,616,079</u>	<u>\$ 1,489,325</u>

See accompanying Independent Auditor's Report.

First Florida	BB and T Notes	Bank Of America	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ 424,425
-	-	-	3,125,822
-	-	-	4,977,610
37	2	239	170,775
37	2	239	8,698,632
1,990,000	-	226,000	15,831,000
699,460	28,710	952,269	5,078,422
11,142	-	-	12,732
2,700,602	28,710	1,178,269	20,922,154
(2,700,565)	(28,708)	(1,178,030)	(12,223,522)
2,700,565	630,264	1,106,211	13,079,096
-	-	-	(150,262)
2,700,565	630,264	1,106,211	12,928,834
-	601,556	(71,819)	705,312
-	-	541,642	9,471,471
\$ -	\$ 601,556	\$ 469,823	\$ 10,176,783

City of St. Petersburg, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
September 30, 2011

	General Capital Improvement	Housing Capital Improvement	Transportation Improvement
Assets			
Cash and Cash Equivalents	\$ 864,473	\$ 365,411	\$ 3,466,074
Investments	3,590,570	501,050	14,683,315
Receivables:			
Accounts	-	16,909	26,740
Accrued Interest	6,722	1,681	32,117
Notes	-	249,529	-
Due from Other Funds	2,094,130	-	-
Due from Other Governmental Agencies:			
Grants and Cost Reimbursement	2,769,077	-	1,829,741
Prepaid Costs and Deposits	76	-	-
Total assets	\$ 9,325,048	\$ 1,134,580	\$ 20,037,987
Liabilities and fund balances			
Liabilities			
Vouchers and Accounts Payable	\$ 647,925	\$ 2	\$ 405,729
Retainage on Contracts	80,062	-	281,566
Due to Other Governmental Agencies	-	-	141,749
Due to Other Funds	1,239,553	66,666	-
Deferred Revenue - Notes Receivable	-	249,529	-
Total liabilities	1,967,540	316,197	829,044
Fund balances			
Non Spendable	76	-	-
Committed	2,019,112	818,383	733,809
Assigned	5,338,320	-	18,475,134
Total fund balances	7,357,508	818,383	19,208,943
Total liabilities and fund balances	\$ 9,325,048	\$ 1,134,580	\$ 20,037,987

See accompanying Independent Auditor's Report.

Downtown Parking Garage	Weeki Wachee	Total Nonmajor Capital Projects Funds
\$ 220,407	\$ -	\$ 4,916,365
-	1,682,000	20,456,935
-	-	43,649
-	171	40,691
-	-	249,529
-	-	2,094,130
-	-	4,598,818
-	-	76
<u>\$ 220,407</u>	<u>\$ 1,682,171</u>	<u>\$ 32,400,193</u>
\$ -	\$ -	\$ 1,053,656
1,480	-	363,108
-	-	141,749
-	8,176	1,314,395
-	-	249,529
<u>1,480</u>	<u>8,176</u>	<u>3,122,437</u>
-	-	76
8,577	1,673,995	5,253,876
210,350	-	24,023,804
<u>218,927</u>	<u>1,673,995</u>	<u>29,277,756</u>
<u>\$ 220,407</u>	<u>\$ 1,682,171</u>	<u>\$ 32,400,193</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, 2011

	General Capital Improvement	Housing Capital Improvement	Transportation Improvement
Revenues			
Intergovernmental Revenue:			
Federal, State and Other Grants	\$ 6,108,900	\$ -	\$ 2,774,922
Total	6,108,900	-	2,774,922
Use of Money and Property:			
Earnings on Investments	64,382	6,388	647,621
Total	64,382	6,388	647,621
Miscellaneous Revenue:			
Contributions	100,000	-	-
Assessments	-	-	403,234
Dispositions of Property	-	151,298	-
Other	17,898	41,518	-
Total	117,898	192,816	403,234
Total revenues	6,291,180	199,204	3,825,777
Expenditures			
Current Operations:			
General Government	-	-	278,125
Community and Economic Development	2,433,623	213,842	4,340
Public Works	4,383,657	-	1,013,394
Recreation and Culture	-	-	3,017
Capital Outlay	4,166,847	-	3,705,333
Total expenditures	10,984,127	213,842	5,004,209
Excess (deficiency) of revenues over expenditures	(4,692,947)	(14,638)	(1,178,432)
Other financing sources (uses)			
Transfers in	5,586,346	-	-
Total other financing sources (uses)	5,586,346	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	893,399	(14,638)	(1,178,432)
Fund balances - October 1	6,464,109	833,021	20,387,375
Fund balances - September 30	\$ 7,357,508	\$ 818,383	\$ 19,208,943

See accompanying Independent Auditor's Report.

Downtown Parking Garage	Weeki Wachee	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ 8,883,822
-	-	8,883,822
78	597	719,066
78	597	719,066
-	-	100,000
-	-	403,234
-	-	151,298
-	-	59,416
-	-	713,948
78	597	10,316,836
-	-	278,125
-	-	2,651,805
-	-	5,397,051
-	-	3,017
118,770	17,076	8,008,026
118,770	17,076	16,338,024
(118,692)	(16,479)	(6,021,188)
105,000	1,682,000	7,373,346
105,000	1,682,000	7,373,346
(13,692)	1,665,521	1,352,158
232,619	8,474	27,925,598
\$ 218,927	\$ 1,673,995	\$ 29,277,756

City of St. Petersburg, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
Permanent Funds
September 30, 2011

	Kopsick Palm Arboretum Trust	Fire Rescue and EMS Awards	Library Trust	Total Nonmajor Permanent Funds
Assets				
Cash and Cash Equivalents	\$ -	\$ 30,935	\$ 238,220	\$ 269,155
Investments	107,555	-	-	107,555
Total assets	<u>\$ 107,555</u>	<u>\$ 30,935</u>	<u>\$ 238,220</u>	<u>\$ 376,710</u>
Liabilities and fund balances				
Fund balances				
Non Spendable	\$ 107,555	\$ -	\$ 238,220	\$ 345,775
Restricted	-	30,935	-	30,935
Total fund balances	<u>107,555</u>	<u>30,935</u>	<u>238,220</u>	<u>376,710</u>
Total liabilities and fund balances	<u>\$ 107,555</u>	<u>\$ 30,935</u>	<u>\$ 238,220</u>	<u>\$ 376,710</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, 2011

	Kopsick Palm Arboretum Trust	Fire Rescue and EMS Awards	Library Trust	Total Nonmajor Permanent Funds
Revenues				
Earnings on Investments	\$ 2,357	\$ 8	\$ 86	\$ 2,451
Contributions	-	1,455	-	1,455
Total revenues	<u>2,357</u>	<u>1,463</u>	<u>86</u>	<u>3,906</u>
Expenditures				
Current Operations:				
Fire and EMS	-	2,000	-	2,000
Total expenditures	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess (deficiency) of revenues over expenditures	<u>2,357</u>	<u>(537)</u>	<u>86</u>	<u>1,906</u>
Other financing sources (uses)				
Transfers out	(2,000)	-	(82)	(2,082)
Total other financing sources (uses)	<u>(2,000)</u>	<u>-</u>	<u>(82)</u>	<u>(2,082)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>357</u>	<u>(537)</u>	<u>4</u>	<u>(176)</u>
Fund balances - October 1	<u>107,198</u>	<u>31,472</u>	<u>238,216</u>	<u>376,886</u>
Fund balances - September 30	<u>\$ 107,555</u>	<u>\$ 30,935</u>	<u>\$ 238,220</u>	<u>\$ 376,710</u>

See accompanying Independent Auditor's Report.



City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Weeki Wachee
Fiscal Year Ended September 30, 2011

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues				
Earnings on Investments	\$ 300,000	\$ 300,000	\$ 201,923	\$ (98,077)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>201,923</u>	<u>(98,077)</u>
Expenditures				
Current Operations:				
Recreation and Culture	60,000	72,647	87,480	(14,833)
Total expenditures	<u>60,000</u>	<u>72,647</u>	<u>87,480</u>	<u>(14,833)</u>
Excess (deficiency) of revenues over expenditures	<u>240,000</u>	<u>227,353</u>	<u>114,443</u>	<u>(112,910)</u>
Other financing sources (uses)				
Transfers out	-	(1,690,307)	(1,690,223)	84
Total other financing sources (uses)	<u>-</u>	<u>(1,690,307)</u>	<u>(1,690,223)</u>	<u>84</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>240,000</u>	<u>(1,462,954)</u>	<u>(1,575,780)</u>	<u>(112,826)</u>
Budgetary Fund Balances - October 1	14,393,822	14,393,822	14,393,822	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ 14,633,822</u>	<u>\$ 12,930,868</u>	12,818,042	<u>\$ (112,826)</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			2,039,356	
Recognition of Current Year's Changes in Fair Value of Investments Held			<u>54,089</u>	
Fund balance - September 30			<u>\$ 14,911,487</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule 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, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
State - Sales Tax	\$ 2,000,000	\$ 2,000,000	\$ 2,000,004	\$ 4
Earnings on Investments	10,000	10,000	7	(9,993)
Total revenues	<u>2,010,000</u>	<u>2,010,000</u>	<u>2,000,011</u>	<u>(9,989)</u>
Other financing sources (uses)				
Transfers out	(2,000,004)	(2,000,004)	(2,000,004)	-
Total other financing sources (uses)	<u>(2,000,004)</u>	<u>(2,000,004)</u>	<u>(2,000,004)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>9,996</u>	<u>9,996</u>	<u>7</u>	<u>(9,989)</u>
Budgetary Fund Balances - October 1	13,827	13,827	13,827	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances - September 30	<u>\$ 23,823</u>	<u>\$ 23,823</u>	13,834	<u>\$ (9,989)</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	-
Reserve for Prepaid Costs and Inventory			-	-
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	-
Recognition of Current Year's Changes in Fair Value of Investments Held			-	-
Fund Balances – September 30			<u>\$ 13,834</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Building Permit
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Licenses and Permits	\$ 2,637,000	\$ 2,637,000	\$ 2,826,563	\$ 189,563
Charges for Services and User Fees	414,000	414,000	560,939	146,939
Earnings on Investments	-	-	(53,734)	(53,734)
Other	-	-	39	39
Total revenues	<u>3,051,000</u>	<u>3,051,000</u>	<u>3,333,807</u>	<u>282,807</u>
Expenditures				
Current Operations:				
Community and Economic Development	3,450,982	3,470,196	3,471,892	(1,696)
Capital Outlay	-	725	-	725
Total expenditures	<u>3,450,982</u>	<u>3,470,921</u>	<u>3,471,892</u>	<u>(971)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(399,982)</u>	<u>(419,921)</u>	<u>(138,085)</u>	<u>281,836</u>
Budgetary Fund Balances - October 1	656,000	656,000	656,000	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances - September 30	<u>\$ 256,018</u>	<u>\$ 236,079</u>	517,915	<u>\$ 281,836</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			477	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			(51,162)	
Recognition of Current Year's Changes in Fair Value of Investments Held			<u>52,429</u>	
Fund Balances - September 30			<u>\$ 519,659</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Local Law Enforcement Trust
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Fines and Forfeitures	\$ -	\$ -	\$ 378,435	\$ 378,435
Earnings on Investments	-	-	2,326	2,326
Other	-	-	443	443
Total revenues	<u>-</u>	<u>-</u>	<u>381,204</u>	<u>381,204</u>
Expenditures				
Current Operations:				
Police	192,994	724,731	280,164	444,567
Capital Outlay	-	402,923	1,501	401,422
Total expenditures	<u>192,994</u>	<u>1,127,654</u>	<u>281,665</u>	<u>845,989</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(192,994)</u>	<u>(1,127,654)</u>	<u>99,539</u>	<u>1,227,193</u>
Budgetary Fund Balances - October 1	1,340,838	1,340,838	1,340,838	-
Reserve for Encumbrances – October 1, 2010	12,000	12,000	12,000	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ 1,159,844</u>	<u>\$ 225,184</u>	<u>1,452,377</u>	<u>\$ 1,227,193</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			524	
Reserve for Prepaid Costs and Inventory			8,360	
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	
Recognition of Current Year's Changes in Fair Value of Investments Held			-	
Fund Balances - September 30			<u>\$ 1,461,261</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Emergency Medical Services
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Charges for Services and User Fees	\$ 11,957,439	\$ 11,957,439	\$ 12,594,257	\$ 636,818
Federal, State and Other Grants	-	319,960	24,234	(295,726)
State - Other	16,920	16,920	23,920	7,000
Earnings on Investments	3,000	3,000	142	(2,858)
Dispositions of Property	-	-	42,668	42,668
Other	-	-	18,837	18,837
Total revenues	11,977,359	12,297,319	12,704,058	406,739
Expenditures				
Current Operations:				
Fire and EMS	12,591,802	12,633,949	12,321,014	312,935
Capital Outlay	-	322,542	336,216	(13,674)
Total expenditures	12,591,802	12,956,491	12,657,230	299,261
Excess (deficiency) of revenues over expenditures	(614,443)	(659,172)	46,828	706,000
Other financing sources (uses)				
Transfers out	-	(6,950)	(6,950)	-
Total other financing sources (uses)	-	(6,950)	(6,950)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(614,443)	(666,122)	39,878	706,000
Budgetary Fund Balances - October 1	1,224,093	1,224,093	1,224,093	-
Reserve for Encumbrances – October 1, 2010	10,924	10,924	10,924	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	\$ 620,574	\$ 568,895	1,274,895	\$ 706,000
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			11,533	
Reserve for Prepaid Costs and Inventory			76	
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	
Recognition of Current Year's Changes in Fair Value of Investments Held			-	
Fund Balances - September 30			\$ 1,286,504	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Local Housing Assistance Trust
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Fines and Forfeitures	\$ -	\$ -	\$ 1,709	\$ 1,709
Federal, State and Other Grants	-	-	218,027	218,027
Earnings on Investments	10,000	10,000	74,028	64,028
Other	390,000	390,000	332,992	(57,008)
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>626,756</u>	<u>226,756</u>
Expenditures				
Current Operations:				
Community and Economic Development	400,000	3,306,187	1,626,822	1,679,365
Total expenditures	<u>400,000</u>	<u>3,306,187</u>	<u>1,626,822</u>	<u>1,679,365</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>(2,906,187)</u>	<u>(1,000,066)</u>	<u>1,906,121</u>
Budgetary Fund Balances - October 1	2,667,792	2,667,792	2,667,792	-
Reserve for Encumbrances – October 1, 2010	2,000	2,000	2,000	-
Change in Reserve for Prepaid Costs and Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary Fund Balances – September 30	<u>\$ 2,669,792</u>	<u>\$ (236,395)</u>	1,669,726	<u>\$ 1,906,121</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			210	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			158,000	
Recognition of Current Year's Changes in Fair Value of Investments Held			<u>26,533</u>	
Fund Balances - September 30			<u>\$ 1,854,469</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Community Housing Trust
Fiscal Year Ended September 30, 2011

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues				
Earnings on Investments	\$ -	\$ -	\$ (124,737)	\$ (124,737)
Total revenues	<u>-</u>	<u>-</u>	<u>(124,737)</u>	<u>(124,737)</u>
Expenditures				
Current Operations:				
Community and Economic Development	-	1,347,818	943,944	403,874
Total expenditures	<u>-</u>	<u>1,347,818</u>	<u>943,944</u>	<u>403,874</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>(1,347,818)</u>	<u>(1,068,681)</u>	<u>279,137</u>
Budgetary Fund Balances - October 1	1,407,495	1,407,495	1,407,495	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary Fund Balances – September 30	<u>\$ 1,407,495</u>	<u>\$ 59,677</u>	338,814	<u>\$ 279,137</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			5,200	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			(77,000)	
Recognition of Current Year's Changes in Fair Value of Investments Held			<u>100,816</u>	
Fund Balances - September 30			<u>\$ 367,830</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
American Recovery And Rehabilitation Act
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Federal, State and Other Grants	\$ -	\$ -	\$ 1,082,195	\$ 1,082,195
Total revenues	-	-	1,082,195	1,082,195
Expenditures				
Current Operations:				
Community and Economic Development	-	-	853,229	(853,229)
Capital Outlay	-	1,223,488	229,116	994,372
Total expenditures	-	1,223,488	1,082,345	141,143
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(1,223,488)	(150)	1,223,338
Budgetary Fund Balances - October 1	(233,000)	(233,000)	(233,000)	-
Reserve for Encumbrances – October 1, 2010	233,150	233,150	233,150	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ 150</u>	<u>\$ 1,223,338</u>	0	<u>\$ 1,223,338</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	-
Reserve for Prepaid Costs and Inventory			-	-
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	-
Recognition of Current Year's Changes in Fair Value of Investments Held			-	-
Fund Balances - September 30			<u>\$ 0</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
School Crossing Guard Fund
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Fines and Forfeitures	\$ 300,000	\$ 300,000	\$ 324,753	\$ 24,753
Earnings on Investments	-	-	13	13
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>324,766</u>	<u>24,766</u>
Other financing sources (uses)				
Transfers out	(300,000)	(322,180)	(322,180)	-
Total other financing sources (uses)	<u>(300,000)</u>	<u>(322,180)</u>	<u>(322,180)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>(22,180)</u>	<u>2,586</u>	<u>24,766</u>
Budgetary Fund Balances - October 1	41,588	41,588	41,588	-
Reserve for Encumbrances – October 1, 2010	1,000	1,000	1,000	-
Change in Reserve for Prepaid Costs and Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary Fund Balances – September 30	<u>\$ 42,588</u>	<u>\$ 20,408</u>	45,174	<u>\$ 24,766</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	-
Reserve for Prepaid Costs and Inventory			-	-
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	-
Recognition of Current Year's Changes in Fair Value of Investments Held			<u>-</u>	<u>-</u>
Fund Balances - September 30			<u>\$ 45,174</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Police Grants Funds
Fiscal Year Ended September 30, 2011

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues				
Federal, State and Other Grants	\$ -	\$ 514,230	\$ 786,110	\$ 271,880
Earnings on Investments	-	-	463	463
Total revenues	<u>-</u>	<u>514,230</u>	<u>786,573</u>	<u>272,343</u>
Expenditures				
Current Operations:				
Police	406,518	920,748	793,627	127,121
Total expenditures	<u>406,518</u>	<u>920,748</u>	<u>793,627</u>	<u>127,121</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(406,518)</u>	<u>(406,518)</u>	<u>(7,054)</u>	<u>399,464</u>
Budgetary Fund Balances - October 1	7,895	7,895	7,895	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ (398,623)</u>	<u>\$ (398,623)</u>	841	<u>\$ 399,464</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	-
Reserve for Prepaid Costs and Inventory			-	-
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	-
Recognition of Current Year's Changes in Fair Value of Investments Held			-	-
Fund Balances - September 30			<u>\$ 841</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Police Officers Training
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Fines and Forfeitures	\$ -	\$ -	\$ 44,135	\$ 44,135
Earnings on Investments	-	-	52	52
Other	-	-	3,050	3,050
Total revenues	-	-	47,237	47,237
Expenditures				
Current Operations:				
Police	-	-	37,702	(37,702)
Total expenditures	-	-	37,702	(37,702)
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	9,535	9,535
Fund balance - October 1	113,016	113,016	113,016	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ 113,016</u>	<u>\$ 113,016</u>	122,551	<u>\$ 9,535</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			25	
Reserve for Prepaid Costs and Inventory			48	
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	
Recognition of Current Year's Changes in Fair Value of Investments Held			-	
Fund balance - September 30			<u>\$ 122,624</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Donation Funds
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Charges for Services and User Fees	\$ -	\$ -	\$ 18,482	\$ 18,482
Earnings on Investments	-	-	(4,413)	(4,413)
Contributions	-	-	345,405	345,405
Other	1,500,000	1,500,000	-	(1,500,000)
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>359,474</u>	<u>(1,140,526)</u>
Expenditures				
Current Operations:				
Community and Economic Development	-	-	133,988	(133,988)
Police	-	-	246	(246)
Fire and EMS	-	-	626	(626)
Recreation and Culture	1,500,000	1,500,000	298,087	1,201,913
Capital Outlay	-	-	19,020	(19,020)
Total expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>451,967</u>	<u>1,048,033</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(92,493)</u>	<u>(92,493)</u>
Other financing sources (uses)				
Transfers in	-	-	2,082	2,082
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,082</u>	<u>2,082</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>(90,411)</u>	<u>(90,411)</u>
Budgetary Fund Balances - October 1	661,437	661,437	661,437	
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ 661,437</u>	<u>\$ 661,437</u>	571,026	<u>\$ (90,411)</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			1,874	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			(14,000)	
Recognition of Current Year's Changes in Fair Value of Investments Held			5,845	
Fund Balances - September 30			<u>\$ 564,745</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
Public Improvement
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Earnings on Investments	\$ -	\$ -	\$ 10	\$ 10
Total revenues	-	-	10	10
Expenditures				
Debt Service:				
Principal Payments	6,230,000	6,230,000	6,230,000	-
Interest Payments	482,750	482,750	482,750	-
Remarketing and Other Fees	-	-	500	(500)
Total expenditures	6,712,750	6,712,750	6,713,250	(500)
Excess (deficiency) of revenues over expenditures	(6,712,750)	(6,712,750)	(6,713,240)	(490)
Other financing sources (uses)				
Transfers in	6,712,750	6,712,750	6,713,240	490
Total other financing sources (uses)	6,712,750	6,712,750	6,713,240	490
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-
Budgetary Fund Balances - October 1	-	-	-	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	\$ -	\$ -	-	\$ -
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	
Recognition of Current Year's Changes in Fair Value of Investments Held			-	
Fund Balances - September 30			\$ -	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
Excise Tax
Fiscal Year Ended September 30, 2011

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues				
State - Sales Tax	\$ 8,513,700	\$ 8,513,700	\$ 424,425	\$ (8,089,275)
State - Revenue Sharing	-	-	3,125,822	3,125,822
Pinellas County - Tourist Development	-	-	4,977,610	4,977,610
Earnings on Investments	333,457	333,457	201,184	(132,273)
Total revenues	<u>8,847,157</u>	<u>8,847,157</u>	<u>8,729,041</u>	<u>(118,116)</u>
Expenditures				
Debt Service:				
Principal Payments	6,365,000	6,365,000	6,365,000	-
Interest Payments	2,021,282	2,021,282	2,021,283	(1)
Remarketing and Other Fees	-	-	550	(550)
Total expenditures	<u>8,386,282</u>	<u>8,386,282</u>	<u>8,386,833</u>	<u>(551)</u>
Excess (deficiency) of revenues over expenditures	<u>460,875</u>	<u>460,875</u>	<u>342,208</u>	<u>(118,667)</u>
Other financing sources (uses)				
Transfers out	(300,000)	(300,000)	(150,262)	149,738
Total other financing sources (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(150,262)</u>	<u>149,738</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>160,875</u>	<u>160,875</u>	<u>191,946</u>	<u>31,071</u>
Budgetary Fund Balances - October 1	<u>7,274,204</u>	<u>7,274,204</u>	<u>7,274,204</u>	<u>-</u>
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ 7,435,079</u>	<u>\$ 7,435,079</u>	<u>7,466,150</u>	<u>\$ 31,071</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	-
Reserve for Prepaid Costs and Inventory			-	-
Recognition of Prior Year's Changes in Fair Value of Investments Held			181,000	
Value of Investments Held			<u>(31,071)</u>	
Fund Balances - September 30			<u>\$ 7,616,079</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule 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, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Earnings on Investments	\$ 7,400	\$ 7,400	\$ 374	\$ (7,026)
Total revenues	<u>7,400</u>	<u>7,400</u>	<u>374</u>	<u>(7,026)</u>
Expenditures				
Principal Payments	1,020,000	1,020,000	1,020,000	-
Interest Payments	893,950	893,950	893,950	-
Remarketing and Other Fees	-	-	540	(540)
Total expenditures	<u>1,913,950</u>	<u>1,913,950</u>	<u>1,914,490</u>	<u>(540)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,906,550)</u>	<u>(1,906,550)</u>	<u>(1,914,116)</u>	<u>(7,566)</u>
Other financing sources (uses)				
Transfers in	1,921,250	1,921,250	1,928,816	7,566
Total other financing sources (uses)	<u>1,921,250</u>	<u>1,921,250</u>	<u>1,928,816</u>	<u>7,566</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>14,700</u>	<u>14,700</u>	<u>14,700</u>	<u>-</u>
Budgetary Fund Balances - October 1	1,474,625	1,474,625	1,474,625	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ 1,489,325</u>	<u>\$ 1,489,325</u>	<u>1,489,325</u>	<u>\$ -</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	-
Reserve for Prepaid Costs and Inventory			-	-
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	-
Recognition of Current Year's Changes in Fair Value of Investments Held			-	-
Fund Balances - September 30			<u>\$ 1,489,325</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
First Florida
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Earnings on Investments	\$ -	\$ -	\$ 37	\$ 37
Total revenues	-	-	37	37
Expenditures				
Debt Service:				
Principal Payments	1,990,000	1,990,000	1,990,000	-
Interest Payments	699,460	699,460	699,460	-
Remarketing and Other Fees	7,300	11,142	11,142	-
Total expenditures	2,696,760	2,700,602	2,700,602	-
Excess (deficiency) of revenues over expenditures	(2,696,760)	(2,700,602)	(2,700,565)	37
Other financing sources (uses)				
Transfers in	2,696,760	2,696,760	2,700,565	3,805
Total other financing sources (uses)	2,696,760	2,696,760	2,700,565	3,805
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(3,842)	-	3,842
Budgetary Fund Balances - October 1	(100,000)	(100,000)	(100,000)	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ (100,000)</u>	<u>\$ (103,842)</u>	(100,000)	<u>\$ 3,842</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			100,000	
Recognition of Current Year's Changes in Fair Value of Investments Held			-	
Fund balance - September 30			<u>\$ -</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
BB and T Notes
Fiscal Year Ended September 30, 2011

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Over/Under
Revenues				
Earnings on Investments	\$ -	\$ -	\$ 2	\$ 2
Total revenues	-	-	2	2
Expenditures				
Debt Service:				
Interest Payments	-	29,000	28,710	290
Total expenditures	-	29,000	28,710	290
Excess (deficiency) of revenues over expenditures	-	(29,000)	(28,708)	292
Other financing sources (uses)				
Transfers in	-	29,000	630,264	601,264
Total other financing sources (uses)	-	29,000	630,264	601,264
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	601,556	601,556
Fund balance - October 1	-	-	-	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ -</u>	<u>\$ -</u>	601,556	<u>\$ 601,556</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	
Recognition of Current Year's Changes in Fair Value of Investments Held			-	
Fund balance - September 30			<u>\$ 601,556</u>	

See accompanying Independent Auditor's Report

City of St. Petersburg, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
Bank Of America
Fiscal Year Ended September 30, 2011

	<u>Original Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues				
Earnings on Investments	\$ 600	\$ 600	\$ 239	\$ (361)
Total revenues	<u>600</u>	<u>600</u>	<u>239</u>	<u>(361)</u>
Expenditures				
Debt Service:				
Principal Payments	226,000	226,000	226,000	-
Interest Payments	952,269	952,269	952,269	-
Total expenditures	<u>1,178,269</u>	<u>1,178,269</u>	<u>1,178,269</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,177,669)</u>	<u>(1,177,669)</u>	<u>(1,178,030)</u>	<u>(361)</u>
Other financing sources (uses)				
Transfers in	1,106,211	1,106,211	1,106,211	-
Total other financing sources (uses)	<u>1,106,211</u>	<u>1,106,211</u>	<u>1,106,211</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(71,458)</u>	<u>(71,458)</u>	<u>(71,819)</u>	<u>(361)</u>
Budgetary Fund Balances - October 1	541,642	541,642	541,642	-
Reserve for Encumbrances – October 1, 2010	-	-	-	-
Change in Reserve for Prepaid Costs and Inventory	-	-	-	-
Budgetary Fund Balances – September 30	<u>\$ 470,184</u>	<u>\$ 470,184</u>	469,823	<u>\$ (361)</u>
Reconciliation of Budget to GAAP Reporting				
Reserve for Encumbrances – September 30, 2011			-	
Reserve for Prepaid Costs and Inventory			-	
Recognition of Prior Year's Changes in Fair Value of Investments Held			-	
Recognition of Current Year's Changes in Fair Value of Investments Held			<u>-</u>	
Fund Balances - September 30			<u>\$ 469,823</u>	

See accompanying Independent Auditor's Report

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 Assets
Nonmajor Enterprise Funds
September 30, 2011

	Airport	Port	Marina	Golf Course
Assets				
Current assets:				
Cash and Cash Equivalents	\$ 102,954	\$ 882,442	\$ 594,373	\$ 319,847
Investments	-	532,036	2,516,214	-
Accounts	21,825	90,908	117,626	333
Accrued Interest	-	13,979	5,720	-
Due from Other Governmental Agencies:				
Grants	577,912	208,931	-	-
Services	-	2,659	-	-
Inventories	-	-	38,532	116,011
Prepaid Expenses and Deposits	549	-	1,250	3,500
Total current assets	<u>703,240</u>	<u>1,730,955</u>	<u>3,273,715</u>	<u>439,691</u>
Noncurrent assets:				
Other Assets:				
Unamortized Loan Costs	-	-	42,780	-
Capital assets:				
Land	1,912,168	1,001,500	-	392,907
Buildings	11,969,199	11,176,965	4,165,451	1,705,491
Improvements	8,514,551	5,680,913	14,295,859	6,348,439
Machinery and Equipment	680,518	25,511	466,033	1,296,601
Accumulated Depreciation	(7,845,989)	(3,396,864)	(9,461,605)	(7,418,215)
Projects in Progress	1,231,592	-	185,625	-
Net capital assets	<u>16,462,039</u>	<u>14,488,025</u>	<u>9,651,363</u>	<u>2,325,223</u>
Total noncurrent assets	<u>16,462,039</u>	<u>14,488,025</u>	<u>9,694,143</u>	<u>2,325,223</u>
Total assets	<u>\$ 17,165,279</u>	<u>\$ 16,218,980</u>	<u>\$ 12,967,858</u>	<u>\$ 2,764,914</u>
Liabilities				
Current liabilities:				
Vouchers and Accounts Payable	\$ 296,870	\$ 78,931	\$ 97,112	\$ 32,394
Accrued Salaries	4,139	3,712	15,196	37,258
Accrued Annual Leave	357	-	10,034	402
Retainage on Contracts	176,639	24,591	4,486	625
Due to Other Funds	-	1,508,202	-	-
Due to Other Governmental Agencies	22,694	-	13,901	9,115
Notes Payable - Current Portion	-	-	435,000	-
Payable from Restricted Accrued Interest	-	-	57,818	-
Other Current Liabilities	-	-	-	-
Deposits	4,500	-	20,030	93,216
Deferred Revenue	-	-	20,000	-
Total current liabilities	<u>505,199</u>	<u>1,615,436</u>	<u>673,577</u>	<u>173,010</u>
Noncurrent liabilities:				
Accrued Annual Leave less Current Portion	14,788	14,165	16,614	251,754
Obligation for OPEB	29,532	77,520	166,593	282,844
Unamortized Discount (Premium)	-	-	(27,264)	-
Unamortized Underwriting Discount	-	-	(19,624)	-
Capital Leases Payable	-	-	-	162,153
Notes Payable	-	-	5,405,000	-
Total noncurrent liabilities	<u>44,320</u>	<u>91,685</u>	<u>5,541,319</u>	<u>696,751</u>
Total liabilities	<u>549,519</u>	<u>1,707,121</u>	<u>6,214,896</u>	<u>869,761</u>
Net assets				
Invested in Capital Assets, Net of Related Debt	16,462,039	14,488,025	3,858,251	2,163,070
Unrestricted	153,721	23,834	2,894,711	(267,917)
Total net assets	<u>\$ 16,615,760</u>	<u>\$ 14,511,859</u>	<u>\$ 6,752,962</u>	<u>\$ 1,895,153</u>

See accompanying Independent Auditor's Report.

Jamestown Complex	Parking	Mahaffey Theater	Pier	Coliseum	Sunken Gardens	Total Nonmajor Enterprise Funds
\$ 156,181	\$ 1,113,144	\$ 307,963	\$ 178,333	\$ 136,810	\$ 192,839	\$ 3,984,886
-	-	-	-	-	-	3,048,250
43,650	314,756	46,562	23,313	3,885	436	663,294
-	-	-	-	-	-	19,699
-	-	-	-	-	-	786,843
-	-	-	-	-	-	2,659
-	-	11,544	-	11,091	24,738	201,916
-	-	81,229	56,943	2,200	4,638	150,309
199,831	1,427,900	447,298	258,589	153,986	222,651	8,857,856
-	-	-	-	-	-	42,780
215,516	50,023	2,313,500	-	2,015,663	2,918,450	10,819,727
6,172,017	12,185,621	51,639,751	16,604,920	2,381,554	4,041,073	122,042,042
189,755	1,795,423	5,407,679	2,236,151	1,153,169	1,917,468	47,539,407
266,331	1,367,888	3,529,682	845,960	837,489	112,298	9,428,311
(2,000,101)	(4,892,019)	(21,789,488)	(13,158,666)	(2,321,567)	(1,249,836)	(73,534,350)
-	-	-	-	-	-	1,417,217
4,843,518	10,506,936	41,101,124	6,528,365	4,066,308	7,739,453	117,712,354
4,843,518	10,506,936	41,101,124	6,528,365	4,066,308	7,739,453	117,755,134
\$ 5,043,349	\$ 11,934,836	\$ 41,548,422	\$ 6,786,954	\$ 4,220,294	\$ 7,962,104	\$ 126,612,990
\$ 18,712	\$ 48,723	\$ 111,958	\$ 48,315	\$ 5,176	\$ 8,206	\$ 746,397
5,853	24,567	-	-	14,426	14,069	119,220
20,231	-	-	-	6,712	-	37,736
-	-	-	-	-	-	206,341
-	-	-	-	-	-	1,508,202
-	10,595	1,322	33,890	608	27,113	119,238
-	-	-	-	-	-	435,000
-	-	-	-	-	-	57,818
-	-	-	82,535	-	-	82,535
43,753	50,111	71,079	35,107	112,789	123,927	554,512
-	-	128,777	-	1,375	20,208	170,360
88,549	133,996	313,136	199,847	141,086	193,523	4,037,359
27,051	51,164	-	-	41,562	27,630	444,728
52,596	234,788	-	-	53,097	55,154	952,124
-	-	-	-	-	-	(27,264)
-	-	-	-	-	-	(19,624)
-	-	-	-	-	-	162,153
-	-	-	-	-	-	5,405,000
79,647	285,952	-	-	94,659	82,784	6,917,117
168,196	419,948	313,136	199,847	235,745	276,307	10,954,476
4,843,518	10,506,936	41,101,124	6,528,365	4,066,308	7,739,453	111,757,089
31,635	1,007,952	134,162	58,742	(81,759)	(53,656)	3,901,425
\$ 4,875,153	\$ 11,514,888	\$ 41,235,286	\$ 6,587,107	\$ 3,984,549	\$ 7,685,797	\$ 115,658,514

City of St. Petersburg, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Activities
Fiscal Year Ended September 30, 2011

	Airport	Port	Marina	Golf Course
Operating revenues				
Sales and Concessions	\$ -	\$ -	\$ 725,939	\$ 606,224
Service Charges and Fees	-	171,415	3,109	2,413,315
Fines and Forfeitures	-	-	-	-
Rentals and Parking	996,722	13,611	2,524,740	442,701
Total operating revenues	<u>996,722</u>	<u>185,026</u>	<u>3,253,788</u>	<u>3,462,240</u>
Operating expenses				
Personal Services and Benefits	385,910	617,930	1,105,115	2,246,580
Supplies, Services and Claims	327,596	298,301	1,272,048	1,156,674
General Administrative Charges	131,352	130,200	150,432	383,112
Depreciation	542,502	482,401	700,910	295,502
Total operating expenses	<u>1,387,360</u>	<u>1,528,832</u>	<u>3,228,505</u>	<u>4,081,868</u>
Operating income (loss)	<u>(390,638)</u>	<u>(1,343,806)</u>	<u>25,283</u>	<u>(619,628)</u>
Nonoperating revenues (expenses)				
Intergovernmental Revenues	1,989,356	351,940	-	-
Earnings on Investments	58	45,171	41,111	157
Interest Expense	-	-	(243,871)	(2,410)
Amortization of Bond Discount and Issue Cost	-	-	(20,487)	-
Gain (Loss) on Disposition of Capital Assets	-	-	-	77,074
Miscellaneous Revenue	1,652	5,453	2,400	166
Total nonoperating revenues (expenses)	<u>1,991,066</u>	<u>402,564</u>	<u>(220,847)</u>	<u>74,987</u>
Income (loss) before contributions and transfers	<u>1,600,428</u>	<u>(941,242)</u>	<u>(195,564)</u>	<u>(544,641)</u>
Transfers and contributions				
Capital Assets from (to) Other Funds	79,548	-	-	40,701
Contributions from Citizens and Developers	-	-	-	-
Transfers In	-	397,000	-	-
Transfers Out	(171,540)	(104,976)	(414,312)	-
Total transfers and contributions	<u>(91,992)</u>	<u>292,024</u>	<u>(414,312)</u>	<u>40,701</u>
Change in net assets	<u>1,508,436</u>	<u>(649,218)</u>	<u>(609,876)</u>	<u>(503,940)</u>
Net assets - October 1	<u>15,107,324</u>	<u>15,161,077</u>	<u>7,362,838</u>	<u>2,399,093</u>
Net assets - September 30	<u>\$ 16,615,760</u>	<u>\$ 14,511,859</u>	<u>\$ 6,752,962</u>	<u>\$ 1,895,153</u>

Jamestown Complex	Parking	Mahaffey Theater	Pier	Coliseum	Sunken Gardens	Total Nonmajor Enterprise Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,332,163
15,581	3,417,914	2,220,446	206,635	559,190	647,661	9,655,266
-	1,444,549	-	-	-	-	1,444,549
510,433	56,661	-	782,561	-	262	5,327,691
526,014	4,919,124	2,220,446	989,196	559,190	647,923	17,759,669
246,135	1,911,311	948,083	621,418	519,393	498,796	9,100,671
221,839	1,907,955	2,860,709	1,687,529	301,132	391,389	10,425,172
11,328	159,576	-	-	-	-	966,000
144,069	449,646	1,743,219	3,160,696	166,952	249,847	7,935,744
623,371	4,428,488	5,552,011	5,469,643	987,477	1,140,032	28,427,587
(97,357)	490,636	(3,331,565)	(4,480,447)	(428,287)	(492,109)	(10,667,918)
-	-	-	-	-	-	2,341,296
82	270	22,495	-	27	21	109,392
-	-	-	-	-	-	(246,281)
-	-	-	-	-	-	(20,487)
-	-	-	-	-	-	77,074
6,564	45,754	464,114	58,138	49	-	584,290
6,646	46,024	486,609	58,138	76	21	2,845,284
(90,711)	536,660	(2,844,956)	(4,422,309)	(428,211)	(492,088)	(7,822,634)
-	48,737	2,874,738	909,638	470,911	250,890	4,675,163
-	-	-	-	1,000	2,199	3,199
-	-	1,016,000	1,207,000	237,000	211,000	3,068,000
(75,444)	(227,892)	-	-	-	-	(994,164)
(75,444)	(179,155)	3,890,738	2,116,638	708,911	464,089	6,752,198
(166,155)	357,505	1,045,782	(2,305,671)	280,700	(27,999)	(1,070,436)
5,041,308	11,157,383	40,189,504	8,892,778	3,703,849	7,713,796	116,728,950
\$ 4,875,153	\$ 11,514,888	\$ 41,235,286	\$ 6,587,107	\$ 3,984,549	\$ 7,685,797	\$ 115,658,514

**CITY OF ST. PETERSBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Airport</u>	<u>Port</u>	<u>Marina</u>	<u>Golf Course</u>	<u>Jamestown Complex</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (loss)	\$ (390,638)	\$ (1,343,806)	\$ 25,283	\$ (619,628)	\$ (97,357)
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	542,502	482,401	700,910	295,502	144,069
Amortization	-	-	(5,576)	-	-
Other non-operating income (loss), net	1,652	5,457	2,400	166	6,564
Changes in assets and liabilities:	-	-	-	-	-
Accounts Receivable, DFOG, net	97,496	(22,915)	(22,338)	-	(43,650)
Prepays & Other Assets	-	-	(23,485)	78,741	-
Accounts Payable & accrued liabilities	31,233	112,150	104,785	65,509	22,928
Deposits	-	-	505	3,220	(2,727)
Compensated absences and OPEB	(1,253)	(1,849)	(20,510)	18,610	(9,766)
CASH USED FOR OPERATING ACTIVITIES	<u>280,992</u>	<u>(768,562)</u>	<u>761,974</u>	<u>(157,880)</u>	<u>20,061</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental Revenue	1,978,160	737,126	-	-	-
(Payment) Receipt on Interfund Loan	-	-	-	-	-
Transfers-in	-	397,000	-	-	-
Transfers-out	(171,540)	(104,979)	(414,312)	-	(75,444)
CASH USED FOR NONCAPITAL FINANCING ACTIVITIES	<u>1,806,620</u>	<u>1,029,147</u>	<u>(414,312)</u>	<u>-</u>	<u>(75,444)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING					
Proceeds from issuance of debt	-	-	-	-	-
Capital assets from other sources	-	-	-	-	-
Proceeds from special assessment	-	-	-	-	-
Acquisition of property, plant, equipment	(1,986,714)	46,456	(67,974)	(85,403)	(2,166)
Proceeds from sale of property, plant, equipment	-	-	-	77,074	-
Principal paid on capital debt	-	-	(420,000)	(26,599)	-
Bond fees and costs	-	-	-	-	-
Payment of interest	-	-	(248,071)	(2,410)	-
Principal received	-	-	-	-	-
Prepaid bond payments	-	-	-	-	-
CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	<u>(1,986,714)</u>	<u>46,456</u>	<u>(736,045)</u>	<u>(37,338)</u>	<u>(2,166)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase, Sale and Maturities of Investments, net	-	493,729	186,900	-	-
Interest received on investments	58	6,469	58,034	157	82
CASH USED FOR INVESTING ACTIVITIES	<u>58</u>	<u>500,198</u>	<u>244,934</u>	<u>157</u>	<u>82</u>
NET INCREASE (DECREASE) IN CASH	100,956	807,239	(143,449)	(195,061)	(57,467)
CASH AT BEGINNING OF YEAR	<u>1,998</u>	<u>75,203</u>	<u>737,822</u>	<u>514,908</u>	<u>213,648</u>
CASH AT YEAR END	<u>\$ 102,954</u>	<u>\$ 882,442</u>	<u>\$ 594,373</u>	<u>\$ 319,847</u>	<u>\$ 156,181</u>
NON-CASH TRANSACTIONS					
Non-cash Investing, Capital, and Financing Activities					
Contributions of Capital Assets (to)/from Other Funds	(79,548)	-	-	(40,701)	-
Interest Receivable	-	-	-	(188,752)	-
Change in Fair Value of Investments	-	(25,765)	16,698	-	-
Capitalized interest	-	-	-	-	-
TOTAL	<u>\$ (79,548)</u>	<u>\$ (25,765)</u>	<u>\$ 16,698</u>	<u>\$ (229,453)</u>	<u>\$ -</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	1,095,870	167,568	3,228,256	3,465,626	486,201
Cash received from interfund services provided	(526,685)	(354,558)	(479,552)	(740,915)	(99,634)
Cash payments to vendors for goods & services	(109,691)	(328,774)	(1,063,698)	(952,286)	(140,100)
Cash payments to employees for services	(178,502)	(252,798)	(923,032)	(1,930,305)	(226,406)
Net Cash provided by operating activities	<u>280,992</u>	<u>(768,562)</u>	<u>761,974</u>	<u>(157,880)</u>	<u>20,061</u>

<u>Parking</u>	<u>Mahaffey Theater</u>	<u>Pier</u>	<u>Coliseum</u>	<u>Sunken Gardens</u>	<u>Total</u>
\$ 490,636	\$ (3,331,565)	\$ (4,480,447)	\$ (428,287)	\$ (492,109)	\$ (10,667,918)
449,646	1,743,219	3,160,696	166,952	249,847	7,935,744
-	-	-	-	-	(5,576)
45,754	464,115	58,139	49	-	584,296
-	-	-	-	-	-
(38,569)	(8,354)	36,718	1,461	(440)	(591)
-	48,541	(795)	(836)	(9,729)	92,437
(12,482)	(274,963)	(248)	11,773	18,636	79,321
10,620	(54,461)	(3,288)	27,817	27,170	8,856
(8,436)	-	-	7,757	4,873	(10,574)
<u>937,169</u>	<u>(1,413,468)</u>	<u>(1,229,225)</u>	<u>(213,314)</u>	<u>(201,752)</u>	<u>(1,984,005)</u>
-	-	-	-	-	2,715,286
-	-	-	-	-	-
-	1,016,000	1,207,000	237,000	211,000	3,068,000
(227,892)	-	-	-	-	(994,167)
<u>(227,892)</u>	<u>1,016,000</u>	<u>1,207,000</u>	<u>237,000</u>	<u>211,000</u>	<u>4,789,119</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,000	2,199	3,199
(35,028)	-	-	-	-	(2,130,829)
-	-	-	-	-	77,074
-	-	-	-	-	(446,599)
-	-	-	-	-	-
-	-	-	-	-	(250,481)
-	-	-	-	-	-
-	-	-	-	-	-
<u>(35,028)</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>2,199</u>	<u>(2,747,636)</u>
-	-	-	-	-	680,629
270	22,495	-	27	24	87,616
<u>270</u>	<u>22,495</u>	<u>-</u>	<u>27</u>	<u>24</u>	<u>768,245</u>
674,519	(374,973)	(22,225)	24,713	11,471	825,723
438,625	682,936	200,558	112,097	181,368	3,159,163
<u>\$ 1,113,144</u>	<u>\$ 307,963</u>	<u>\$ 178,333</u>	<u>\$ 136,810</u>	<u>\$ 192,839</u>	<u>\$ 3,984,886</u>
(48,737)	(2,874,738)	(909,638)	(470,911)	(250,890)	(4,675,163)
-	-	-	-	-	(188,752)
-	-	-	-	-	(9,067)
-	-	-	-	-	-
<u>\$ (48,737)</u>	<u>\$ (2,874,738)</u>	<u>\$ (909,638)</u>	<u>\$ (470,911)</u>	<u>\$ (250,890)</u>	<u>\$ (4,872,982)</u>
4,936,929	2,492,969	1,080,765	587,142	654,445	18,195,771
(692,396)	(303,886)	(170,039)	(192,494)	(180,380)	(3,740,539)
(1,578,589)	(2,714,259)	(1,590,862)	(225,891)	(288,411)	(8,992,561)
(1,728,775)	(888,292)	(549,089)	(382,071)	(387,406)	(7,446,676)
<u>937,169</u>	<u>(1,413,468)</u>	<u>(1,229,225)</u>	<u>(213,314)</u>	<u>(201,752)</u>	<u>(1,984,005)</u>

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.

Information and Communications Services - This fund is used to account for central data processing and telephone systems and services.

Billing and Collections Services - 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 - This fund is used to account for insurance and risk management services for all funds.



City of St. Petersburg, Florida
Combining Statement of Net Assets
Internal Service Funds
September 30, 2011

	Equipment Maintenance	Facilities Maintenance	Information and Communication Services	Billing and Collections
Assets				
Current assets:				
Cash and Cash Equivalents	\$ 1,489,707	\$ 1,227,293	\$ 3,815,257	\$ 729,256
Investments	23,067,637	1,029,859	7,019,750	7,100,707
Receivables:				
Accounts	5,388	2,490	298	1,108,202
Accrued Interest	27,953	469	35,355	4,720
Grants	11,830	-	-	3,818
Inventories	647,736	-	20,730	-
Prepaid Expenses and Deposits	-	-	189,907	-
Total current assets	25,250,251	2,260,111	11,081,297	8,946,703
Noncurrent assets:				
Capital assets:				
Land	1,076,640	770,000	49,940	32,583
Buildings	3,234,373	7,427,532	1,800	-
Improvements	816,239	2,066,804	2,312	4,483
Machinery and Equipment	52,272,470	4,582,184	17,584,926	571,178
Accumulated Depreciation	(45,611,530)	(9,525,127)	(14,710,430)	(537,443)
Net capital assets	11,788,192	5,321,393	2,928,548	70,801
Total assets	\$ 37,038,443	\$ 7,581,504	\$ 14,009,845	\$ 9,017,504
Liabilities				
Current liabilities:				
Vouchers and Accounts Payable	\$ 747,215	\$ 603,030	\$ 366,186	\$ 628,037
Accrued Salaries	154,473	30,870	105,178	92,431
Accrued Annual Leave	10,507	-	15,967	47,139
Due to Other Governmental Agencies	871	-	-	459,844
Other Accrued Liabilities:				
Claims - Current Portion	-	-	-	-
Deposits	-	-	-	6,379,482
Total current liabilities	913,066	633,900	487,331	7,606,933
Noncurrent liabilities:				
Accrued Annual Leave less Current Portion	343,028	77,192	414,524	337,388
Claims	-	-	-	-
Obligation for OPEB	503,430	73,881	677,554	897,854
Total noncurrent liabilities	846,458	151,073	1,092,078	1,235,242
Total liabilities	1,759,524	784,973	1,579,409	8,842,175
Net assets				
Invested in Capital Assets, Net of Related Debt	11,788,192	5,321,393	2,928,548	70,801
Unrestricted	23,490,727	1,475,138	9,501,888	104,528
Total net assets	\$ 35,278,919	\$ 6,796,531	\$ 12,430,436	\$ 175,329

See accompanying Independent Auditor's Report.

Consolidated Inventory	Insurance	Total Internal Service Funds
\$ 543,946	\$ 5,426,076	\$ 13,231,535
-	45,801,957	84,019,910
4,114	651,301	1,771,793
-	190,438	258,935
-	50	15,698
514,325	-	1,182,791
-	2,206,230	2,396,137
<u>1,062,385</u>	<u>54,276,052</u>	<u>102,876,799</u>
-	-	1,929,163
5,229,076	-	15,892,781
26,651	-	2,916,489
83,402	56,364	75,150,524
(706,870)	(55,936)	(71,147,336)
<u>4,632,259</u>	<u>428</u>	<u>24,741,621</u>
\$ 5,694,644	\$ 54,276,480	\$ 127,618,420
\$ 396,166	\$ 55,062	\$ 2,795,696
6,474	24,021	413,447
7,568	-	81,181
-	-	460,715
-	10,020,180	10,020,180
-	-	6,379,482
<u>410,208</u>	<u>10,099,263</u>	<u>20,150,701</u>
16,395	62,341	1,250,868
-	23,083,000	23,083,000
51,882	95,188	2,299,789
<u>68,277</u>	<u>23,240,529</u>	<u>26,633,657</u>
<u>478,485</u>	<u>33,339,792</u>	<u>46,784,358</u>
4,632,259	428	24,741,621
583,900	20,936,260	56,092,441
<u>\$ 5,216,159</u>	<u>\$ 20,936,688</u>	<u>\$ 80,834,062</u>

City of St. Petersburg, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
Fiscal Year Ended September 30, 2011

	Equipment Maintenance	Facilities Maintenance	Information and Communication Services	Billing and Collections
Operating revenues				
Service Charges and Fees	\$ 16,600,894	\$ -	\$ 10,779,619	\$ 8,959,988
Rentals and Parking	3,226,916	2,685,756	-	-
Total operating revenues	<u>19,827,810</u>	<u>2,685,756</u>	<u>10,779,619</u>	<u>8,959,988</u>
Operating expenses				
Personal Services and Benefits	4,913,881	1,047,876	5,995,369	5,501,944
Supplies, Services and Claims	12,414,333	1,298,480	3,637,602	3,634,191
Depreciation	4,276,516	279,919	1,024,826	26,770
Total operating expenses	<u>21,604,730</u>	<u>2,626,275</u>	<u>10,657,797</u>	<u>9,162,905</u>
Operating income (loss)	<u>(1,776,920)</u>	<u>59,481</u>	<u>121,822</u>	<u>(202,917)</u>
Nonoperating revenues (expenses)				
Intergovernmental Revenues	396,569	-	-	-
Earnings on Investments	814,036	40,303	174,384	124,263
Gain (Loss) on Disposition of Capital Assets	534,975	(45,783)	(44,633)	-
Miscellaneous Revenue	115,720	500	250	118,906
Total nonoperating revenues (expenses)	<u>1,861,300</u>	<u>(4,980)</u>	<u>130,001</u>	<u>243,169</u>
Income (loss) before contributions and transfers	<u>84,380</u>	<u>54,501</u>	<u>251,823</u>	<u>40,252</u>
Transfers and contributions				
Capital Assets from (to) Other Funds	(22,443)	45,783	6,993	-
Transfers From (To) Other Funds:				
Transfers Out	-	(275,000)	(300,000)	-
Total transfers and contributions	<u>(22,443)</u>	<u>(229,217)</u>	<u>(293,007)</u>	<u>-</u>
Change in net assets	<u>61,937</u>	<u>(174,716)</u>	<u>(41,184)</u>	<u>40,252</u>
Net assets - October 1	<u>35,216,982</u>	<u>6,971,247</u>	<u>12,471,620</u>	<u>135,077</u>
Net assets - September 30	<u>\$ 35,278,919</u>	<u>\$ 6,796,531</u>	<u>\$ 12,430,436</u>	<u>\$ 175,329</u>

Consolidated Inventory	Insurance	Total Internal Service Funds
\$ 502,168	\$ 46,574,086	\$ 83,416,755
-	-	5,912,672
502,168	46,574,086	89,329,427
427,533	1,319,895	19,206,498
112,578	53,001,055	74,098,239
109,313	429	5,717,773
649,424	54,321,379	99,022,510
(147,256)	(7,747,293)	(9,693,083)
-	-	396,569
255	1,528,718	2,681,959
35,433	-	479,992
601	1,036,513	1,272,490
36,289	2,565,231	4,831,010
(110,967)	(5,182,062)	(4,862,073)
-	-	30,333
-	-	(575,000)
-	-	(544,667)
(110,967)	(5,182,062)	(5,406,740)
5,327,126	26,118,750	86,240,802
\$ 5,216,159	\$ 20,936,688	\$ 80,834,062

**CITY OF ST. PETERSBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	Equipment Maintenance	Facilities Maintenance	Information & Communication Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (loss)	\$ (1,776,920)	\$ 59,481	\$ 121,822
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	4,276,516	279,919	1,024,826
Amortization	-	-	-
Other non-operating income (loss), net	115,720	500	250
Changes in assets and liabilities:			
Accounts Receivable, DFOG, net	10,063	-	(298)
Prepays & Other Assets	(1,117)	-	(94,842)
Accounts Payable & accrued liabilities	89,446	16,138	326,013
Deposits	-	-	-
Compensated absences and OPEB	16,634	13,165	3,264
	<u>2,730,342</u>	<u>369,203</u>	<u>1,381,035</u>
CASH USED FOR OPERATING ACTIVITIES			
	<u>2,730,342</u>	<u>369,203</u>	<u>1,381,035</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenue	384,879	-	-
(Payment) Receipt on Interfund Loan	(962,873)	-	962,875
Transfers-in	-	-	-
Transfers-out	-	(275,000)	(300,000)
	<u>(577,994)</u>	<u>(275,000)</u>	<u>662,875</u>
CASH USED FOR NONCAPITAL FINANCING ACTIVITIES			
	<u>(577,994)</u>	<u>(275,000)</u>	<u>662,875</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING			
Proceeds from issuance of debt	-	-	-
Capital assets from other sources	-	-	-
Proceeds from special assessment	-	-	-
Acquisition of property, plant, equipment	(4,942,208)	(20,699)	(1,698,387)
Proceeds from sale of property, plant, equipment	555,130	(1,103)	(44,636)
Principal paid on capital debt	-	-	-
Bond fees and costs	-	-	-
Payment of interest	-	-	-
Principal received	-	-	-
Prepaid bond payments	-	-	-
	<u>(4,387,078)</u>	<u>(21,802)</u>	<u>(1,743,023)</u>
CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES			
	<u>(4,387,078)</u>	<u>(21,802)</u>	<u>(1,743,023)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase, Sale and Maturities of Investments, net	3,254,677	1,000,029	(1,973,002)
Interest received on investments	469,760	29,556	104,633
	<u>3,724,437</u>	<u>1,029,585</u>	<u>(1,868,369)</u>
CASH USED FOR INVESTING ACTIVITIES			
	<u>3,724,437</u>	<u>1,029,585</u>	<u>(1,868,369)</u>
NET INCREASE (DECREASE) IN CASH	1,489,707	1,101,986	(1,567,482)
CASH AT BEGINNING OF YEAR	<u>-</u>	<u>125,307</u>	<u>5,382,739</u>
CASH AT YEAR END	<u>\$ 1,489,707</u>	<u>\$ 1,227,293</u>	<u>\$ 3,815,257</u>
NON-CASH TRANSACTIONS			
Non-cash Investing, Capital, and Financing Activities			
Contributions of Capital Assets (to)/from Other Funds	(22,443)	45,783	6,993
Interest Receivable	-	-	-
Change in Fair Value of Investments	(396,881)	(11,788)	(40,108)
Capitalized interest	-	-	-
TOTAL	<u>\$ (419,324)</u>	<u>\$ 33,995</u>	<u>\$ (33,115)</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	19,953,593	2,686,256	10,779,571
Cash received from interfund services provided	(2,028,387)	(512,495)	(1,509,354)
Cash payments to vendors for goods & services	(10,995,185)	(900,624)	(2,462,595)
Cash payments to employees for services	(4,199,679)	(903,934)	(5,426,587)
Net Cash provided by operating activities	<u>2,730,342</u>	<u>369,203</u>	<u>1,381,035</u>

<u>Billings & Collections</u>	<u>Consolidated Inventory</u>	<u>Insurance</u>	<u>TOTAL</u>
\$ (202,917)	\$ (147,256)	\$ (7,747,293)	\$ (9,693,083)
26,770	109,313	429	5,717,773
-	-	-	-
118,906	601	1,036,522	1,272,499
-	-	-	-
(21,326)	793	(555,136)	(565,904)
-	52,677	270,744	227,462
(102,032)	118,250	9,232,010	9,679,825
(20,307)	-	-	(20,307)
(26,079)	(3,173)	7,746	11,557
<u>(226,985)</u>	<u>131,205</u>	<u>2,245,022</u>	<u>6,629,822</u>
(3,818)	-	(50)	381,011
(191,451)	-	652,164	460,715
-	-	-	-
-	-	-	(575,000)
<u>(195,269)</u>	<u>-</u>	<u>652,114</u>	<u>266,726</u>
-	-	-	-
-	-	-	-
-	-	-	-
(3,900)	-	-	(6,665,194)
-	35,433	-	544,824
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>(3,900)</u>	<u>35,433</u>	<u>-</u>	<u>(6,120,370)</u>
990,685	-	(1,058,429)	2,213,960
<u>164,725</u>	<u>255</u>	<u>1,014,297</u>	<u>1,783,226</u>
1,155,410	255	(44,132)	3,997,186
729,256	166,893	2,853,004	4,773,364
-	377,053	2,573,072	8,458,171
<u>\$ 729,256</u>	<u>\$ 543,946</u>	<u>\$ 5,426,076</u>	<u>\$ 13,231,535</u>
-	-	-	30,333
-	-	-	-
3,358	-	(543,027)	(988,446)
-	-	-	-
<u>\$ 3,358</u>	<u>\$ -</u>	<u>\$ (543,027)</u>	<u>\$ (958,113)</u>
9,037,261	503,562	47,055,472	90,015,715
(2,901,512)	(134,457)	(268,543)	(7,354,748)
(1,552,941)	109,102	(43,369,645)	(59,171,888)
(4,809,793)	(347,002)	(1,172,262)	(16,859,257)
<u>(226,985)</u>	<u>131,205</u>	<u>2,245,022</u>	<u>6,629,822</u>

City of St. Petersburg, Florida

AGENCY FUNDS

CITY OF ST. PETERSBURG, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	BALANCE 9-30-10	ADDITIONS	DEDUCTIONS	BALANCE 9-30-11
ASSETS				
Cash and Cash Equivalents	\$ 1,135,941	\$ 65,643,005	\$ 66,698,822	\$ 80,124
Prepays and Deposits	-	1,500	-	1,500
Accounts Receivable	5,195	13,111	13,111	5,195
TOTAL ASSETS	<u><u>\$ 1,141,136</u></u>	<u><u>\$ 65,657,616</u></u>	<u><u>\$ 66,711,933</u></u>	<u><u>\$ 86,819</u></u>
LIABILITIES				
Accounts Payable	\$ 23,503	\$ 13,281,978	\$ 13,245,602	\$ 59,879
Due to Other Entities & Individuals	-	6,408,060	6,396,323	11,737
Due to Other Governmental Agencies	1,116,808	45,966,036	47,067,830	15,014
Uncashed Checks	825	1,542	2,178	189
TOTAL LIABILITIES	<u><u>\$ 1,141,136</u></u>	<u><u>\$ 65,657,616</u></u>	<u><u>\$ 66,711,933</u></u>	<u><u>\$ 86,819</u></u>

See accompanying Independent Auditor's Report.



III. STATISTICAL SECTION

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 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. Statement users will find a footnote page located at the end of each of the five sections.



FINANCIAL TRENDS INFORMATION



City of St. Petersburg, Florida
Net Assets By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Years									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities										
Invested in capital assets, net of related debt	\$ 383,738,567	\$ 317,722,669	\$ 486,163,709	\$ 462,033,885	\$ 445,400,415	\$ 412,822,949	\$ 389,110,832	\$ 357,087,033	\$ 344,966,241	\$ 329,657,593
Restricted	33,416,322	76,621,163	77,543,670	78,911,966	74,066,881	67,084,917	58,418,792	57,334,167	67,964,593	34,866,955
Unrestricted	101,165,653	140,355,385	146,956,415	146,123,014	152,565,974	135,247,000	125,039,737	129,038,061	118,550,571	150,520,955
Total Governmental Activities Net Assets	<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>	<u>615,154,866</u>	<u>572,569,361</u>	<u>543,459,261</u>	<u>531,481,405</u>	<u>515,045,503</u>
Business-type Activities										
Invested in capital assets, net of related debt	586,110,679	597,824,125	418,716,027	414,580,883	424,360,124	410,673,072	374,879,336	381,483,389	366,763,704	357,199,642
Restricted	74,999,653	37,812,908	5,681,189	770,058	1,150,098	1,144,952	6,514,493	32,485,639	39,492,674	35,662,020
Unrestricted	<u>88,937,520</u>	<u>133,860,070</u>	<u>166,804,172</u>	<u>167,802,418</u>	<u>165,978,130</u>	<u>161,521,964</u>	<u>175,090,750</u>	<u>143,651,311</u>	<u>151,762,606</u>	<u>174,107,044</u>
Total Business-type Activities Net Assets	<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>	<u>573,339,988</u>	<u>556,484,579</u>	<u>557,620,339</u>	<u>558,018,984</u>	<u>566,968,706</u>
Primary Government										
Invested in capital assets, net of related debt	969,849,246	915,546,794	904,879,736	876,614,768	869,760,539	823,496,021	763,990,168	738,570,422	711,729,945	686,857,235
Restricted	108,415,975	114,434,071	83,224,859	79,682,024	75,216,979	68,229,869	64,933,285	89,819,806	107,457,267	70,528,975
Unrestricted	190,103,173	274,215,455	313,760,587	313,925,432	318,544,104	296,768,964	300,130,487	272,689,372	270,313,177	324,627,999
Total Primary Government Net Assets	<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>	<u>\$ 1,188,494,854</u>	<u>\$ 1,129,053,940</u>	<u>\$ 1,101,079,600</u>	<u>\$ 1,089,500,389</u>	<u>\$ 1,082,014,209</u>

City of St. Petersburg, Florida
Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Years									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Government Activities:										
General Government	\$ 39,973,559	\$ 38,178,164	\$ 39,635,505	\$ 39,875,230	\$ 41,846,271	\$ 38,890,280	\$ 35,376,425	\$ 37,975,633	\$ 28,364,522	\$ 24,816,116
Community and Economic Development	27,654,061	23,392,593	23,212,864	25,337,893	24,454,618	23,118,591	23,753,079	34,300,303	28,537,792	22,463,936
Police	96,398,855	91,135,117	90,646,089	91,691,477	83,774,953	78,624,860	79,183,547	72,308,128	68,549,362	63,787,775
Fire and EMS	49,592,465	47,954,869	48,384,025	47,643,841	44,344,707	40,308,068	41,361,870	36,886,922	34,953,813	33,319,286
Public Works	25,077,637	16,208,520	21,501,313	21,884,510	17,180,146	16,736,533	15,319,318	17,650,801	16,877,927	14,280,771
Recreation and Culture	46,604,748	44,972,705	61,884,711	61,549,149	61,378,929	56,989,140	55,947,069	53,793,570	54,722,266	51,491,583
Securities Lending	-	-	-	-	-	-	-	-	526,791	776,470
Interest on Long-Term Debt	5,033,700	5,623,196	6,428,023	7,460,824	8,089,351	8,460,750	9,934,466	10,051,528	11,329,106	11,344,694
Total Governmental Activities Expenses	290,335,025	267,465,164	291,692,530	295,442,924	281,068,975	261,128,222	260,875,774	262,966,885	243,861,579	222,280,631
Business-type Activities:										
Water and Waste Water Utility	104,704,408	98,015,537	95,655,633	99,136,630	93,026,863	92,372,926	83,236,468	78,800,617	77,400,076	71,613,786
Stormwater Utility	13,542,653	14,062,820	13,638,448	14,169,266	12,042,379	10,557,972	9,362,330	9,218,169	8,699,445	8,201,728
Sanitation	38,102,702	37,707,634	36,910,607	38,062,985	36,332,211	37,011,688	36,395,779	35,391,213	35,106,765	32,876,139
Tropicana Field	6,820,058	6,358,385	-	-	-	-	-	-	-	-
Airport	1,417,940	1,294,662	1,388,716	1,221,822	1,257,148	1,179,348	1,053,778	1,064,015	883,837	666,785
Port	1,532,136	1,094,820	987,025	885,491	951,354	935,396	1,193,374	945,637	845,568	697,588
Marina	3,570,871	2,525,854	2,354,034	2,263,363	2,193,051	2,089,725	1,629,348	1,433,004	1,190,529	1,309,753
Golf Courses	4,145,459	3,852,204	4,250,100	4,287,233	4,141,596	4,024,632	3,708,876	3,468,913	3,527,100	3,630,486
Jamestown Complex	640,723	649,880	645,127	602,778	514,301	491,610	496,480	471,448	500,761	454,706
Parking	4,631,050	4,441,013	-	-	-	-	-	-	-	-
Mahaffey	5,594,814	5,318,367	-	-	-	-	-	-	-	-
Pier	5,488,667	3,317,370	-	-	-	-	-	-	-	-
Coliseum	1,005,036	952,007	-	-	-	-	-	-	-	-
Sunken Gardens	1,159,590	1,113,125	-	-	-	-	-	-	-	-
Securities Lending	-	-	-	-	-	-	-	-	1,041,376	1,148,206
Total Business-type Activities	192,356,107	180,703,678	155,829,690	160,629,568	150,458,903	148,663,297	137,076,433	130,793,016	129,195,457	120,599,177
Total Primary Government Expenses	482,691,132	448,168,842	447,522,220	456,072,492	431,527,878	409,791,519	397,952,207	393,759,901	373,057,036	342,879,808
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	21,909,825	18,867,174	19,817,671	18,195,945	17,644,627	16,757,687	16,067,460	20,509,651	17,205,753	15,936,165
Community and Economic Development	5,064,441	4,746,494	4,754,650	5,032,048	7,602,790	8,254,079	7,121,735	8,006,795	8,987,082	775,072
Police	3,942,075	2,798,285	4,167,737	3,937,556	3,993,232	3,532,681	4,247,812	3,369,596	4,163,626	4,163,626
Fire and EMS	13,146,937	13,323,610	15,053,402	14,266,708	12,325,081	11,696,836	11,885,366	10,700,064	10,362,783	9,914,261
Public Works	262,034	611,424	5,812,897	4,254,239	4,424,262	4,988,787	4,659,403	7,104,811	4,258,758	4,237,763
Recreation and Culture	6,866,414	5,942,323	13,172,302	13,132,583	12,840,473	10,640,191	11,269,812	12,598,356	10,355,083	9,192,671
Securities Lending	-	-	-	-	-	-	-	-	581,106	786,009
Operating Grants and Contributions	7,458,717	6,525,944	13,086,817	22,056,970	14,343,545	11,115,500	12,755,621	13,667,783	7,086,031	14,134,061
Capital Grants and Contributions	13,840,226	18,355,946	6,389,691	5,548,409	4,814,062	2,466,886	1,767,840	443,237	7,592,638	3,928,987
Total Governmental Activities Program Revenues	72,490,669	71,171,200	82,255,167	86,424,458	77,988,072	69,452,647	68,607,781	77,278,509	69,798,830	63,068,615
Business-type Activities:										
Water and Waste Water Utility	95,754,184	89,685,100	90,109,001	91,344,531	90,669,563	91,037,459	86,836,114	81,116,884	73,542,008	67,217,833
Stormwater Utility	12,182,306	12,275,998	11,992,634	11,777,411	11,264,087	10,701,022	10,454,575	8,630,106	8,827,933	8,682,726
Sanitation	39,524,555	39,910,352	40,089,897	39,773,147	39,180,737	36,838,448	30,921,254	30,342,320	29,904,633	30,218,518
Tropicana Field	1,421,744	1,631,382	-	-	-	-	-	-	-	-
Airport	969,722	941,184	894,795	838,887	733,415	746,510	684,057	673,595	653,417	624,083
Port	185,026	182,920	189,581	156,747	128,198	329,801	731,059	471,486	342,094	280,603
Marina	3,253,788	2,765,619	2,760,434	2,720,224	2,197,556	2,069,414	2,083,301	1,958,530	1,689,114	1,780,649
Golf Courses	3,462,240	3,272,289	3,719,800	3,937,482	3,990,204	3,870,667	3,628,771	3,333,957	3,224,252	3,365,295
Jamestown Complex	526,014	503,500	510,024	442,585	449,820	484,256	466,883	471,388	400,632	409,219
Parking	4,919,124	4,508,906	-	-	-	-	-	-	-	-
Mahaffey	2,220,446	2,513,252	-	-	-	-	-	-	-	-
Pier	989,196	1,212,985	-	-	-	-	-	-	-	-
Coliseum	559,190	502,147	-	-	-	-	-	-	-	-
Sunken Gardens	647,923	605,338	-	-	-	-	-	-	-	-
Securities Lending	-	-	-	-	-	-	-	-	1,148,282	1,188,887
Operating Grants and Contributions	669,447	1,464,498	1,324,016	1,415,362	328,423	275,111	2,803,156	232,004	282,888	119,742
Capital Grants and Contributions	7,343,376	5,547,370	12,866,193	2,851,376	9,956,901	9,393,461	2,635,519	4,374,098	3,028,896	2,349,161
Total Business-type Activities Program Revenues	174,655,281	167,522,840	164,456,375	155,257,752	158,898,904	155,746,149	141,244,689	131,604,368	123,044,149	116,236,716
Total Primary Government Program Revenues	\$ 247,145,950	\$ 238,694,040	\$ 246,711,542	\$ 241,682,210	\$ 236,886,976	\$ 225,198,796	\$ 209,852,470	\$ 208,882,877	\$ 192,842,979	\$ 179,305,331
Net (Expense) Revenue										
Government Activities	\$ (217,844,356)	\$ (196,293,964)	\$ (209,437,363)	\$ (209,018,466)	\$ (203,080,903)	\$ (191,675,575)	\$ (192,267,993)	\$ (185,688,376)	\$ (174,062,749)	\$ (159,212,016)
Business-type Activities	(17,700,826)	(13,180,838)	8,626,685	(5,371,816)	8,440,001	7,082,852	4,168,256	811,352	(6,151,308)	(4,362,461)
Total Primary Government Program Revenues	\$ (235,545,182)	\$ (209,474,802)	\$ (200,810,678)	\$ (214,390,282)	\$ (194,640,902)	\$ (184,592,723)	\$ (188,099,737)	\$ (184,877,024)	\$ (180,214,057)	\$ (163,574,477)

City of St. Petersburg, Florida
Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Years									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Assets										
Government Activities:										
Taxes										
Property Tax, Levied for general purposes	\$ 75,037,770	\$ 83,484,249	\$ 95,140,129	\$ 101,569,442	\$ 104,354,856	\$ 92,136,696	\$ 81,667,102	\$ 74,134,498	\$ 68,788,334	\$ 64,773,734
Utility Tax	38,203,614	39,407,409	37,438,505	38,636,701	36,637,290	36,770,897	34,812,250	33,857,531	34,615,522	35,372,881
Sales Tax	32,533,447	32,718,456	34,872,632	38,131,480	40,416,701	41,725,643	40,841,613	37,709,241	36,338,271	35,421,537
State Tax Revenue Sharing	7,463,366	7,433,838	7,418,031	8,397,333	9,101,029	9,318,220	9,126,466	7,622,851	6,450,029	6,443,894
Franchise Tax	20,506,108	22,159,989	21,014,619	18,922,607	19,245,686	19,159,164	16,411,585	14,774,824	14,279,145	13,839,256
Tourist Development Tax	4,977,610	4,502,390	4,691,881	5,068,347	5,078,252	4,641,156	4,511,048	4,299,076	4,014,185	3,882,692
Occupational Tax	2,407,083	2,405,903	2,596,245	2,950,446	3,048,712	2,987,101	2,949,360	2,819,278	2,765,429	2,889,085
Gasoline Tax	3,173,633	3,274,266	3,510,104	3,553,451	2,478,846	2,568,901	2,582,145	2,529,289	2,241,354	2,199,440
Tax Increment	3,779,258	3,986,213	4,535,832	4,139,159	3,888,186	3,539,967	2,938,052	3,041,209	2,749,353	2,083,677
Miscellaneous Taxes	421,329	498,733	514,170	219,076	384,168	392,397	340,379	278,622	222,800	209,588
Earnings on Unrestricted Investments	4,061,012	7,817,651	10,601,682	6,719,628	20,213,349	13,271,909	6,227,164	4,796,932	4,680,411	7,485,242
Unrealized Loss on Securities Lending	-	-	-	(7,379,813)	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	315,113	(4,252,521)	291,919	179,223	2,087,404	73,257	3,081,430	(68,363)	166,180	5,011,672
Rentals	-	-	-	-	-	-	-	-	1,933,040	2,047,943
Miscellaneous Income	1,746,660	2,177,947	549,947	2,553,459	4,935,986	2,792,709	4,268,918	3,262,161	1,699,511	2,476,970
Transfers	6,839,678	4,145,418	9,856,596	6,256,701	8,088,842	4,883,063	11,620,581	8,609,083	9,555,087	12,870,610
Total Governmental Activities	<u>201,465,681</u>	<u>209,759,941</u>	<u>233,032,292</u>	<u>229,917,240</u>	<u>259,959,307</u>	<u>234,261,080</u>	<u>221,378,093</u>	<u>197,666,232</u>	<u>190,498,651</u>	<u>197,008,221</u>
Business-type Activities:										
Earnings on Unrestricted Investments	3,294,385	6,378,443	8,471,940	9,429,294	15,737,207	13,663,598	5,242,096	5,156,001	5,917,740	10,136,730
Unrealized Loss on Securities Lending	-	-	-	(6,925,399)	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	457,340	(612,929)	506,090	427,025	1,157,530	315,042	537,138	1,800,911	587,389	772,972
Miscellaneous Income	1,339,528	425,903	299,910	362,604	902,468	676,980	537,331	442,174	251,544	270,714
Transfers	(6,839,678)	(4,145,418)	(9,856,596)	(6,256,701)	(8,088,842)	(4,883,063)	(11,620,581)	(8,609,083)	(9,555,087)	(8,902,855)
Total Business-type Activities	<u>(1,748,425)</u>	<u>2,045,999</u>	<u>(578,656)</u>	<u>(2,963,177)</u>	<u>9,708,363</u>	<u>9,772,557</u>	<u>(5,304,016)</u>	<u>(1,209,997)</u>	<u>(2,798,414)</u>	<u>2,277,561</u>
Total Primary Government	<u>\$ 199,717,256</u>	<u>\$ 211,805,940</u>	<u>\$ 232,453,636</u>	<u>\$ 226,954,063</u>	<u>\$ 269,667,670</u>	<u>\$ 244,033,637</u>	<u>\$ 216,074,077</u>	<u>\$ 196,456,235</u>	<u>\$ 187,700,237</u>	<u>\$ 199,285,782</u>
Change in Net Assets										
Governmental Activities	\$ (16,378,675)	\$ 13,465,977	\$ 23,594,929	\$ 20,898,774	\$ 56,878,404	\$ 42,585,505	\$ 29,110,100	\$ 11,977,856	\$ 16,435,902	\$ 37,796,205
Business-type Activities	(19,449,251)	(11,134,839)	8,048,029	(8,334,993)	18,148,364	16,855,409	(1,135,760)	(398,645)	(8,949,722)	(2,084,900)
Total Primary Government	<u>\$ (35,827,926)</u>	<u>\$ 2,331,138</u>	<u>\$ 31,642,958</u>	<u>\$ 12,563,781</u>	<u>\$ 75,026,768</u>	<u>\$ 59,440,914</u>	<u>\$ 27,974,340</u>	<u>\$ 11,579,211</u>	<u>\$ 7,486,180</u>	<u>\$ 35,711,305</u>

City of St. Petersburg, Florida
Fund Balances, Governmental Funds ⁽¹⁾
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Years									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund (1)										
Non-Spendable	\$ 38,252	\$ 63,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	25,192,252	28,889,692	-	-	-	-	-	-	-	-
Assigned	-	637,073	-	-	-	-	-	-	-	-
Unassigned	17,104,887	23,849,003	-	-	-	-	-	-	-	-
Reserved	-	-	726,875	601,991	444,822	773,107	909,925	773,508	1,102,722	1,226,892
Unreserved	-	-	42,629,314	38,569,059	41,285,817	34,205,128	30,968,390	31,729,934	32,000,460	39,034,285
Total Governmental Activities Net Assets	<u>42,335,391</u>	<u>53,439,353</u>	<u>43,356,189</u>	<u>39,171,050</u>	<u>41,730,639</u>	<u>34,978,235</u>	<u>31,878,315</u>	<u>32,503,442</u>	<u>33,103,182</u>	<u>40,261,177</u>
All Other Governmental Funds (1)										
Non-Spendable	\$ 10,061,295	\$ 353,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	62,821,368	75,600,147	-	-	-	-	-	-	-	-
Committed	11,527,129	16,871,883	-	-	-	-	-	-	-	-
Assigned	24,023,804	18,848,659	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved, Reported In:										
All Other Governmental Funds	-	-	18,927,131	9,128,393	13,634,080	6,686,121	16,100,593	18,893,064	11,703,198	9,501,240
Debt Service Funds	-	-	-	20,713,149	14,141,654	14,015,143	13,652,882	13,322,669	14,162,627	14,131,272
Unreserved, Reported In:										
Special Revenue Funds	-	-	59,568,462	62,201,246	55,045,228	51,125,420	44,510,034	42,346,600	45,766,457	45,433,179
Capital Projects Funds	-	-	56,805,379	55,876,096	52,946,558	58,905,177	53,568,320	42,709,897	45,814,792	37,970,012
Total of All Other Governmental Funds	<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>	<u>\$ 130,731,861</u>	<u>\$ 127,831,829</u>	<u>\$ 117,272,230</u>	<u>\$ 117,447,074</u>	<u>\$ 107,035,703</u>

City of St. Petersburg, Florida
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Years									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUES										
Taxes	\$ 136,458,686	\$ 147,761,661	\$ 157,384,734	\$ 160,149,026	\$ 163,286,544	\$ 151,053,858	\$ 135,840,296	\$ 125,586,128	\$ 120,448,430	\$ 116,874,956
Licenses and Permits	3,278,469	3,170,105	3,020,012	3,104,501	5,336,083	6,073,723	5,296,169	4,705,897	4,048,944	3,967,755
Fines and Forfeitures	1,937,642	2,520,494	3,395,352	3,067,070	3,734,636	3,602,615	3,231,708	3,492,755	3,219,749	3,346,017
Charges for Services and User Fees	23,276,204	20,135,780	33,164,416	31,072,698	29,293,293	26,578,202	27,039,113	29,692,335	25,387,822	24,661,810
Charges for General Administration	9,403,380	8,724,084	8,809,572	7,668,000	7,500,026	6,941,316	6,606,010	6,501,008	6,164,016	6,784,012
Intergovernmental Revenue										
Federal, State and Other Grants	20,260,984	24,311,766	16,688,588	24,975,131	16,817,918	8,898,663	9,286,496	10,052,088	11,518,541	12,243,510
State - Sales Tax	14,347,797	13,870,492	14,043,313	15,293,018	16,081,855	16,822,847	16,585,300	15,801,903	15,606,672	15,201,957
State - Revenue Sharing	7,463,366	7,433,838	7,418,031	8,397,333	9,101,029	3,125,820	3,125,820	3,125,820	3,125,820	3,125,820
State - Housing Improvement Program	-	-	2,113,444	1,956,626	686,226	2,346,040	2,516,001	2,978,204	1,991,231	2,693,247
State - Other (1)	421,329	498,733	514,170	412,748	577,155	6,715,602	6,503,905	4,953,205	3,781,138	3,701,927
Pinellas County - Gasoline Tax	3,173,633	3,274,266	3,510,104	3,359,779	2,285,019	2,367,937	2,390,990	2,351,740	2,241,354	2,199,440
Pinellas County - Sales Tax	18,185,650	18,847,964	20,829,319	22,838,462	24,334,846	24,902,796	24,256,313	21,907,338	20,731,599	20,219,580
Pinellas County - Tourist Development	4,977,610	4,502,390	4,691,881	5,068,347	5,078,252	4,641,156	4,511,048	4,299,076	4,014,185	3,862,692
Pinellas County - Tax Increment	3,779,258	3,986,213	4,535,832	4,139,159	3,888,186	3,539,967	2,938,052	3,041,209	2,749,353	-
Pinellas County - Pedestrian Improvement Program	-	-	-	35,017	840	70,158	28,276	132,411	-	2,583,677
Total	72,609,627	76,725,662	74,344,682	86,475,620	78,851,326	73,430,986	72,142,201	68,642,994	65,759,893	65,851,850
Use of Money and Property										
Earnings on Investments	1,379,053	5,342,106	6,849,689	2,229,862	11,105,559	6,899,894	4,073,443	3,412,251	3,261,157	5,651,137
Other Interest Revenue (2)	-	-	-	-	-	27,470	86,219	111,855	57,280	23,980
Securities Lending	-	-	-	1,690,777	3,552,684	2,611,489	1,374,992	589,269	410,836	303,345
Securities Lending Unrealized Loss	-	-	-	(5,082,715)	-	-	-	-	-	-
Interest on Assessments	-	-	-	26,393	34,158	18,477	49,601	19,325	81,367	82,207
Rentals	400,759	358,830	2,920,852	3,064,408	2,633,273	2,704,482	2,443,678	2,212,377	1,933,040	2,047,943
Total	1,779,812	5,700,936	9,770,541	1,928,725	17,325,674	12,261,812	8,027,933	6,345,077	5,743,680	8,108,612
Miscellaneous										
Contributions	573,839	410,630	637,117	638,606	945,533	1,127,690	2,557,812	934,725	1,264,827	1,793,389
Assessments	500,686	615,887	190,434	347,144	1,312,162	767,662	1,031,694	795,687	1,671,659	1,695,197
Dispositions of Property	994,221	184,054	193,110	349,319	4,379,105	2,598,908	2,884,548	2,583,234	390,155	5,626,157
Other (3)	1,007,961	1,284,992	1,763,629	2,523,788	2,912,902	4,187,106	4,478,609	2,875,682	2,697,186	3,062,355
Total	3,076,707	2,495,563	2,784,290	3,858,857	9,549,702	8,681,366	10,952,663	7,189,328	6,023,827	12,177,098
TOTAL REVENUES	251,820,527	267,234,285	292,673,599	297,324,497	314,877,284	288,623,878	269,136,093	252,155,642	236,796,361	241,772,110
EXPENDITURES										
Current Operations										
General Government	24,762,918	25,080,033	26,426,476	25,084,845	27,199,609	25,835,810	23,994,466	23,869,598	15,972,750	14,763,407
Community and Economic Development	25,067,222	28,008,570	24,238,780	22,973,120	23,756,210	21,198,580	23,692,898	23,050,239	26,556,085	24,483,119
Public Works	15,552,740	7,796,719	11,028,172	13,548,520	9,094,467	9,593,057	8,743,948	11,929,343	10,546,966	9,018,376
Public Safety										
Police	88,749,665	86,082,228	85,362,695	86,025,521	82,001,529	76,280,753	75,628,391	71,794,046	66,733,824	70,198,666
Fire and EMS	44,445,246	44,496,378	44,734,932	44,336,345	43,123,890	40,130,075	39,589,073	36,498,615	34,042,426	23,963,489
Recreation and Culture	37,509,444	37,137,303	48,138,462	47,854,805	49,989,056	45,909,738	45,128,432	44,117,802	43,946,354	41,453,586
Securities Lending										
Interest	-	-	-	1,547,237	3,492,820	2,536,216	1,304,417	542,699	343,755	286,043
Agent Fees	-	-	-	52,156	38,721	30,109	28,302	20,601	27,832	6,922
Debt Service										
Principal Payments (5)	15,831,000	17,766,000	18,396,000	46,015,000	19,575,000	22,645,000	18,500,000	16,255,000	16,335,000	15,070,000
Interest Payments (5)	5,078,422	5,908,465	6,581,709	7,084,571	7,712,335	8,124,546	8,009,186	8,302,433	9,101,445	9,267,640
Remarketing and Other Fees	49,478	9,792	18,610	72,269	85,851	64,124	47,889	44,724	139,818	50,724
Bond Costs	-	-	-	45,123	-	54,124	97,052	1,438,986	-	831,707
Payment to Escrow Agent	-	-	-	-	-	-	-	-	-	9,788,160
Capital Outlay (4)	25,123,339	33,543,128	39,466,363	42,092,824	45,942,390	47,683,621	42,631,159	27,871,343	28,670,224	46,005,140
TOTAL EXPENDITURES	282,169,474	285,828,616	304,392,199	336,732,336	312,011,878	300,085,753	287,395,213	265,735,429	252,416,479	265,186,979
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,348,947)	(18,594,331)	(11,718,600)	(39,407,839)	2,865,406	(11,461,875)	(18,259,120)	(13,579,787)	(15,620,118)	(23,414,869)
OTHER FINANCING SOURCES (USES)										
Transfers In	49,047,267	58,561,938	157,436,302	159,788,626	150,103,149	152,281,342	142,887,785	147,442,013	140,971,259	128,287,491
Transfers Out	(37,563,167)	(50,273,848)	(145,154,910)	(143,840,576)	(141,180,493)	(142,412,660)	(131,221,193)	(135,117,459)	(123,597,765)	(118,956,663)
Loan Proceeds	-	-	-	23,856,000	-	-	-	-	-	-
Issuance of Debt	4,520,000	-	-	-	-	7,593,145	16,527,000	108,545,393	1,500,000	56,634,641
Payment to Escrow Agent	-	-	-	-	-	-	-	(108,064,744)	-	(54,169,264)
TOTAL OTHER FINANCING SOURCES (USES)	16,004,100	8,288,090	12,281,392	40,004,050	8,922,656	17,461,827	28,193,592	12,805,203	18,873,494	11,796,205
NET CHANGE IN FUND BALANCE	\$ (14,344,847)	\$ (10,306,241)	\$ 562,792	\$ 596,211	\$ 11,788,062	\$ 5,999,952	\$ 9,934,472	\$ (774,584)	\$ 3,253,376	\$ (11,618,664)
Debt Services as % of Non-capital Expenditures (4)	9.24%	10.13%	9.87%	20.85%	10.18%	12.82%	11.77%	11.61%	12.29%	12.88%

City of St. Petersburg, Florida
Financial Trends Statistics - Footnotes
 September 30, 2011

Financial trends information is presented to assist users in understanding and assessing how the City's financial position has changed over time.

<u>Page Number</u>	<u>Footnote Number</u>	
209	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.
210	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 revenue net of capital outlay reported in the reconciliation on Page 58 of the CAFR.
	5	Includes refunding payments on all Sunshine State Government Finance Commission notes of \$21.9 million for years prior to 2008. Note was paid off in 2008.

REVENUE CAPACITY INFORMATION

City of St. Petersburg, Florida
Taxable Assessed Value and Estimated Actual Value of Property ⁽¹⁾
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	(2)	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value (3)
2001-02	2001	8,322,755	1,781,494	295,028	1,219	634,607	770,520	392	231,372		3,982,339	8,055,048	7.14	9,476,527
2002-03	2002	9,780,456	1,855,587	293,855	1,219	672,672	800,840	604	233,912		4,833,294	8,805,851	7.14	10,359,825
2003-04	2003	11,285,005	1,967,940	318,532	5,620	711,733	1,007,943	5	144,388		5,750,497	9,660,669	7.09	11,365,493
2004-05	2004	12,816,625	2,179,517	357,154	6,805	783,710	1,112,104	402	133,717		6,586,958	10,803,076	7.09	12,709,501
2005-06	2005	15,230,443	2,532,931	398,332	6,265	782,167	1,293,602	50,024	170,462		7,877,510	12,586,716	6.95	14,807,901
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

City of St. Petersburg, Florida
Direct and Overlapping Property Tax Rates ⁽¹⁾
Last Ten Fiscal Years
In Mills, Per \$1,000 of Assessed Value

City Of St.Petersburg Direct Rates			Overlapping Rates ⁽²⁾				
General			Pinellas County				
Fiscal Year	Basic Rate	Total Direct Rate	County Board Rate	School Board Rate	EMS Rate	Others Districts Rate ⁽³⁾	Suncoast Transit Authority Rate
2001-02	7.1400	7.1400	6.0040	8.4870	0.6600	1.6562	0.6501
2002-03	7.1400	7.1400	6.1410	8.4490	0.6600	1.6562	0.6319
2003-04	7.0900	7.0900	6.1410	8.2430	0.6600	1.6562	0.6319
2004-05	7.0900	7.0900	6.1410	8.1220	0.6600	1.6557	0.6377
2005-06	6.9500	6.9500	6.1410	8.3900	0.6600	1.6555	0.6377
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	0.5832	1.5106	0.5601
2010-11	5.9125	5.9125	4.8730	8.3400	0.5832	1.4410	0.5601

City of St. Petersburg, Florida
Principal Property Tax Payers
Fiscal Year Ended September 30, 2011 and 2002

[illegible]

City of St. Petersburg, Florida
Property Tax Levies and Collections ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Prior Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy (2)
2001-02	67,100,491	66,924,525	99.74	486,259	67,410,784	100.46
2002-03	70,935,636	70,751,501	99.74	194,534	70,946,035	100.01
2003-04	76,471,927	76,388,599	99.89	258,922	76,647,521	100.23
2004-05	84,336,077	84,271,997	99.92	266,864	84,538,861	100.24
2005-06	95,171,019	95,078,800	99.90	213,865	95,292,665	100.13
2006-07	107,596,506	103,976,171	96.64	208,340	104,184,511	96.83
2007-08	104,760,430	100,812,274	96.23	623,975	101,436,249	96.83
2008-09	98,287,212	94,785,536	96.43	325,592	95,111,128	96.77
2009-10	86,088,634	83,109,215	96.54	367,105	83,476,320	96.97
2010-11	77,259,092	74,570,330	96.52	462,888	75,033,218	97.12

City of St. Petersburg, Florida
Revenue Capacity Statistics - Footnotes
September 30, 2011

Revenue capacity information is presented to assist users in understanding and assessing the factors affecting the City's ability to generate its "own-source revenue." "Own-source revenue" is the most significant local revenue source. For the City of St. Petersburg this revenue source is the property tax.

Page Number	Footnote Number	Source and/or Explanation of Information
215	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).
216	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, Southwest Florida Water Management District, and Pinellas Anclote River Basin.
217	1	Pinellas County Property Appraiser. Total taxable assessed value for 2011 is \$13,067,079,244.
	2	Pinellas County Property Appraiser. Total taxable assessed value for 2002 is \$8,796,504,293.
218	1	Pinellas County Property Appraiser.
	2	All delinquent tax collections received during the year are applied to the year prior to collection, regardless of the year in which the taxes were originally levied. Therefore, this may result in the Percentage of Levy in Total Collections to Date to be greater than 100%.

Additional information concerning property taxed is presented in the section titled Notes To Financial Statements on page 96 of the CAFR and includes Calendar of Property Tax Events, Tax Collections, and Tax Limitations per Florida Statutes.

DEBT CAPACITY INFORMATION

City of St. Petersburg, Florida
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

GOVERNMENTAL ACTIVITIES (1)						
Fiscal Year	General Non-ad Valorem Notes & Bonds	Public Improvement Revenue Bonds	Utility Tax Revenue Bonds	Pro Sports Facility Revenue Bonds	Excise Tax Revenue Bonds	Capital Improvement Revenue Bonds
2002	48,000,000	50,242,176	19,221,754	25,850,000	84,615,000	5,280,000
2003	44,445,000	46,534,162	17,480,653	25,285,000	80,160,000	5,075,000
2004	37,768,000	42,664,107	15,558,898	27,185,000	75,520,000	4,855,000
2005	50,075,000	38,389,293	11,596,971	26,210,000	70,680,000	4,625,000
2006	50,380,000	33,916,388	11,458,248	25,295,000	65,630,000	4,380,000
2007	44,395,000	29,159,779	9,271,756	24,360,000	60,350,000	4,120,000
2008	39,946,000	24,077,211	5,250,000	23,410,000	54,825,000	2,455,000
2009	38,855,000	18,665,000	2,690,000	22,435,000	49,040,000	-
2010	36,729,000	12,770,000	-	21,445,000	42,975,000	-
2011	39,033,000	6,540,000	-	20,425,000	36,610,000	-

BUSINESS-TYPE ACTIVITIES (1)						
Fiscal Year	Water Resources Revenue Bonds and Notes	Stormwater Revenue Bonds	Airport Revenue Bonds	Golf Course Revenue Bonds	Marina Revenue Notes	Total Primary Government
2002	87,549,444	20,478,000	4,120,000	1,255,000	-	346,611,374
2003	132,740,052	20,478,000	2,930,000	970,000	-	376,097,867
2004	129,169,223	20,478,000	2,730,000	670,000	-	356,598,228
2005	135,892,068	20,478,000	2,520,000	345,000	-	360,811,332
2006	185,909,783	20,478,000	2,300,000	-	-	399,747,419
2007	179,802,376	21,256,000	1,950,000	-	7,430,000	382,094,911
2008	175,585,602	21,180,000	1,580,000	-	7,055,000	355,363,813
2009	223,205,250	21,048,000	-	-	6,665,000	382,603,250
2010	218,575,075	20,910,000	-	-	6,260,000	359,664,075
2011	262,640,789	20,764,000	-	-	5,840,000	391,852,789

Fiscal Year	Percentage of Total Taxable Assessed Value (2)	Per Capita	Property Tax Value (3)	Permanent Population (4)	Personal Income (thousands of dollars) (4)	Debt Per Income (5)
2002	0.0369	1,391.63	9,387,272,000	249,068	5,632,692	6.15 %
2003	0.0378	1,493.57	9,960,105,303	251,812	7,887,004	4.77 %
2004	0.0331	1,409.42	10,782,054,510	253,010	5,938,651	6.00 %
2005	0.0303	1,421.07	11,899,634,887	253,902	6,082,984	5.93 %
2006	0.0292	1,572.42	13,690,063,184	254,225	6,723,234	5.95 %
2007	0.0234	1,508.06	16,302,500,912	253,369	6,277,977	6.09 %
2008	0.0201	1,413.21	17,718,466,042	251,459	6,047,640	5.88 %
2009	0.0230	1,538.23	16,623,629,970	248,729	6,816,447	5.61 %
2010	0.0247	1,459.81	14,560,445,457	246,378	6,218,154	5.78 %
2011	0.0300	1,600.91	13,067,079,244	244,769	6,341,838	6.18 %

City of St. Petersburg, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2011

<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	\$ 27,400,000	26.71%	\$ 7,318,540
Subtotal, Overlapping Debt			7,318,540
City Direct Debt (3)			<u>102,608,000</u>
Total Direct and Overlapping Debt			<u>\$ 109,926,540</u>

City of St. Petersburg, Florida
Legal Debt Margin Information
Last Five Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2011

Taxable Assessed Value - January 1, 2011 (1)	\$ 13,067,079,244
Debt Limit - Percentage of Taxable Assess Value (2)	<u>0.125</u>
Legal Limitation for the Issuance of General Obligation Bonds	<u>1,633,384,906</u>
Amount of Debt Applicable to Debt Limit	-
Legal Debt Margin	<u>1,633,384,906</u>

	<u>2007</u>	<u>2008</u>	<u>Fiscal Year 2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 2,037,812,614	\$ 2,214,808,255	\$ 2,077,953,746	\$ 1,820,055,682	\$ 163,384,906
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>\$ 163,384,906</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%	0%	0%	0%	0%

City of St. Petersburg, Florida
Pledged-Revenue Coverage (1)
Last Five Fiscal Years

Utility Tax Revenue Bonds (2)						
Fiscal Year	Revenue	Debt Service		Coverage		
		Principal	Interest			
2007	36,774,097	2,395,000	427,000	13.03		
2008	36,741,666	4,030,000	319,750	8.45		
2009	38,640,295	2,560,000	262,500	13.69		
2010	32,289,485	2,690,000	134,064	11.43		
2011	-	-	-	-		

Professional Sports Facility Sales Tax Bonds (2)						
Fiscal Year	Revenue	Debt Service		Coverage		
		Principal	Interest			
2007	2,032,121	935,000	985,525	1.06		
2008	2,023,092	950,000	966,675	1.06		
2009	2,001,613	975,000	946,206	1.04		
2010	2,000,779	990,000	922,244	1.05		
2011	2,000,378	1,020,000	894,490	1.04		

Excise Tax Revenue Bonds (2)						
Fiscal Year	Revenue	Debt Service		Coverage		
		Principal	Interest			
2007	22,442,894	5,280,000	3,145,875	2.66		
2008	21,580,454	5,525,000	2,892,556	2.56		
2009	19,866,941	5,785,000	2,622,497	2.36		
2010	19,503,000	6,065,000	2,332,033	2.32		
2011	20,471,075	6,365,000	2,021,832	2.44		

Public Improvement Revenue Bonds						
Fiscal Year	Revenue	Debt Service		Coverage		
		Principal	Interest			
2007	7,950,041	5,530,000	933,250	1.23		
2008	8,505,271	5,540,000	933,250	1.31		
2009	9,690,175	5,530,000	933,250	1.50		
2010	8,564,270	5,895,000	785,875	1.28		
2011	7,699,066	6,230,000	483,250	1.15		

Water Resources and Stormwater Revenue Bonds and Notes						
Fiscal Year	Revenue	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest	
2007	107,821,410	72,113,220	35,708,190	3,546,118	8,904,153	2.87
2008	103,688,249	77,394,394	26,293,855	4,292,775	8,635,473	2.03
2009	103,496,464	75,951,476	27,544,988	4,592,352	9,041,995	2.02
2010	103,525,364	76,461,609	27,063,755	4,768,175	9,735,462	1.87
2011	109,309,539	80,934,547	28,374,992	5,460,286	10,532,487	1.77

City of St. Petersburg, Florida
Debt Capacity Statistics - Footnotes
September 30, 2011

Debt capacity information is presented to assist users in understanding and assessing the City's debt burden and ability to issue additional debt.

<u>Page Number</u>	<u>Footnote Number</u>	
223	1	City of St. Petersburg 2011 Debt Supplement.
	2	Total primary government outstanding debt divided by Property tax value.
	3	Pinellas County Property Appraiser.
	4	City of St. Petersburg Economic Development Department.
	5	Total primary government outstanding debt divided by Personal Income
224	1	Pinellas County School Board.
	2	City of St. Petersburg Economic Development Department. Total population for the City of St. Petersburg (244,769) divided by total population for Pinellas County (916,542).
	3	City of St. Petersburg 2011 Debt Supplement Page B-1, Gross Debt.
225	1	Pinellas County Property Appraiser.
	2	Florida Statutes.
226	1	Principal and interest amounts are from the City of St. Petersburg 2011 Debt Supplement.
	2	No operating expense column is shown since they are zero.

Additional details regarding the City's outstanding debt can be found in the section titled Notes to Financial Statements and the City's 2011 Debt Supplement.

Additional information concerning property taxes is presented in the section titled Notes to Financial Statements on page 96 and includes Calendar of Property Tax Events, Tax Collections, and Tax Limitations per Florida Statutes.

DEMOGRAPHIC AND ECONOMIC INFORMATION

City of St. Petersburg, Florida
Demographic and Economic Statistics ⁽¹⁾
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Permanent Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2002	249,168	5,632,692	22,606	39.0	5.1
2003	251,812	7,887,004	31,321	39.0	4.4
2004	253,010	5,938,651	23,472	40.3	3.9
2005	253,902	6,082,984	23,958	39.7	3.7
2006	254,225	6,723,234	26,446	41.4	3.2
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

City of St. Petersburg, Florida
Principal Employers (1)(5)
Current and Five Year's Prior (2)

Employer	2011			2006		
	Employees	Rank	Percentage of Total City Employment (3)	Employees	Rank	Percentage of Total City Employment (4)
All Children's Health System	3,000	1	2.43 %	2,300	2	1.60 %
Raymond James & Associates	2,900	2	2.35 %	2,440	1	1.70 %
Bayfront Medical Center, Inc.	2,000	3	1.62 %	2,300	3	1.60 %
Home Shopping Network	2,000	4	1.62 %	1,580	7	1.10 %
FIS Management Services	1,800	5	1.46 %			
Jabil Circuit	1,600	6	1.30 %	1,860	5	1.30 %
Brighthouse Networks	1,600	7	1.30 %			
St. Anthony's Hospital, Inc.	1,400	8	1.13 %	1,290	10	0.90 %
Progress Energy	1,000	9	0.81 %			
Times Publishing Corp.	1,000	10	0.81 %	2,150	4	1.50 %
Raytheon Company				1,720	6	1.20 %
Publix Super Markets, Inc.				1,430	8	1.00 %
Advanced Newhouse Partnership				1,430	9	1.00 %
Total	18,300		14.83 %	18,500		12.90 %

City of St. Petersburg, Florida
Demographic and Economic Information Footnotes
September 30, 2011

Demographic and economic information is presented to assist the reader in understanding the environment within which the City's financial activities take place.

<u>Page Number</u>	<u>Footnote Number</u>	
216	1	City of St. Petersburg Economic Development Department.
217	1	City of St. Petersburg Economic Development Department.
	2	Current and five years prior comparison presented as data from nine years prior not available.
	3	City of St. Petersburg Economic Development Department. Total employees per principal employer divided by total employees in the City of St. Petersburg for 2011 is 123,420.
	4	City of St. Petersburg Economic Development Department. Total employees per principal employer divided by total employees in the City of St. Petersburg for 2006 is 143,410.
	5	Schedule does not include governmental or school employees.

OPERATING INFORMATION

City of St. Petersburg, Florida
Full and Part Time City Government Employees by Function/Program (1)
Last Six Fiscal Years

	2011		2010		2009		2008		2007		2006	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	399	20	406	17	406	27	400	21	412	24	436	112
Community and Economic Development	153	35	162	38	174	51	178	42	185	17	194	14
Police	755	14	769	14	753	13	781	13	771	10	754	6
Fire and EMS	324	-	325	1	343	1	346	1	352	1	355	1
Public Works	125	75	119	75	125	77	134	76	153	75	142	73
Recreation and Culture	324	316	330	282	343	263	348	283	324	329	361	301
Water and Wastewater Utility	315	2	304	4	310	5	317	4	325	3	324	4
Stormwater Utility	55	2	59	1	61	-	61	-	64	-	64	-
Sanitation	175	5	172	8	172	7	201	7	203	8	204	3
Airport	3	-	3	1	3	-	3	-	3	-	4	-
Port	2	4	4	3	4	3	4	2	4	3	7	4
Marina	11	7	11	8	11	8	10	8	11	6	12	5
Golf Courses	25	27	26	34	26	36	29	40	30	37	27	43
Jamestown Complex	2	-	4	-	3	-	5	-	5	-	5	-
Total City-Wide	2,668	507	2,694	486	2,734	491	2,817	497	2,842	513	2,889	566

City of St. Petersburg, Florida
Operating Indicators by Function/Program
Last Six Fiscal Years

Function/Program	2011	2010	2009	2008	2007	2006
General Government						
Parking (1)						
South core parking garage (number of monthly contract users)	165,000	152,000	121,000	87,000	102,000	146,000
South core parking garage (number of daily users)	19,000	14,000	26,000	28,000	26,000	41,000
Midcore parking garage (number of monthly contract users)	92,000	89,000	98,000	120,000	128,000	70,000
Midcore parking garage (number of daily users)	143,000	137,000	245,000	312,000	381,000	500,000
Utility Accounts (2)						
Utility Customers	90,318	89,780	90,148	90,902	91,946	93,348
Meters Read	1,162,474	1,147,709	1,139,169	1,163,097	1,149,224	1,146,731
Bills Produced	1,112,702	1,130,158	1,099,861	1,221,841	1,103,851	1,110,891
Community and Economic Development						
Economic Development (3)						
Occupational Licenses Issued	15,103	15,498	15,768	16,541	17,344	17,750
Total Available Downtown Office Space (000's)	2,340	2,286	2,079	2,145	1,977	1,849
Occupancy Rate	78%	75%	76%	78%	83%	92%
Total Available Gateway/mid Pinellas Office Space (000's)	5,230	5,099	5,183	5,189	5,283	5,089
Occupancy Rate	77%	76%	76%	79%	83%	87%
Total Existing and Available Industrial Space	11,230	11,245	11,168	11,306	11,259	10,724
Occupancy Rate	89%	89%	90%	92%	92%	92%
Total Existing and Available Retail Space City Wide	6,410	6,412	6,490	6,240	6,030	5,600
Occupancy Rate	92%	92%	92%	94%	95%	96%
Permitting and Community Codes (4)						
Building Permits Issued	17,376	15,894	13,007	15,627	20,163	24,932
Total Construction Value	201,693,741	195,328,617	248,016,348	219,656,650	635,400,369	563,614,574
Neighborhood Services (5)						
Neighborhood Services - Codes Compliance						
Cases Opened From Citizen Complaints	12,967	11,380	10,879	10,235	11,827	11,578
Cases Opened Internally and By Survey	11,419	13,744	11,881	10,325	11,979	9,970
Number of Legal Actions By:						
Specials Magistrate and Code						
Enforcement Board	3,476	3,800	3,849	3,222	4,938	4,473
Court Action (Ordinance Violations)	783	841	841	553	507	480
Police (6)						
Citizen Calls for Service	125,635	100,592	137,462	136,413	123,543	113,138
UCR Part I Crimes (City) (7)	15,383	13,465	20,255	18,772	17,468	18,438
UCR Part I Arrests (City) (8)	2,926	2,581	3,572	3,358	2,976	2,691
UCR Part II Arrests (City) (9)	12,954	10,490	12,057	10,544	9,397	9,493
Priority One Calls for Service	2,342	1,675	2,709	3,188	2,736	2,294
Average Priority One Travel Time (Minutes)	4.7	4.5	4.5	4.4	4.1	4.3
Average Priority One Response Time (Minutes)	6.1	5.6	5.7	5.6	5.6	5.5
Fire and EMS (10)						
Fire and Emergency Responses	48,625	47,075	47,157	46,918	45,423	42,918
Fire Average Response Time (Minutes)	4:33:00	4:49:00	4:38:00	4:36:00	4:43:00	4:26:00
Rescue Average Response Time (Minutes)	4:24:00	4:35:00	4:23:00	4:17:00	4:25:00	4:21:00
Recreation and Culture						
Libraries (11)						
Items Circulated	1,581,182	1,514,469	1,391,681	1,184,479	1,126,571	1,065,759
Facility Use (Number of Patrons Visiting)	1,440,099	1,442,069	1,413,098	1,276,805	1,241,536	1,243,015
Internet/Computer Use	48,910	470,709	379,666	328,400	390,104	348,946

City of St. Petersburg, Florida
Operating Indicators by Function/Program
Last Six Fiscal Years

Function/Program	2011	2010	2009	2008	2007	2006
General Government (Continued)						
Parks and Recreation (12)						
Recreation Centers						
Attendance	761,915	761,348	757,117	829,331	883,656	854,294
Rate of Recovery	40.56%	40.18%	45.14%	48.58%	44.13%	45.64%
Swimming Pools						
Attendance	252,594	291,384	298,165	259,160	280,758	252,442
Rate of Recovery	31.75%	30.33%	31.41%	28.78%	27.33%	26.13%
Multi-Service and Adult Centers						
Attendance	348,533	350,353	354,421	389,102	414,180	399,099
Rate of Recovery	22.55%	20.54%	19.21%	19.59%	18.45%	18.28%
Sanitation (13)						
Commercial Waste Customers	5,783	5,713	5,657	5,950	6,066	5,683
Residential Waste Customers	76,093	76,080	78,825	77,911	78,251	78,572
Special Services						
Pick-up Requests	18,809	18,773	20,645	25,625	26,413	20,320
Recycling Centers	73	71	73	74	61	59
Tons of Yard Waste	46,922	42,688	42,962	45,274	38,965	41,820
Water Resources (14)						
Potable Water						
Per Capita Usage Per Day (Gross)	84	-	-	90	95	96
Gallons Pumped Per Day (MGD)	27.5	27.1	27.9	29	30.5	32.1
New Installations	168	182	142	294	416	805
Reclaimed Water Distribution						
Number of Reclaimed Customers	10,925	10,924	11,153	10,901	11,032	10,735
Number of New Installations	54	54	93	121	136	182
Average Annual Reclaimed Water Use vs. Deep Well Injection (MGD)	17.47/13.91	15.3/19	17.68/17	18.97/13	20.65/12	20.95/18
Number of Gallons Pumped (In thousands)	17,500	15,300	17,680	18,970	20,650	20,150
Stormwater (15)						
Number of Acres of Retention Ponds & Drainage Ditches Mowed	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	35,300
Airport (16)						
Leases (Expired/Renewal/New)	2	1	1	2	3	7
Total Lease Value	998,000	943,000	896,000	846,000	755,000	708,000
Number of Airport Operations	77,566	77,600	83,398	83,840	74,427	78,590
Number of Based Aircraft	184	184	184	184	184	183
Port (17)						
Leases (Expired/Renewal/New) (18)	1	1	1	-	-	-
Number of Ship Days Per Year	677	764	745	609	521	882
Number of Visiting Ships	35	42	41	35	32	90
Marina (19)						
Occupancy Rate	92%	92%	94%	94%	97%	97%
Golf Courses (20)						
Number of Rounds Per Year						
Mangrove Bay	68,674	65,939	71,267	76,605	78,519	77,076
Twin Brooks	19,237	18,856	23,545	23,724	27,211	29,505
Cypress Links	32,735	32,050	38,244	38,854	38,491	38,743
Jamestown Complex (21)						
Vacancy Rate	39.47%	18.42%	11.84%	9.20%	10.91%	9.00%

City of St. Petersburg, Florida
Capital Asset Statistics by Function/Program (1)
Last Six Fiscal Years

Function/Program	2011	2010	2009	2008	2007	2006
Police (2)						
Stations	1	1	1	1	1	1
Sub-stations	1	1	1	1	1	1
Patrol Units	414	381	401	412	398	378
Fire and EMS (3)						
Stations	11	11	12	12	12	12
Fire Fighting Units	16	22	22	22	22	22
Rescue Units	12	14	15	15	15	15
Support Specialty Units	8	8	8	8	8	8
Public Works (4)						
Streets and Alleys (Number)	13,849	13,849	14,022	14,022	14,022	14,022
Streets and Alleys (Miles)	1,198	1,198	1,202	1,202	1,202	1,202
Seawalls and Retaining Walls (Miles)	12	12	12	12	12	12
Bridges (Number)	82	81	79	79	79	79
Culverts (Number)	185	185	185	185	185	185
Recreation and Culture						
Libraries (5)	7	7	7	7	7	7
Recreation and Parks (6)						
Parks	151	151	150	141	141	137
Park Acres	2,400	2,400	2,400	2,400	2,400	2,300
Recreation Centers	15	15	15	15	16	16
Swimming Pools	9	9	9	9	9	9
Tennis Courts	66	66	66	66	66	66
Dog Parks	6	6	6	5	5	5
Public Beaches	5	5	5	5	5	5
Skate Parks	2	2	2	2	2	2
Water and Wastewater Utility Resources (7)						
Water Mains (Miles)	1,564	1,571	1,579	1,658	1,599	1,530
Potable Water Mains Replaced (Linear Feet)	619,776	565,661	508,959	508,177	438,883	314,880
Sanitary Sewer Collection Mains (Miles)	937	942	944	925	920	912
Sanitary Sewer Pipe Replacement (Linear Feet) (Cumulative)	8,894	32,089	18,753	13,854	15,757	16,375
Sanitary Sewer Pipe Rehabilitation CIPP Lining (Linear Feet)	21,479	27,744	-	-	-	7,289
Reclaimed Water Lines	287 Miles	287 Miles	290 miles	300 Miles	291 Miles	300 Miles
Water Reclamation Treatment Plants	4	4	4	4	4	4
Stormwater Utility (8)						
Storm Drainage - Miles of Pipe	483	478	484	500	500	500
Catch Basins	13,942	13,942	13,894	14,000	14,000	14,000
Grate Inlets	4,686	4,686	4,572	850	850	850
Culverts	185	185	185	185	185	185
Seawalls in Miles	12	12	12	12	12	12
Sanitation (9)						
Refuse Collection Vehicles	136	215	217	240	230	223
Marina (10)						
Slips	650	650	655	656	610	610
Number of Transient Boats Docked	471	411	497	402	250	222
Golf Courses (11)						
Number of Golf Courses	3	3	3	3	3	3
Jamestown Complex (12)						
Number of Units	76	76	76	76	55	72

City of St Petersburg, Florida
Operating Statistics - Footnotes
September 30, 2011

Operating information is presented to provide service and infrastructure data to aid the reader in understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.

Page Number	Footnote Number	Source and/or Explanation of Information
220	1	City of St. Petersburg Human Resources Department. Number of full time and part time employees as of September 30 of the respective years.
221	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 2011. The 2006-2010 statistics were restated 2011 for consistency purposes.
	4	City of St. Petersburg Permits Department.
	5	City of St. Petersburg Codes Compliance Department.
	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	UCR Part I - Arrest data includes murder, forcible rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft and manslaughter.
	9	UCR Part II - Arrest data includes kidnap/abduction, arson, simple assault, drug sales, drug possession, bribery, embezzlement, fraud, forgery, extortion, etc.
	10	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.
222	11	City of St. Petersburg Library Department.
	12	City of St. Petersburg Parks and Recreation Departments.
	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 Port.
	19	City of St. Petersburg Marina.
	20	City of St. Petersburg Golf Courses Department.
	21	City of St. Petersburg Jamestown Complex.
223	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 2006-2010 number of stations were restated in 2011 to correct prior years for the unlocated variance of 2 stations for 2010 and 1 station for 2006-2009.
	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. Seventeen units were demolished in Fiscal Year 2007. Twenty-one units were replaced in 2008.

IV. REGULATORY SECTION

- **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***
- **Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 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 Schedule of Expenditures of Federal Awards and State Financial Assistance**
- **Schedule of Expenditures of Other Governmental Agencies Awards**
- **Notes to Schedule of Expenditures of Other Awards and State Financial Assistance**
- **Schedule of Findings and Questioned Costs**
- **Summary Schedule of Prior Audit Findings**
- **Independent Auditors' Management Letter**



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency or 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

Compliance and Other Matters

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

We noted certain matters that we reported to management in of the City of St. Petersburg in a separate letter dated March 29, 2012.

The City of St. Petersburg's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of St. Petersburg's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Honorable Mayor, Members of City Council, management, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Mayor Hoffman Mc Cann P.C.

March 29, 2012
Clearwater, Florida



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Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 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:

Compliance

We have audited the City of St. Petersburg, Florida's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 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, 2011. The City's major federal programs and state financial assistance projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. Those standards and OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits* 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 or major state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion the City complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program and state financial assistance project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, 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 and 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 and state financial assistance project will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Honorable Mayor, Members of City Council, management, federal and state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman Mc Conn P.C.

March 29, 2012
Clearwater, Florida

City of St. Petersburg, FL
Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2011

FEDERAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	CFDA NUMBER	GRANT CONTRACT NUMBER	EXPENDITURES
U. S. DEPARTMENT OF AGRICULTURE			
Passed through Florida Department of Health Child and Adult Care Food Program	10.558	A-1096	\$ 140,289
Passed through Florida Department of Education Summer Food Service Program for Children	10.559	04-0911	373,071
Passed through Florida Department of Agriculture & Consumer Services			
Local Tree Inventory System Development	10.664	016169	12,932
ARRA Midtown Community Reforestation and Remediation	10.688	06014	18,232
Total Department of Agriculture			544,524
U. S. DEPARTMENT OF COMMERCE			
Habitat Conservation Program			
Passed through National Fish & Wildlife Foundation Boyd Hill Nature Preserve Restoration	11.463	2009-0063-002	9,750
Total Department of Commerce			9,750
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
CDBG Entitlement Grants Cluster			
Direct Program			
Community Development Block Grant	14.218	B-09-MC-12-0017	280,323
Community Development Block Grant	14.218	B-10-MC-12-0017	1,948,625
Community Development Block Grant	14.218	Program Income (3)	92,059
Neighborhood Stabilization Program	14.218	B-08-MN-12-0026	1,951,283
Neighborhood Stabilization Program	14.218	B-11-MN-12-0026	13,355
Neighborhood Stabilization Program	14.218	Program Income (3)	800,619
ARRA Community Development Block Grant Recovery Program	14.253	B-09-MY-12-0017	246,952
Passed through Pinellas County 49th St S Right Of Way Improvements	14.218	B-07-UC-12-0005	11,293
Total CDBG Entitlement Grants Cluster			5,344,509
Emergency Shelter Grants Program			
Emergency Shelter Grant Program	14.231	S-09-MC-12-0009	21,921
Emergency Shelter Grant Program	14.231	S-10-MC-12-0009	94,327
Total Emergency Shelter Grants			116,248
HOME Investments Partnership Program			
HOME Investment in Affordable Housing	14.239	M-92-MC-12-0220	33,333
HOME Investment in Affordable Housing	14.239	M-93-MC-12-0220	33,333
HOME Investment in Affordable Housing	14.239	M-04-MC-12-0220	29,387
HOME Investment in Affordable Housing	14.239	M-07-MC-12-0220	459,160
HOME Investment in Affordable Housing	14.239	M-08-MC-12-0220	372,360
HOME Investment in Affordable Housing	14.239	M-09-MC-12-0220	184,030
HOME Investment in Affordable Housing	14.239	M-10-MC-12-0220	147,691
HOME Investment in Affordable Housing	14.239	Program Income (3)	264,951
Total HOME Investment Partnership Program			1,524,245

City of St. Petersburg, FL
Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2011

FEDERAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	CFDA NUMBER	GRANT CONTRACT NUMBER	EXPENDITURES
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (continued)			
Economic Development Initiative Grants			
Dome Industrial Facilities Renovation and Construction	14.251	B-05-SP-FL-0440	\$ 26,466
Tangerine Avenue Community Redevelopment	14.251	B-04-SP-FL-0173	496,355
Tangerine Avenue Community Redevelopment	14.251	B-05-SP-FL-0438	80,752
Jordan School Restoration	14.251	B-09-SP-FL-0182	10,459
Total Economic Development Initiative Grants			<u>614,032</u>
Homeless Prevention and Rapid Re-Housing Program			
Direct Program			
ARRA Homelessness Prevention and Rapid Re-Housing Program	14.257	S09-MY-12-0009	428,866
Passed through Florida Department of Children & Families			
ARRA Homelessness Prevention and Rapid Re-Housing Program	14.257	QFZ1C	<u>406,376</u>
Total ARRA Homelessness Prevention & Rapid Re-Housing Programs			<u>835,242</u>
Total Department of Housing and Urban Development			<u>8,434,276</u>
U. S. DEPARTMENT OF THE INTERIOR			
Save America's Treasures Program			
Sunken Gardens Master Plan	15.929	12-10-AP-5008	<u>15,422</u>
Total Department of the Interior			<u>15,422</u>
U. S. DEPARTMENT OF JUSTICE			
Federal Equitable Sharing Program	16.000	N/A	166,440
Weed and Seed Program - St. Petersburg Site	16.595	2009-WS-QX-0176	63,916
Public Safety Partnership and Community Policing Grants			
ARRA COPS Hiring Recovery Program	16.710	2009RJWX0033	689,895
Edward Byrne Memorial Justice Assistance Grant Program			
Passed through Pinellas County			
Edward Byrne Memorial Justice Assistance	16.738	2008-DJ-BX-0534	25,094
Edward Byrne Memorial Justice Assistance	16.738	2009-DJ-BX-0955	197,817
Edward Byrne Memorial Justice Assistance	16.738	2010-DJ-BX-0046	38,270
ARRA Edward Byrne Memorial Justice Assistance	16.804	2009-SB-B9-1311	484,603
Passed through Florida Department of Law Enforcement			
ARRA St. Petersburg Police Dept JAG State Based Stimulus Funding	16.803	2010-ARRC-PINE-14-W7-141	<u>40,789</u>
Total Department of Justice			<u>1,706,824</u>

City of St. Petersburg, FL
Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2011

FEDERAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	CFDA NUMBER	GRANT CONTRACT NUMBER	EXPENDITURES
U. S. DEPARTMENT OF LABOR			
Workforce Investment Act Pilots, Demonstrations and Research Projects			
Summer Youth Internship Program FY09	17.261	EA-19061-09-60-A-12	\$ 26,312
Summer Youth Internship Program FY10	17.261	EA-20458-10-60-A-12	13,620
Total Department of Labor			39,932
U. S. DEPARTMENT OF TRANSPORTATION			
Airport Improvement Program			
Airport Traffic Control Tower	20.106	N/A	1,026,808
Construct Apron, Taxiway, Runway	20.106	3-12-0074-017-2008	17,937
Construct Apron (SE Ramp/Tiedowns), Phase I	20.106	3-12-0074-018-2009	16,889
Taxiway D Extension, Northside Apron Expansion, Runway 7 Lights	20.106	3-12-0074-019-2010	819,218
Total Airport Improvement Program			1,880,852
Highway Planning & Construction Cluster			
Direct Program			
North Bay Trail Project	20.205	AQ187	598,978
Passed through Florida Department of Transportation			
Bike Route Improvements Master Plan	20.205	ANB59	120,580
Bicycle Route Markers	20.205	ANM38	4,245
Bicycle/Pedestrian Paths	20.205	ANS73	462,617
Skyway Trail Project	20.205	AOP66	77,137
Clam Bayou Trail - Phase 2	20.205	AOS48	330,629
Midtown Bicycle Lanes Project	20.205	AP026	12,161
Booker Creek Bicycle/Pedestrian Trail	20.205	AP343	358,453
54th Avenue South Side Path Project	20.205	AP362	492,023
Lake Maggiore Bicycle Lanes Project	20.205	AP980	9,038
Pinellas Point Area Bicycle Lanes Project	20.205	AP981	18,304
Pinellas Trail Traffic Control Project	20.205	APG12	193,959
Gandy Boulevard (SR 694) Widening Project	20.205	APJ31	2,774,922
ARRA North Bay Trail Economic Stimulus Project	20.205	APU38	815,782
Walter Fuller Park Trail Project	20.205	AQ930	19,984
Total Highway Planning & Construction Cluster			6,288,812
Federal Transit Capital Investment Grants			
Passed through Pinellas County			
Downtown St. Petersburg Intermodal Facility Study	20.500	FL-03-0322-00	3,786
National Highway Traffic Safety Administration Discretionary Safety Grants			
Pedestrian Safety Enforcement Campaign	20.614	BDQ09	15,807
Total Department of Transportation			8,189,257

City of St. Petersburg, FL
Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2011

FEDERAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	CFDA NUMBER	GRANT CONTRACT NUMBER	EXPENDITURES
U. S. ENVIRONMENTAL PROTECTION AGENCY			
National Clean Diesel Emissions Reduction Program			
National Clean Diesel Project	66.039	DE-95417109-0	\$ 396,569
Total Environmental Protection Agency			<u>396,569</u>
U. S. DEPARTMENT OF ENERGY			
Renewable Energy Research and Development			
Solar Parks Pilot Project	81.087	DE-EE0000284	188,806
Energy Efficiency and Conservation Block Grant Program			
ARRA Energy Efficiency & Conservation Block Grant	81.128	DE-EE0000780	1,012,240
Total Department of Energy			<u>1,201,046</u>
U. S. DEPARTMENT OF EDUCATION			
Twenty-First Century Community Learning Centers			
Passed through Coordinated Child Care of Pinellas, Inc.			
Walter Fuller 21st Century Community Learning Centers 2010	84.287	N/A	82,378
Walter Fuller 21st Century Community Learning Centers 2011	84.287	N/A	17,165
Total Department of Education			<u>99,543</u>
U. S. DEPARTMENT OF HOMELAND SECURITY			
Disaster Grants - Public Assistance			
Passed through Florida Division of Emergency Management			
Hurricane Frances 2004	97.036	FEMA-1545-DR-FL	2,640
Homeland Security Cluster			
Passed through Florida Division of Emergency Management			
Metropolitan Medical Response System	97.067	10-DS-44-08-62-02-415	243,397
Metropolitan Medical Response System	97.067	11-DS-59-05-62-02-278	33
Metropolitan Medical Response System	97.067	11-DS-A3-08-62-02-319	102,705
Passed through Hillsborough County Florida			
Florida Task Force 3 Urban Search & Rescue Team	97.067	07-DS-5N-13-00-16-217	59,631
Total Homeland Security Cluster			<u>405,766</u>
Port Security Grant Program			
ARRA Port Security Grant	97.116	2009-PU-R1-0228	25,382
Total Department of Homeland Security			<u>433,788</u>
Total Expenditures of Federal Awards			<u>\$ 21,070,931</u>

City of St. Petersburg, FL
Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2011

STATE AWARDS FUNDING SOURCE AND GRANT PROGRAM	CSFA NUMBER	GRANT CONTRACT NUMBER	EXPENDITURES
EXECUTIVE OFFICE OF THE GOVERNOR			
Passed through the Florida Sports Foundation			
World Baseball Spring Tournament 2011	31.005	N/A	\$ 18,360
Total Executive Office of the Governor			<u>18,360</u>
DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Florida Recreation Development Assistance Program			
Booker Creek Park, Ph II	37.017	A09145	66,256
Water Management Districts - Land Acquisition Projects			
Passed through South West Florida Water Management District			
Shore Acres Stormwater Vaults	37.022	08CS0000030	175,000
Statewide Surface Water Restoration and Wastewater Projects			
Passed through South West Florida Water Management District			
Shore Acres Stormwater Vaults	37.039	08CS0000030	182,795
Total Department of Environmental Protection			<u>424,051</u>
DEPARTMENT OF STATE			
Historic Preservation Grants			
Endicott House Restoration Project	45.031	S1120	50,000
Maximo Park Indian Midden Educational Signs	45.031	F1002	3,324
Total Department of State			<u>53,324</u>
FLORIDA HOUSING FINANCE CORPORATION			
State Housing Initiatives Partnership (SHIP) Program			
State Housing Initiatives Partnership FY 2007-08	52.901	N/A	92,014
State Housing Initiatives Partnership FY 2008-09	52.901	N/A	552,859
State Housing Initiatives Partnership FY 2009-10	52.901	N/A	114,265
State Housing Initiatives Partnership FY 2011-12	52.901	N/A	190
State Housing Initiatives Partnership	52.901	Program Income (3)	867,285
Total Florida Housing Finance Corporation			<u>1,626,613</u>
DEPARTMENT OF TRANSPORTATION			
Florida Highway Beautification Council Grants			
Citywide Highway Landscape Rehabilitation Project	55.003	APG98	644,841
District 7 Landscape & Maintenance Agreement	55.003	AQ652	270,704
Total Florida Highway Beautification Council Grants			<u>915,545</u>
Aviation Development Grants			
Construct Parallel Taxiway D, Apron & REILs for Runway 7	55.004	APF67	39,379
Airfield Infrastructure Improvements	55.004	APO95	16,643
Airport Security Project	55.004	AQ771	52,482
Total Aviation Development Grants			<u>108,504</u>

City of St. Petersburg, FL
Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2011

STATE AWARDS	CSFA	GRANT CONTRACT	
FUNDING SOURCE AND GRANT PROGRAM	NUMBER	NUMBER	EXPENDITURES
DEPARTMENT OF TRANSPORTATION (continued)			
Seaport Grants			
Wharf and Infrastructure Repair at the Port of St. Petersburg	55.005	AOZ18	\$ 326,558
Total Seaport Grants			<u>326,558</u>
Total Department of Transportation			<u>1,350,607</u>
DEPARTMENT OF REVENUE			
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise			
Facilities for New Professional Sports Facilities	73.016	N/A	<u>2,000,004</u>
Total Department of Revenue			<u>2,000,004</u>
Total Expenditures of State Financial Assistance			\$ <u>5,472,959</u>
Total Expenditures of Federal And State Agencies Awards			\$ <u>26,543,890</u>

City of St. Petersburg, Florida

*Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2011*

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, 2011.

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, 2011.

NOTE 3 - PROGRAM INCOME

Program income from the Community Development Block, HOME Investment in Affordable Housing 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, 2011.

PROGRAM TITLE	CFDA/CFSA	TOTAL
US HUD Community Development Block Grant	14.218	\$ 421,961
US HUD HOME Investment in Affordable Housing	14.239	5,663,569
Neighborhood Stabilization Program	14.218	17,650
Community Housing Trust Grants	n/a	2,636,680
State Housing Initiative Partnership	52.901	3,798,694

City of St. Petersburg, Florida

*Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2011*

NOTE 5 – SUB RECIPIENTS

Of the federal and state expenditures presented in the Schedule, the City provided federal and state awards to sub recipients as follows:

PROGRAM TITLE	CFDA/CFSA	TOTAL
US Dept of Housing and Urban Development		
Community Development Block Grant	14.218	\$ 671,145
Emergency Shelter Grant Program	14.231	111,371
HOME Investment in Affordable Housing	14.239	308,439
ARRA Homeless Prevention & Rapid Re-housing Program	14.257	829,492
US Dept of Justice		
Edward Byrne Memorial Justice Assistance	16.738	13,920
US Dept of Labor		
Summer Youth Internship Program	17.261	39,932
FL Housing Finance Corporation		
State Housing Initiatives Partnership	52.901	36,260

City of St. Petersburg, FL
Schedule of Expenditures of Other Governmental Agencies Awards
Fiscal Year Ended September 30, 2011

OTHER GOVERNMENTAL AWARDS FUNDING SOURCE AND GRANT PROGRAM	GRANT CONTRACT NUMBER	EXPENDITURES
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT		
Direct Program		
Booker Lake Regional Stormwater Treatment Facility	05CONS00004	\$ 26,241
Lake Coronado and Vicinity Storm Drainage Improvements	06C00000048	52,140
St. Petersburg Toilet Replacement Program, Phase 10	08C00000026	101
St. Petersburg Toilet Replacement Program, Phase 11	10C00000070	59,144
Implementation of BMPs in the Jungle Lake to Boca Ciega Bay	07C00000018	1,078,931
Implementation of BMPs in the 30th Avenue North Watershed	07C00000019	748,830
Implementation of BMPs Childs Park, 44th St S and Vicinity	08C00000019	101,669
Implementation of BMPs Terminal Dr. S, Emerson Ave S	09C00000043	308,756
Implementation of BMPs at Jungle Lake Northeast Basin	10C00000020	3,318
Implementation of BMPs at Golf Creek	10C00000021	50,000
St. Petersburg Sensible Sprinkling 4	10C00000071	38,194
Shore Acres Stormwater Vaults	08CS0000030	586,600
Sawgrass Lake Restoration Project	08C00000099	763,569
2010 Community Education Grant	10PO0000621	3,352
Boyd Hill Nature Preserve, Exotic Species Eradication	N/A	9,750
Total Southwest Florida Water Management District		3,830,595
PINELLAS COUNTY		
Direct Program		
Local Housing Assistance Year 1	N/A	85,541
Local Housing Assistance Year 2	N/A	324,312
Local Housing Assistance Year 3	N/A	524,090
Municipal Recycling Reimbursement Program	N/A	189,013
Fred Marquis Pinellas Trail Overpass of 34th Street S	2009159230	198,574
Total Pinellas County		1,321,530
JUVENILE WELFARE BOARD OF PINELLAS COUNTY		
Direct Program		
South County Truancy Interdiction Center	N/A	196,019
Passed through Coordinated Child Care of Pinellas, Inc.		
TASCO Center Based Teen Programs-OST	N/A	1,118,401
TASCO Youth Programs - Matched Partnership	N/A	83,208
TASCO Digital On The Go Overlay Program	N/A	11,383
Total Juvenile Welfare Board		1,409,011
Total Expenditures of Other Governmental Awards		\$ 6,561,136

City of St. Petersburg, Florida
Notes to the Schedule of Expenditures of Other Governmental Agencies Awards
Year Ended September 30, 2011

NOTE 1 - GENERAL

The accompanying Schedule 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, 2011.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule 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 statements for the year ended September 30, 2011.

NOTE 3 - SUB-RECIPIENTS

Of the other governmental agencies expenditures presented in the Schedule, the City provided awards to sub recipients as follows:

PROGRAM TITLE	TOTAL
Pinellas County Local Housing Assistance Program	\$ 58,400
Juvenile Welfare Board of Pinellas County South County Truancy Interdiction Center	196,019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

- | | | |
|---|-----------------------|---------------------------------|
| - Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| - Significant deficiency(ies) identified that are not considered to be material weaknesses? | <u> X </u> Yes | <u> </u> None reported |
| Noncompliance material to the basic financial statements noted? | <u> </u> Yes | <u> X </u> No |

Federal Awards

Internal control over compliance:

- | | | |
|---|-----------------------|--------------------------------|
| - Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| - Significant deficiency(ies) identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> X </u> None reported |

Type of auditors' report on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) OMB Circular A-133?

 Yes X No

Identification of major programs:

Name of Federal Program	CFDA #
U.S. Department of Housing and Urban Development:	
Community Development Block Grant Entitlement Cluster:	
Community Development Block Grant	14.218
Community Development Block Grant, ARRA	14.253
HOME Investment in Affordable Housing	14.239
Homelessness Prevention and Rapid Re-Housing Program, ARRA	14.257
U.S. Department of Justice:	
COPS Hiring Recovery Program, ARRA	16.710
Passed through Florida Department of Law Enforcement	
St. Petersburg Police Dept JAG State Based Stimulus Funding, ARRA	16.803
Edward Byrne Memorial Justice Assistance, ARRA	16.804
U.S. Department of Transportation:	
Airport Improvement Program, ARRA	20.106
Highway Planning and Construction, ARRA	20.205
U.S. Department of Energy:	
Energy Efficiency & Conservation Block Grant, ARRA	81.128

The threshold for distinguishing Type A and Type B programs was \$632,128 for federal programs.

Auditee qualified as low-risk auditee? X Yes No

State Awards

Internal control over compliance:

- | | | |
|---|-----------|-----------------------------|
| - Material weakness(es) identified? | _____ Yes | _____ X _____ No |
| - Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ Yes | _____ X _____ None reported |

Type of auditors' report on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550?	_____ Yes	_____ X _____ No
--	-----------	------------------

Identification of major programs:

Name of State Program	CSFA #
Department of Environmental Protection:	
Passed through South West Florida Water Management District	
Shore Acres Stormwater Vaults	37.022
Shore Acres Stormwater Vaults	37.039
Department of Transportation:	
Citywide Highway Landscape Rehabilitation Project	55.003
District 7 Landscape & Maintenance Agreement	55.003
Department of Revenue:	
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise	73.016

The threshold for distinguishing Type A and Type B programs was \$300,000 for state programs.

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

A significant deficiency has been reported for 2011 as described under heading Current Year Findings and Recommendations in accordance with *Government Auditing Standards*.

Section III - Federal and State Award Findings and Questioned Costs

This section identifies significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, related to the audit of major federal awards and state financial assistance projects, as required to be reported by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

There were no findings required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

Section IV - Summary of Prior Audit Findings

There were no prior audit findings for Federal and State programs.

Current Year Findings and Recommendations

Significant Deficiency

Finding 2011-01: Year-End Close and Accounting Procedures

Observation: Over the past two years there have been a number of changes within the personnel and management in the Finance Department. These changes have been the result of the City's effort to increase the efficiency and effectiveness of the Finance Department, employees retiring, operational changes due to budget shortfalls, and reorganization of the department. There were many journal entries received from the City after receipt of the trial balance for year-end audit adjustments. While we agreed that there will be some year-end audit adjustments in order to receive a trial balance in December 2011, we noted many adjustments that should be streamlined going forward. We feel that the contributing factors to the number of adjustments include the need for well-defined accounting policies and procedures, lack of accountability of duties assigned, and employees' lack of understanding their roles and responsibilities. At times we learned of employees performing similar functions, assignments being performed that bring no benefit to the City or the accounting of the financial data, or functions not being performed resulting in the need for management to perform the tasks in order to close out the year and prepare the annual financial report. There were numerous instances where input was duplicated and journal entries and transfers between accounts were incorrect. After our field work is complete, this delays the completion of the audit by requiring us to test the new journal entries, update audit workpapers, and update the financial statements and related disclosures. These additional entries were to close fund balances to other funds, create transfers and due to/from between funds, correct pension and actuarial accounts, and corrections for capital asset expenditures or capitalization.

Recommendation: We recommend the City reconcile account balances prior to providing the trial balance to the audit team and only post journal entries that have a significant impact on financial statement presentation after audit work has been completed. Developing a well-defined year-end closing process with defined job responsibilities and procedures in place for each Finance Department employee should be developed in order to allow for the year-end work and audit preparation to be a much less time-consuming and arduous process.

Management Response: The Finance Department has seen numerous changes during the past two years. A new Director and Controller with professional governmental accounting experience were appointed, and began prioritizing among the changes deemed necessary to improve the City's accounting and financial reporting processes. The prior audit findings were prioritized and remediated relating to investments, accounts payable, and fixed asset inventory and policy. Further restructuring, process reengineering, and employee training are currently being designed. The new Finance Department leadership is committed to improving financial reporting, implementing more efficient processes by utilizing technology, and developing a well-trained, professional staff.

City of St. Petersburg, Florida
Summary Schedule of Prior Audit Findings
Federal Awards Programs and State Financial Assistance Projects
Year Ended September 30, 2011

There were no prior year audit findings.



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

We have audited the financial statements of the City of St. Petersburg, Florida, as of and for the year ended September 30, 2011, and have issued our report thereon dated March 29, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Report on Compliance With Requirements that Could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* of the State of Florida and the related schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated March 29, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

- 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See *Appendix B – Prior Year's Observations*.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that the City was not in compliance with Section 218.415, *Florida Statutes*.
- Section 10.554(1)(i)3., *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 identify findings and recommendations; see *Appendix A - Current Year Findings and Recommendations*.

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not identify any such findings and recommendations.
- Section 10.554(1)(i)5., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we noted areas for improvement; see *Appendix A- Current Year Findings and Recommendations*.
- Section 10.554(1)(i)6., *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. This information has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)7.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity 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*.
- Section 10.554(1)(i)7.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2011, 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, 2011. We determined that the financial statements of the City for the fiscal year ended September 30, 2011 are in agreement with the financial audit report with the Florida Department of Financial Services for the fiscal year ended September 30, 2011.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), *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 the City.

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Maya Hoffman McCann P.C.

March 29, 2012
Clearwater, Florida

City of St. Petersburg, Florida

Appendix A – Current Year Findings and Recommendations

September 30, 2011

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of St. Petersburg, Florida (the “City”), as of and for the year ended September 30, 2011, which collectively comprise the City’s basic financial statements, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on internal control.

Control Deficiency

2011-02: Account Reconciliations

Observation: During our audit testing, we noted the following observations for various audit areas:

- Construction in progress (“Projects”) had significant journal entries and many reports to reconcile the adjustments to construction in progress during the year for internal service funds, enterprise funds and governmental activities.
- Budgeted revenues and expenses by fund are not in an easily readable format from the budget department to compare results with the actual financial results based on financial statement fund groupings.
- During testing of accounts payable we noted that there was no accounts payable detail by fund listing amounts due as of September 30, 2011, but rather a “spreadsheet” with journal entries that make up the balance as of the balance sheet date. We also noted additional invoices that needed to be accrued as of the balance sheet date due to the decentralization of accounts payable function.
- Interfund balances were out of balance for the fund financial statements when received from the City and many journal entries were received to reconcile these interfund balances.

Recommendation: Capital assets should be reconciled by reporting unit at least quarterly to ensure all capital asset additions and disposals are captured for year end reporting purposes.

We recommend a reconciliation process be developed between the Budget and Finance Departments in order to prepare timely and useful budget to actual reports for operational and performance analysis by the City.

We recommend the City closely review invoices received subsequent to fiscal year end to ensure proper accruals are recorded and centralize the processing of invoices through one accounts payable department. An accounts payable detail by vendor may assist the City in reviewing accounts payable each year for completeness for items they expect to be recurring each year. We recommend generation of an accounts payable detail report by vendor and invoice.

To ensure proper reconciliation of interfund balances, the Finance Department should perform a routine monthly or quarterly reconciliation of all interfund transactions.

Management Response: The Finance Department has created through planned restructuring a reconciliation division within the department with the established responsibilities to perform all accounting and banking related reconciliations. A detailed accounting policies and procedures manual for accounting personnel in the Finance Department and other responsible departments is planned for development.

Process Improvements

2011-03: Procurement Card Testing

Observation: During testing of procurement cards, it was noted that in three instances supporting documentation for expenses was not available, three instances of business purpose was not documented, sales tax was paid on three of the transactions tested totaling \$5.22, one of the transactions tested had incorrect charge allocations made to the budget account, and one department did not include documentation of the supervisor signatures for each of the three months tested.

Recommendation: We recommend additional training on procurement card procedures for the cardholders and the departmental representatives where exceptions were noted above.

Management Response: Further procurement card training is planned as well as continued monitoring through the Procurement and Supply Management department. Further, the Procurement Director will issue a memo to the department directors and purchasing card representatives. The memo will encourage operating departments to take advantage of monthly refresher training; remind them that receipts must detail the item or service purchased; receipts and reports must be reviewed by the department's purchasing card representative to ensure that sales tax is not paid; and that purchases are correctly allocated to the department's budget. The correspondence will also emphasize that purchasing card statements must be signed by the cardholder's supervisor.

2011-04: Information Technology Access Controls

Observation: During information technology (IT) access control testing, we noted that there were new hire signed grant access forms not retained by the City. In addition, current password parameters in place over information systems appeared to be inadequate for the IT environment that the City currently operates in. We noted that passwords were not meeting the password standards or password complexity (for all systems), and administrator accounts passwords were not modified quarterly.

Recommendation: We recommend new hire signed grant access forms be retained by the City in one central location, management should formally define and document password and user account standards for all systems (password standards & complexity), and administrator accounts passwords should be modified quarterly with a strong password against risk of breach. During the audit, the IT department implemented policies to retain new employee signed access documentation and are in the process of having an "IT Security Policy and IT Security Standards" approved and to be implemented to meet the other access control recommendations concerning passwords.

Management Response: The City is currently assessing its IT security through its recently hired Information Technology Security officer.

2011-05 : Electronic Permanent File

Observation: Many significant agreements and contracts are available only in manual paper form.

Recommendation: We recommend the City store all significant agreements and contracts electronically for ease of accessibility, organization and as an emergency back-up for any manual paper documents that could be lost or damaged by natural disasters.

Management Response: The City has recently upgraded its document management system and further implementation of electronic records is planned.

City of St. Petersburg, Florida
Appendix B – Prior Year's Observations
September 30, 2011

Prior year's observations that have been addressed by the City and are no longer relevant are as follows:

Segregation of Duties Over Investments – The City has implemented new segregation of duties as the aforementioned employee is no longer employed by the City.

Availability of Receivables – The City has implemented new procedures where all receivables are evaluated to ensure collectability within the 60 day availability period.

Capital Assets – The City undertook a thorough review of the fixed assets policy as it relates to physical inventory procedures. During the audit, we did not observe any improperly disposed assets.

Centralization of Purchasing – The City reviewed its procurement policies this past year and implemented a new centralized purchasing system in November 2011.



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