

# **CITY OF SEMINOLE, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

***Achieving Service through Dedication***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE  
CITY OF SEMINOLE, FLORIDA  
FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

**Prepared by the  
Department of Administration  
Division of Finance**



## *Mission Statement*

*The City of Seminole is dedicated to excellence, professionalism and integrity in the delivery of community services for an enhanced quality of life for those living, working and visiting our community.*

## *Core Values*

***Accountability:*** *Accepting responsibility for decisions and actions; assuming legal and moral obligations “to do the right thing”.*

***Professionalism:*** *Committed to high standards of education, training, and public service. Demonstrate knowledge of public service delivery with emphasis on customer service and satisfaction.*

***Ethics & Integrity:*** *Committed to the concept of public trust and use of public funds with demonstrated honesty, sincerity, and high personal values.*

***Trust & Respect:*** *Firm commitment to honesty, integrity, reliability, and justice. Hold in high regards those whom we interact with; show consideration and be courteous in our daily activities.*

***Social Responsibility:*** *Providing municipal services in a manner which recognizes individual uniqueness and addresses common welfare for all; working together to achieve long term community success.*

**CITY OF SEMINOLE, FLORIDA**

**COUNCIL – MANAGER FORM OF GOVERNMENT**

**CITY COUNCIL**

**Leslie Waters, Mayor**

**James Quinn, Vice Mayor**

**Bob Matthews, Councilor**

**Chris Burke, Councilor**

**Trish Springer, Councilor**

**Roger Edelman, Councilor**

**Thomas Barnhorn, Councilor**

**CHARTER OFFICERS**

**Ann Toney-Deal, City Manager**

**Jay Daigneault, City Attorney**

# **Introductory Section**

CITY OF SEMINOLE, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 2016

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# **Letter of Transmittal**



# CITY OF SEMINOLE

*Achieving Service Through Dedication*

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March 6, 2017

Honorable Mayor and Members of the City Council,

State law requires that all general-purpose local governments publish, within 12 months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement the comprehensive Annual Financial Report of the City of Seminole for the Fiscal Year (FY) ended September 30, 2016, is hereby published.

This report consists of management's representations concerning the finances of the City of Seminole. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Seminole 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 of Seminole's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Seminole'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. The management team asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Seminole's financial statements have been audited by Wells, Houser & Schatzel, P.A., a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Seminole for the fiscal year ended September 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Seminole's financial statements for the fiscal year ended September 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Seminole's MD&A can be found immediately following the report of the independent auditors.

### ***Profile of the Government***

The City of Seminole, incorporated in 1970, is located in the west central part of the state between the cities of Clearwater and St. Petersburg. The City of Seminole currently occupies a land area of five and three tenths (5.3) square miles and serves a population of 18,440. The City of Seminole also provides emergency fire and EMS services to the Pinellas County unincorporated fire district with an estimated population of 66,778 resulting in an estimated total fire and EMS service population of 85,218. The City of Seminole is also a member of the Pinellas County Library Cooperative and makes library services available to residents from all of Pinellas County. Police protection, including Community Policing and School Crossing Guards, is supplied through a contract with the Pinellas County Sheriff's Office. The City of Seminole offers recreation services and special community events to its citizens and surrounding county residents. All other traditional municipal services are offered consistent with those offered by cities of comparable size. The City of Seminole is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexations which occur when deemed appropriate by the governing City Council.

The annual budget serves as the foundation for the City of Seminole's financial planning and control. All departments of the City of Seminole submit appropriation requests to the City Manager on or before March 12<sup>th</sup> each year. The City Manager is required by the City Charter to submit a proposed budget to the City Council by July 1<sup>st</sup>. The Council is required to hold two public hearings on the proposed budget and adopt a final budget no later than September 30<sup>th</sup>, the close date of the City of Seminole's fiscal year. The appropriated budget is prepared by fund, department, division and section. A transfer of appropriations from one department to another requires a budget amendment ordinance approved by the City Council. Budget estimates to actual cost comparisons are provided in this report for the general fund for which an appropriated annual budget has been adopted. The general fund comparison is presented on page 51 as part of required supplementary information.

### ***Factors Affecting Financial Condition***

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

## **Local Economy**

After a four year period of dramatic reduction in property values, the commercial and secondary home market that had been hard hit by the real estate downturn continues its rebound with new projects being started and completed in multiple locations throughout the City. Home sales and new construction have started to show activity and the financial benefit to the City was felt in FY16 and is expected to further improve in FY17. The end of the downturn has resulted in a positive impact on the tax revenues for FY16. Tourism has improved and has had a positive impact on Seminole and Pinellas County Government. State lawmakers established property tax reduction as a major goal in 2007, 2008 and 2009. State lawmakers passed legislation that required cities and counties to lower the property tax rate to less than the prior year unless approved by a super majority vote of the City Council. The impact on Seminole, at that time, was a 5% reduction from the prior year's revenue and continues to have a negative impact on each subsequent budget. This legislation also restricted the growth of the property tax revenue in the future. The legislature also initiated a constitutional amendment that was approved in January 2008, that further limited tax revenue. Florida is dependent on sales tax dollars, and revenue projections for 2017 are continuing to show an increase. Cities across Florida continue to evaluate the need for new user fees and higher impact fees in order to avoid tax increases but there has been a movement by the State Legislature to reduce or eliminate the ability of a city to increase other fees or taxes to compensate for the loss of property tax revenue. The City of Seminole has utilized a broad based approach to revenue generation, did not over-build during the boom years and is not as severely impacted as many other cities. In Seminole, we are always looking for ways to get the most for each dollar spent. We are also looking at our user fees to ensure that unincorporated residents pay, to the extent possible, their fair share when they avail themselves of City services.

## **Long-term Financial Planning**

Twenty years ago the City initiated a very detailed capital improvement program that incrementally allocates funds over a period of time to fund major infrastructure and equipment needs. All of the currently owned and proposed vehicles, facilities and infrastructure are identified during the annual budget process. The date the item is needed and the projected costs for each item is identified and an annual funding is established. Funds are put into the Capital Improvement Program Fund each year to ensure the equipment or project can be funded at the appropriate time with existing funds. This process has enabled the City to purchase needed large expense items without affecting the operating budget or requiring an increase in the Ad Valorem tax rate. During the past twenty years, Seminole has constructed an Emergency Operations Center, a new Public Works facility, is in the final stages of constructing a new fire station, hardened/renovated three fire stations, developed three community parks, replaced all of the Fire/Rescue emergency vehicles, completed a traffic island beautification program, renovated/constructed a new recreation center, added restroom facilities in three parks, built a pool complex, constructed roadway improvements, initiated a city-wide drainage improvement program and completed a major renovation of the former library building into a "new" City Hall. In FY12 the City

purchased a little over eight acres with access to the inter-coastal waterway to use as a waterfront park. The City has started planning for the development of the waterfront park with construction scheduled to start in FY17. All these projects were or will be completed utilizing the funds available in the Capital Improvement Program Fund along with the Penny for Pinellas and grants.

### **Cash Management Policies and Practices**

The City's cash and investment management program involves a theory of keeping principal and interest earnings free from risk and maintaining reasonable liquidity to meet obligations. The investment cash is held at Wells Fargo Bank, SunTrust Bank, Florida Municipal Investment Trust, State Board of Administration, Florida Prime and BB&T in collateralized accounts regulated by the State.

The City's investment balance on September 30, 2016, totaled \$13,561,593.

### **Risk Management**

During 2002, the City of Seminole initiated a limited risk management program for workers' compensation. Various control techniques, including employee accident prevention training, have been implemented during 2016 to minimize accident-related losses. The City's Human Resource Section has also instituted a program to actively review the quarterly claim reports to ensure that the loss data is up to date and not overstated.

### **Pension Benefits**

The City maintains a single employer, defined benefit pension plan (Firefighters' Pension Chapter 175 Plan) which covers all of its firefighters. The City rejoined the Florida Retirement System (FRS) on March 28, 2006. All future general employees will be in the FRS and current employees were given the option to re-enter the FRS retroactive to their starting date or to remain in the 401(a) plan. The plans also provide disability and survivor benefits. Benefits are determined by category and length of service as follows:

Firefighters' Chapter 175  
Retirement Plan:

Normal retirement is at age 55 and the completion of 10 year of service or 25 years of service; 3 times number of years of service times the average of highest five years average earnings.

General Employees'  
Florida Retirement  
System:

Normal retirement at the earlier of age 62 and eight years of service, or 30 years of service regardless of

age, whichever comes first; 1.6 times year of service times average of highest eight years annual earnings.

General Employees'  
401(a) Plan:

The City contributes 10% of salary to a self-directed 401(a) Plan. The employee is 25% vested after 2 years, 50% vested after 3 years. 75% vested after 4 years and 100% vested after the fifth year.

The pension benefit obligations for the firefighters' pension plan is determined as part of an actuarial valuation of the plan for all eligible employees. The City's funding policy is to provide for periodic employer contributions at actuarially determined rates. These rates are expressed as percentages of annual covered payroll which, when combined with employee and state contributions, are designed to accumulate sufficient assets to pay benefits when due.

**Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Seminole for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. This was the 18th consecutive year that the City of Seminole has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 for Fiscal Year 2016.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance division and the administration department. We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Members of the City Council for their unfailing dedication in maintaining the highest standards of professionalism in the policy development for the City of Seminole's finances.

Respectfully submitted,



Ann Toney-Deal, ICMA-CM  
City Manager

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# **Certificate of Achievement**



Government Finance Officers Association

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

Presented to

**City of Seminole  
Florida**

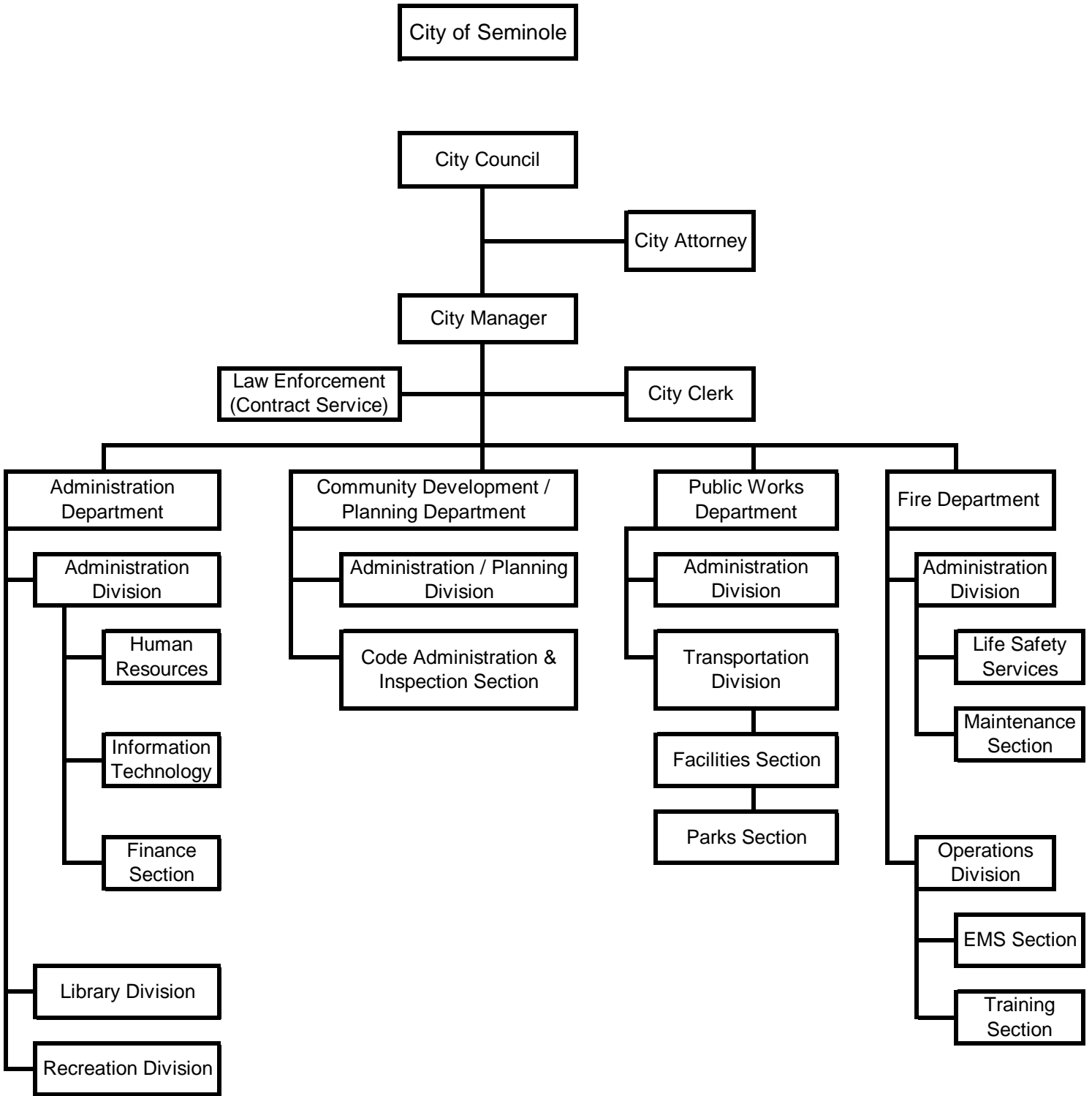
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO

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# **Organization Chart**



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# Financial Section

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining Financial Statements

Other Supplementary Schedules

# **Independent Auditor's Report**



**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor, City Council,  
and City Manager  
City of Seminole, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Seminole, Florida, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Seminole, Florida, as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (pages 3-13) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Seminole, Florida's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required budgetary comparison schedule (pages 57-61) is not a required part of the basic financial statements but is required by accounting principles generally accepted in the United States of America.

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

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

#### *Prior Year Comparative Information*

The prior year summarized comparative information has been derived from the City's September 30, 2015 financial statements and, in our report dated April 29, 2016, we expressed an unmodified opinion on the basic financial statements.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2017, on our consideration of the City of Seminole, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Seminole, Florida's internal control over financial reporting and compliance.

*Wells, Houser & Schatzel, P.A.*

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

March 6, 2017

## **Management's Discussion and Analysis**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

### HIGHLIGHTS

#### Financial Highlights

- The City's net position increased \$1,586,323 (or 3.8%). On a government-wide basis, net position is the difference between total assets and deferred outflows of resources compared to total liabilities and total deferred inflows of resources.
- The City was required to implement Governmental Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions*, during the prior fiscal year of 2015. This resulted in the City having to record a net pension liability for the Firefighters' Pension Trust Fund in the government-wide financial statements in the amount of \$3,626,921 as of September 30, 2015. Additionally, the City had to record a net pension liability for its proportionate share of the Florida Retirement System (FRS) in the amount of \$1,983,785 as of September 30, 2015.
- The net pension liability for the Firefighters' Pension Trust Fund as of September 30, 2016 is now \$5,020,840. The Firefighters' Pension Trust Fund *total* pension liability is 88% funded as of September 30, 2016. The net pension liability for the City's proportionate share of the Florida Retirement System is now \$3,504,962. The *total* pension liability for the Florida Retirement System, excluding the pay-as-you-go Retiree Health Insurance Subsidy portion, is 85% funded. The overall net pension liability for the City for both retirement plans as of September 30, 2016 is \$8,525,802. This amount represents the cumulative net reduction of the City's net position as a result of recording the net pension liabilities.
- General Fund revenues increased by \$1,487,147 (or 9.47%). General Fund expenditures and transfers to other funds increased by \$601,120 (or 3.79%). The Excess of Revenues Over (Under) Expenditures in the General Fund showed an excess of \$739,936 compared to last year's deficiency of \$146,091 or a net change of \$886,027. It should be noted that a deficiency of \$1,207,053 was budgeted in the General Fund for 2016. The amount transferred out of the General Fund to the Capital Improvement Fund in 2016 was \$1,267,321 and represents a \$12,679 increase over 2015.

- The increase in Revenues was generated in several areas. Total tax revenues increased \$175,491; licenses and permits increased \$276,046; Pinellas County's share of the new fire station construction accounted for \$410,474 of the increase; fire protection fees increased \$303,267 and emergency medical services fees increased \$153,039.
- The City's net capital asset additions (buildings and improvements, equipment and infrastructure) were \$1,614,034, including a transfer from construction in progress of \$104,409, while current year depreciation of the capital assets totaled \$1,278,136.
- The City's total long-term bonded debt decreased by \$915,211. The cumulative amount of compensated absences increased \$32,621.

### **City Highlights**

The City completed three road resurfacing and lining projects at a cost of \$127,000 in fiscal year 2016.

Drainage has continued to be a goal and priority of the City Council. The City has completed a large project listed on our drainage master plan at a cost of \$180,000 in fiscal year 2016.

The City has continued with the sixth year of a multi-year plan to repair old sidewalks throughout the City. A total of 195 linear feet of new sidewalks was installed at various locations throughout the City during fiscal year 2016. This is an ongoing project with repairs being identified and acted upon during the next fiscal year.

The City started construction of a replacement fire station in fiscal year 2016. The new station includes the installation of an energy efficient heating and air conditioning system as well as the implementation of an energy efficiency program that includes system controls and more efficient light fixtures in the building. The station has been constructed to withstand a Category 5 hurricane which could have sustained winds of over 155 miles an hour.

The City has completed the plans for the development of the 8 acre waterfront land parcel that was purchased in August 2012. The plan has been modified to include a visitor's center and Chamber of Commerce office space. The City has received a \$100,000 grant from the State of Florida to offset the development phase that will start in fiscal year 2017.

The City has continued its interest in annexation. There were a variety of voluntary annexations in 2016 that added 7 parcels to the City that increased the taxable value by \$1,632,887 and added 3.89 acres.

Although it is not a City owned project, the redevelopment of the Seminole City Center mall is a major project in the City that will have a positive impact for the residents and the City. The forty acre parcel will have 51 stores and restaurants when it is completed next year. The preconstruction value was \$5 million and the value when it is completed will be in excess of \$100 million. We are also seeing new businesses opening in the vicinity of the mall in anticipation of the revitalization of the area.

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

The government-wide statements (see pages 16 to 19) are designed to be corporate-like in that all governmental activities are consolidated into a column that adds up to a total for the primary

government. The focus of the Statement of Net Position (the “Unrestricted Net position”) is designed to be similar to bottom line results for the City and its governmental activities. This statement combines and consolidates governmental funds’ current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities (see pages 18 and 19) is focused on both the gross and net cost of various activities that are supported by the government’s general tax and other revenues. This is intended to summarize and simplify the user’s analysis of the cost of various governmental services.

The governmental activities in the Statement of Activities reflect the City’s basic services, including general government, law enforcement, fire, code enforcement, physical environment, public works, library and recreation. Property taxes, utility service taxes, gas taxes, sales tax and charges for services finance the majority of these services.

### **Fund Financial Statements**

Traditional users of governmental financial statements will find the Fund Financial Statement presentation more familiar. The focus is now on Major Funds, rather than (the previous model’s) fund types.

The Governmental Major Fund presentation (see pages 20 to 26) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Fund (see pages 27 and 28) by type (employee retirement fund). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

### **Infrastructure Assets**

The City implemented GASB Statement #34 in fiscal year 2002. Prior to the implementation of this accounting pronouncement, a government’s largest group of assets (infrastructure – roads, bridges, traffic signals, and underground pipes) had not been reported or depreciated in governmental financial statements. GASB Statement #34 required that these assets be valued and recorded within the governmental activities column of the government-wide financial statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City of Seminole has elected to depreciate their assets over their estimated useful life.

## GOVERNMENT-WIDE STATEMENT

### Statement of Net Position

The following table reflects a condensed comparative Statement of Net Position as of September 30, 2016.

**Table 1**  
**Statement of Net Position**  
**As of September 30**

	2016	2015
Current assets	\$ 15,813,115	\$ 13,753,546
Capital assets	37,144,692	36,939,758
Total assets	<u>52,957,807</u>	<u>50,693,304</u>
Deferred outflows of resources	<u>4,551,534</u>	<u>2,743,578</u>
Total assets and deferred outflows of resources	<u>\$ 57,509,341</u>	<u>\$ 53,436,882</u>
Current liabilities	\$ 2,772,645	\$ 2,185,950
Non-current liabilities	<u>10,698,045</u>	<u>8,708,589</u>
Total liabilities	<u>13,470,690</u>	<u>10,894,539</u>
Deferred inflows of resources	<u>678,521</u>	<u>768,536</u>
Net position:		
Net investment in capital assets	34,346,639	33,226,494
Restricted	5,669,123	4,763,310
Unrestricted	<u>3,344,368</u>	<u>3,784,003</u>
Total net position	<u>\$ 43,360,130</u>	<u>\$ 41,773,807</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 57,509,341</u>	<u>\$ 53,436,882</u>

For more detailed information see the Statement of Net Position (pages 16 - 17).

### Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets.

**Current Year Impacts**

The second and third transactions above will not directly or indirectly affect the unrestricted net position balance. The remaining basic transactions above directly/indirectly affect the unrestricted net position as indicated in the following schedule. The adjusted results of operation, current assets used for capital, and bond principal payments clearly demonstrate the change in unrestricted net position.

**Table 2  
Change in Unrestricted Net Position**

	2016
Unrestricted Net Position 9/30/15	\$ 3,784,003
Results of Operations	1,586,323
Adjustments:	
Restricted - Infrastructure <sup>1</sup>	(685,362)
Restricted - Impact fees <sup>1</sup>	(10,424)
Restricted - Fire equipment <sup>1</sup>	(188,657)
Restricted - Library <sup>1</sup>	(12,270)
Restricted – Tree and landscape mitigation <sup>1</sup>	(9,100)
Depreciation <sup>2</sup>	1,278,136
Un-depreciated cost of assets sold or disposed <sup>2</sup>	26,555
Adjusted Results of Operations	1,985,201
Capital Expenditures	(1,509,625)
Principal Payments including refunding	(915,211)
Unrestricted Net Position 09/30/16	\$ 3,344,368

<sup>1</sup>These adjustments reflect an (increase) decrease in restricted net position and (decrease) increase in unrestricted results of operations.

<sup>2</sup> These adjustments are an expense that reduces the results of operations but does not have an impact on unrestricted net position.

**Commitments Against Unrestricted Net Position**

The Unrestricted Net Position balance is intended to be a corporate-style measure of well being (or a bottom line) for the City and its related governmental activities. While the City Council and



the administration (City Manager, Administrative Services Director, Department Heads, etc.) may have made varying commitments against these balances, these choices are subject (and within local discretion) to be revisited and changed. A normal type of commitment is for future capital projects.

It should also be understood that having reasonable levels of reserves is essential to the bond markets' perceptions of local government strength and related ability to utilize private sector styled business practices, and provides for the availability to anticipate interest as a significant annual (recurring) revenue source.

### Statement of Activities

The following schedule reflects a condensed comparative Statement of Changes in Net Position as of September 30, 2016.

**TABLE 3**  
**Change in Net Position**

	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 8,719,462	\$ 7,939,603
Operating grants and contributions	268,375	312,885
Capital grants and contributions	435,694	37,230
General revenues		
Taxes	9,004,812	8,652,891
State revenue sharing	520,348	493,491
Investment income	31,382	19,755
Miscellaneous	98,610	133,449
Total revenues	19,078,683	17,589,304
Expenses:		
General government	1,542,080	1,461,642
Law enforcement	1,632,374	1,599,188
Fire	9,050,743	8,441,264
Code enforcement	515,657	458,128
Physical environment	893,272	905,616
Public works	1,073,199	1,029,756
Library	1,107,542	1,031,000
Recreation	1,633,090	1,450,978
Interest on long-term debt	44,403	55,443
Total expenses	17,492,360	16,433,015
Increase in Net Position	1,586,323	1,156,289
Net position – beginning of year	41,773,807	42,358,789
Prior period adjustment	-	(1,741,271)
Net position – beginning of year as restated	41,773,807	40,617,518
Net position – end of year	\$ 43,360,130	\$ 41,773,807

For more detailed information see the Statement of Activities (pages 18 - 19).

### **Normal Impacts**

There are eight basic impacts on revenues and expenses as reflected below.

#### **Revenues:**

*Economic Condition* – which can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, gas or other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

*Increase/Decrease in Council approved rates* – while certain tax rates are set by statute, the City Council has a significant authority to impose and periodically increase/decrease rates (permitting, impact fee, recreation user fees, etc.)

*Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)* – certain recurring revenues (state revenue sharing, block grant, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

*Market Impacts on Investment Income* – due to varying maturities on the City's investments and the varying nature of the market in general, City investment income may fluctuate from year to year.

#### **Expenses:**

*Introduction to New Programs* –within the functional expense categories (General Government, Law Enforcement, Fire, Code Enforcement, Physical Environment, Public Works, Library, and Recreation) individual programs may be added or deleted to meet changing community needs.

*Increase/Decrease in Authorized Personnel* – changes in service demand may cause the Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 58% of the City's General Fund budget.

*Salary Increases (cost of living, merit and market adjustment)* – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

*Inflation* – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals, supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

### **Current Year Impacts:**

#### **Revenues**

There was continued pressure on local government revenues in fiscal year 2016 caused by a combination of State Legislative action offset by an increase in real estate value. The State Legislature passed unfunded mandates to the cities in order to help balance the State budget. The value of real estate has started to rise, however, there was a decrease in franchise fees revenues.

The Intergovernmental revenue increased due to an increase in funding by Pinellas County for EMS and Fire service. The City did not utilize the roll back rate which helped increase the real estate taxes. The City's overall revenues increased 8.47% in fiscal year 2016.

The Ad valorem actual revenue was \$13,786 in excess of the amount budgeted in fiscal year 2016 due to the impact of late annexations and delinquent payments collected. Ad valorem tax revenues increased \$241,174 compared to 2015.

Franchise fee and utility tax actual revenues were \$47,743 less than the amount budgeted for 2016. The combined actual revenues were \$49,719 less than 2015 levels due to a warmer winter and the demolition of a mall in preparation for redevelopment.

The redevelopment in the City in fiscal year 2016 resulted in building permits and plan reviews being \$524,905 over budget. Building Permit Revenue increased \$264,860 compared to fiscal year 2015.

Intergovernmental revenues were \$857,581 over budget in 2016 and were \$536,127 over 2015 revenues. As previously noted on page 4, the receipt of \$410,474 for Pinellas County's share of the new fire station construction accounted for a portion of both the excess of actual revenues over budget and the increase in revenues over 2015 amounts. Additionally, State revenue sharing funds were \$145,348 over budget and Half-cent sales tax revenues were \$193,003 over budget.

The City supplies Fire/EMS protection to a large unincorporated area surrounding the City. Pinellas County pays 71.17% towards the Fire Department budget for the City providing these services to the unincorporated area.

### Expenses

City-wide expenses were under budget by \$420,116 or 2.5%.

The Law enforcement category had a decrease of \$1,008 due to savings from a change from eight hour shifts to twelve hour shifts part way through the year.

The City continued to realize the benefit of energy efficiency investments over the last few years. The Recreation department alone realized a savings of \$15,242 on electric costs compared to 2013.

## **THE CITY FUNDS**

### **Governmental Funds**

As of year-end, the governmental funds (as presented on the balance sheet on pages 20-21) reported a combined fund balance of \$14.55 million, which is an 11.7% increase from the beginning of the year (\$13.02 million). The overall increase in fund balances of \$1,525,733 stems primarily from the General Fund increase of \$739,936 and the Infrastructure Sales Surtax Fund increase of \$685,362. It should be noted that the Infrastructure Sales Surtax Fund increase of \$685,362 serves to increase the amount restricted for infrastructure capital improvements.

The General Fund had a \$2,002,003 excess of revenues over expenditures before considering inter-fund transfers-out of \$1,267,321 and net proceeds from the sale of surplus capital assets of \$5,254.

## Budgetary Highlights

The following is a brief review of the variances from the final budget to the actual expenditures for the General Fund.

- (a) Executive Division had a positive variance of \$50,537 primarily as a result of expending a very small portion of the contingency account.
- (b) The Legal Section had a positive variance of \$3,884 primarily as a result of a reduction in the use of special councils.
- (c) The Public Works Division positive variance of \$139,739 occurred primarily as a result of budgeted professional services and contract services not being incurred.
- (d) The Administration Division positive variance was \$10,249 and resulted from lower than expected health insurance premiums and contract services.
- (e) The Fire Control Division had a negative variance of \$23,349 as a result of fire operations personal service costs exceeding budget in the areas of premium overtime and pension costs. This budget deficit was largely offset by positive budget variances within fire operations pertaining to operating expenses and capital outlay.
- (f) Culture and recreation had a positive variance in operating expenses of \$73,452 as a result of personal service cost decreases resulting from employee turnover and lower than expected health insurance premiums.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of year-end, the City had \$37,144,692 invested in a variety of capital assets, as reflected in the following schedule, which represents a net increase (additions less net retirements and depreciation) of \$204,934 or 0.6% from the end of last year.

Table 4  
**Capital Assets at Year-End  
(Net of Depreciation)**

	Governmental Activities	
	2016	2015
Non-Depreciable assets		
Land and improvements	\$ 5,677,793	\$ 5,702,473
Land improvements - roadway base	4,971,447	4,971,447
Construction in progress	1,160,701	448,682
Depreciable assets		
Buildings	23,613,640	23,613,640
Improvements other than buildings	3,485,243	3,340,847
Equipment	8,005,575	7,905,426
Infrastructure	7,511,228	7,187,321
Total at historical cost	54,425,627	53,169,836

**Table 4 (continued)**  
**Capital Assets at Year-End**  
**(Net of Depreciation)**

	Governmental Activities	
	2016	2015
Less accumulated depreciation for:		
Buildings	5,788,351	5,214,112
Improvements other than buildings	1,987,196	1,833,297
Equipment	5,525,248	5,392,361
Infrastructure	3,980,140	3,790,308
Total accumulated depreciation	<u>17,280,935</u>	<u>16,230,078</u>
Capital assets, net	<u>\$ 37,144,692</u>	<u>\$ 36,939,758</u>

The following reconciliation summarizes the Change in Capital Assets, which is presented in more detail on page 40 of the notes.

**Table 5**  
**Change in Capital Assets**

	Governmental Activities
Capital Assets, Beginning Balance	\$36,939,758
Additions/Transfers In - net	335,898
Deletions - net	(26,555)
Transfer of completed Construction in Progress	(104,409)
Capital Assets, Ending Balance	<u>\$37,144,692</u>

**Debt Outstanding**

As of year-end, the City had \$2,798,053 in bonded debt, which represents a net decrease of \$915,211 or 25% from the end of last year.

**Table 6**  
**Outstanding Debt, at year-end**  
**(excluding compensated absences)**

	Governmental Activities	
	2016	2015
Revenue Bonds 2014 payable	<u>\$ 2,798,053</u>	<u>\$ 3,713,264</u>

The City has no outstanding general obligation (G.O.) debt.

On September 2, 2014, the City issued the Series 2014 Revenue bonds at a lower interest rate than the outstanding Series 2009 bonds and through a current refunding retired the 2009 Revenue Bonds resulting in a savings of \$324,648. The Series 2014 Revenue Bonds were also used to help finance the construction of a Community building.

More detail on the City's total debt outstanding as of September 30, 2016 is provided in the notes to the financial statements on pages 41 to 42.

### **ECONOMIC FACTORS**

The State of Florida, by constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, local business tax, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For certain governmental activities (permitting, recreational programs, etc.) the user pays a related fee (or charge) associated with the service.

The level of taxes, fees and charges for services (including development related impact fees) will have a bearing on the City's specific competitive ability to (a) annex additional land into its corporate limits and (b) encourage development (office, retail, residential and industrial) to choose to be located in the jurisdiction. The City places significant emphasis on encouraging both annexation and economic development.

The Pinellas County unemployment rate (in which the City is located) has improved to 5.7% from last year's level of 4.3%. Property values began increasing during 2013 and this favorable trend has continued to favorably impact Ad Valorem tax revenues in 2016. It is hoped that as the City continues to place more emphasis on neighborhood improvements in the residential areas (by providing improvements to the streets, sidewalks, drainage and infrastructure) and redevelopment, that property values within the City will respond and show a continued increase.

### **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, rating agencies, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional information contact the City's Director of Administration or Senior Accountant, City of Seminole, 9199 113<sup>th</sup> Street North, Seminole, FL 33772 – telephone (727) 391-0204.

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## **Basic Financial Statements**

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



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CITY OF SEMINOLE, FLORIDA

STATEMENT OF NET POSITION

September 30, 2016  
 With Comparative Amounts for September 30, 2015

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash, pooled cash, and cash equivalents	\$ 13,561,593	\$ 12,149,128
Receivables		
Accounts	5,173	2,843
Taxes	249,626	252,304
Due from other governments	1,795,768	1,179,064
Inventories - at cost	65,590	57,130
Prepaid items	135,365	113,077
Total current assets	<u>15,813,115</u>	<u>13,753,546</u>
<b>NON-CURRENT ASSETS</b>		
Land, improvements and land rights	10,649,240	10,673,920
Buildings	23,613,640	23,613,640
Improvements other than buildings	3,485,243	3,340,847
Equipment	8,005,575	7,905,426
Infrastructure	7,511,228	7,187,321
Construction in progress	1,160,701	448,682
Accumulated depreciation	(17,280,935)	(16,230,078)
Total non-current assets	<u>37,144,692</u>	<u>36,939,758</u>
<b>TOTAL ASSETS</b>	<u>52,957,807</u>	<u>50,693,304</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Defined benefit pension plans	<u>4,551,534</u>	<u>2,743,578</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 57,509,341</u>	<u>\$ 53,436,882</u>

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

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 487,720	\$ 314,449
Accrued liabilities	670,238	309,731
Current portion of		
Compensated absences	688,311	646,559
Revenue bonds payable	926,376	915,211
Total current liabilities	<u>2,772,645</u>	<u>2,185,950</u>
<b>NON-CURRENT LIABILITIES</b>		
Net Other Post Employment Benefit liability	127,334	117,467
Compensated absences	173,232	182,363
Net Pension Liability	8,525,802	5,610,706
Revenue bonds payable	1,871,677	2,798,053
Total non-current liabilities	<u>10,698,045</u>	<u>8,708,589</u>
<b>TOTAL LIABILITIES</b>	<u>13,470,690</u>	<u>10,894,539</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenue	107,901	108,742
Defined benefit pension plans	570,620	659,794
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>678,521</u>	<u>768,536</u>
<b>NET POSITION</b>		
Net investment in capital assets	34,346,639	33,226,494
Restricted:		
Infrastructure	3,982,253	3,296,891
Impact fees	427,716	417,292
Fire equipment	1,055,340	866,683
Library	109,571	97,301
Tree and landscape mitigation	94,243	85,143
Unrestricted	<u>3,344,368</u>	<u>3,784,003</u>
<b>TOTAL NET POSITION</b>	<u>43,360,130</u>	<u>41,773,807</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 57,509,341</u>	<u>\$ 53,436,882</u>

CITY OF SEMINOLE, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2016

With Comparative Amounts for the Year Ended September 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,542,080	\$ 563,283	\$ -	\$ -
Law enforcement	1,632,374	26,492	-	-
Fire	9,050,743	6,659,370	19,313	422,328
Code enforcement	515,657	735,072	-	-
Physical environment	893,272	19,438	13,431	-
Public works	1,073,199	-	23,530	5,866
Library	1,107,542	84,306	212,101	7,500
Recreation	1,633,090	631,501	-	-
Interest on long-term debt	44,403	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>17,492,360</b>	<b>8,719,462</b>	<b>268,375</b>	<b>435,694</b>

General Revenues

Taxes:

- Ad valorem
- Franchise fees
- Utility taxes
- Communication services tax
- Half-cent sales tax
- Infrastructure tax
- Local option gas tax
- Other taxes

State revenue sharing

Investment income

Miscellaneous

Total general revenues

Change in net position

Net position - beginning of year

Prior period adjustment

Net position - beginning of year as restated

Net position - end of year

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

Net (Expense) Revenue and  
Changes in Net Position -  
Governmental Activities

2016	2015
\$ (978,797)	\$ (884,455)
(1,605,882)	(1,564,556)
(1,949,732)	(2,199,699)
219,415	10,304
(860,403)	(821,959)
(1,043,803)	(991,526)
(803,635)	(769,507)
(1,001,589)	(866,456)
(44,403)	(55,443)
<u>(8,068,829)</u>	<u>(8,143,297)</u>

2,703,650	2,462,476
1,330,080	1,411,294
1,155,885	1,124,390
695,750	711,714
1,118,003	1,049,621
1,724,478	1,632,208
247,261	240,313
29,705	20,875
520,348	493,491
31,382	19,755
98,610	133,449
<u>9,655,152</u>	<u>9,299,586</u>
<u>1,586,323</u>	<u>1,156,289</u>
41,773,807	42,358,789
-	(1,741,271)
<u>41,773,807</u>	<u>40,617,518</u>
<u>\$ 43,360,130</u>	<u>\$ 41,773,807</u>

CITY OF SEMINOLE, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS

September 30, 2016  
With Comparative Amounts for September 30, 2015

	2016			
	General	Transportation Impact Fee	Grants	Infrastructure Sales Surtax
<b>ASSETS</b>				
Cash, pooled cash, and cash equivalents	\$ 5,884,407	\$ 437,790	\$ 240,330	\$ 3,869,254
Receivables:				
Accounts	5,173	-	-	-
Taxes	249,626	-	-	-
Due from other governments	1,675,216	-	7,553	112,999
Inventories - at cost	65,590	-	-	-
Prepaid items	135,365	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,015,377</b>	<b>\$ 437,790</b>	<b>\$ 247,883</b>	<b>\$ 3,982,253</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 119,822	\$ 10,074	\$ 297	\$ -
Accrued liabilities	610,644	-	-	-
<b>TOTAL LIABILITIES</b>	<b>730,466</b>	<b>10,074</b>	<b>297</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	107,901	-	-	-
<b>FUND BALANCES</b>				
Fund balances				
Nonspendable:				
Inventories	65,590	-	-	-
Prepaid items	135,365	-	-	-
Restricted for:				
Infrastructure	-	-	-	3,982,253
Impact fees	-	427,716	-	-
Fire equipment - County	-	-	-	-
Library	-	-	-	-
Tree and landscape mitigation	-	-	-	-
Committed for:				
Subsequent year contractual obligation	19,050	-	-	-
Grants fund	-	-	247,586	-
Special events fund	-	-	-	-
Assigned to:				
Capital projects	1,897,191	-	-	-
Unassigned:				
General fund	5,059,814	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>7,177,010</b>	<b>427,716</b>	<b>247,586</b>	<b>3,982,253</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,015,377</b>	<b>\$ 437,790</b>	<b>\$ 247,883</b>	<b>\$ 3,982,253</b>

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

				2015
Capital Improvement	Other Governmental Funds	Total Governmental Funds	Total	
\$ 2,842,896	\$ 286,916	\$ 13,561,593	\$	12,149,128
-	-	5,173		2,843
-	-	249,626		252,304
-	-	1,795,768		1,179,064
-	-	65,590		57,130
-	-	135,365		113,077
<u>\$ 2,842,896</u>	<u>\$ 286,916</u>	<u>\$ 15,813,115</u>	<u>\$</u>	<u>13,753,546</u>
\$ 354,615	\$ 2,912	\$ 487,720	\$	314,449
56,844	-	667,488		306,082
<u>411,459</u>	<u>2,912</u>	<u>1,155,208</u>		<u>620,531</u>
-	-	107,901		108,742
-	-	65,590		57,130
-	-	135,365		113,077
-	-	3,982,253		3,296,891
-	-	427,716		417,292
1,055,340	-	1,055,340		866,683
-	109,571	109,571		97,301
-	94,243	94,243		85,143
-	-	19,050		57,059
-	-	247,586		261,048
-	80,190	80,190		60,904
1,376,097	-	3,273,288		2,651,931
<u>-</u>	<u>-</u>	<u>5,059,814</u>		<u>5,059,814</u>
<u>2,431,437</u>	<u>284,004</u>	<u>14,550,006</u>		<u>13,024,273</u>
<u>\$ 2,842,896</u>	<u>\$ 286,916</u>	<u>\$ 15,813,115</u>	<u>\$</u>	<u>13,753,546</u>

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CITY OF SEMINOLE, FLORIDA

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

September 30, 2016

Fund Balances - total governmental funds \$ 14,550,006

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

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

Governmental capital assets	\$ 54,425,627	
Less accumulated depreciation	<u>(17,280,935)</u>	37,144,692

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable	(2,750)	
Net Other Post Employment Benefit liability	(127,334)	
Compensated absences	(861,543)	
Net Pension Liability	(8,525,802)	
Revenue bonds payable	<u>(2,798,053)</u>	<u>(12,315,482)</u>

Deferred inflows and outflows of resources related to pensions are not reported in the governmental funds but will be recognized in pension expense on a long-term basis and are therefore reported in the statement of net position.

Deferred inflows of resources related to pensions	(570,620)	
Deferred outflows of resources related to pensions	<u>4,551,534</u>	<u>3,980,914</u>

Net position of governmental activities. \$ 43,360,130

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

CITY OF SEMINOLE, FLORIDA

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

For the Year Ended September 30, 2016  
With Comparative Amounts for the Year Ended September 30, 2015

	2016			
	General	Transportation Impact Fee	Grants	Infrastructure Sales Surtax
<b>REVENUES</b>				
Taxes	\$ 5,885,365	\$ -	\$ -	\$ 1,724,478
Licenses and permits	845,312	-	-	-
Intergovernmental revenue	2,645,718	-	19,354	-
Charges for services	7,617,744	-	-	-
Fines and forfeitures	62,102	-	-	-
Miscellaneous revenue	128,868	10,424	5,866	1,640
<b>TOTAL REVENUES</b>	<b>17,185,109</b>	<b>10,424</b>	<b>25,220</b>	<b>1,726,118</b>
<b>EXPENDITURES</b>				
Current				
General government	1,317,694	-	-	441
Public safety	9,971,560	-	10,041	-
Physical environment	644,566	-	5,865	-
Public works	864,539	-	-	-
Culture and recreation	2,138,035	-	22,776	-
Capital Outlay	246,712	-	-	79,802
Debt service				
Principal retirement	-	-	-	915,211
Interest and fiscal charges	-	-	-	45,302
<b>TOTAL EXPENDITURES</b>	<b>15,183,106</b>	<b>-</b>	<b>38,682</b>	<b>1,040,756</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,002,003</b>	<b>10,424</b>	<b>(13,462)</b>	<b>685,362</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	5,254	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,267,321)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,262,067)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>739,936</b>	<b>10,424</b>	<b>(13,462)</b>	<b>685,362</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>6,437,074</b>	<b>417,292</b>	<b>261,048</b>	<b>3,296,891</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 7,177,010</b>	<b>\$ 427,716</b>	<b>\$ 247,586</b>	<b>\$ 3,982,253</b>

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

			2015
Capital Improvement	Other Governmental Funds	Total Governmental Funds	Total
\$ -	\$ -	\$ 7,609,843	\$ 7,342,082
-	-	845,312	569,266
-	-	2,665,072	2,166,168
-	-	7,617,744	7,087,101
-	-	62,102	76,125
-	131,812	278,610	348,562
-	131,812	19,078,683	17,589,304
7,491	-	1,325,626	1,385,947
-	-	9,981,601	9,226,960
-	-	650,431	741,708
-	-	864,539	865,374
13,902	91,156	2,265,869	2,139,779
1,183,111	-	1,509,625	2,973,807
-	-	915,211	903,909
-	-	45,302	56,173
1,204,504	91,156	17,558,204	18,293,657
(1,204,504)	40,656	1,520,479	(704,353)
1,267,321	-	5,254	-
-	-	1,267,321	1,254,642
-	-	(1,267,321)	(1,254,642)
1,267,321	-	5,254	-
62,817	40,656	1,525,733	(704,353)
2,368,620	243,348	13,024,273	13,728,626
<u>\$ 2,431,437</u>	<u>\$ 284,004</u>	<u>\$ 14,550,006</u>	<u>\$ 13,024,273</u>

CITY OF SEMINOLE, FLORIDA

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

For the Year Ended September 30, 2016

Net change in fund balances - total governmental funds \$ 1,525,733

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

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

Expenditures for capital assets	\$ 1,509,625	
Less current year depreciation	<u>(1,278,136)</u>	231,489

In the statement of activities, a gain or loss is reported on the disposal of capital assets based on the sale price less the remaining un-depreciated cost, whereas in the governmental funds the proceeds from the sale of capital assets increase financial resources. The remaining un-depreciated cost of assets disposed of results in a decrease in net position.

Un-depreciated cost of capital assets sold as surplus or disposed of (26,555)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 915,211

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest	899	
Current year cost - Other Post Employment Benefits	(9,867)	
Change in compensated absences	(32,621)	
Pension expense	<u>(1,017,966)</u>	<u>(1,059,555)</u>

Change in net position of governmental activities. \$ 1,586,323

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

CITY OF SEMINOLE, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND

September 30, 2016

With Comparative Amounts for September 30, 2015

	Firefighters' Pension Trust Fund	
	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Investments		
U.S. government securities	\$ 2,482,057	\$ 3,949,868
Equity investments	22,124,403	21,005,234
Asset backed securities	5,101,378	5,274,139
Real estate investment trusts	106,880	99,223
Limited partnership interest - real estate investment fund	4,488,631	4,173,244
Temporary investment funds	<u>907,116</u>	<u>916,433</u>
Total investments	35,210,465	35,418,141
Receivables		
Accrued interest	20,445	28,232
Contributions	310,573	60,525
State of Florida	9,915	16,705
Brokerage transactions	<u>21,219</u>	<u>38,202</u>
Total receivables	362,152	143,664
Prepaid benefits	<u>245,269</u>	<u>218,841</u>
<b>TOTAL ASSETS</b>	<u>35,817,886</u>	<u>35,780,646</u>
<b>LIABILITIES</b>		
Account payable	1,414	1,616
Accounts payable - brokerage transactions	<u>22,247</u>	<u>33,379</u>
<b>TOTAL LIABILITIES</b>	<u>23,661</u>	<u>34,995</u>
<b>NET POSITION</b>		
Net Position Restricted for Pension	<u>\$ 35,794,225</u>	<u>\$ 35,745,651</u>

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

CITY OF SEMINOLE, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND

For the Year Ended September 30, 2016

With Comparative Amounts for the Year Ended September 30, 2015

	Firefighters' Pension Trust Fund	
	2016	2015
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 310,573	\$ 60,525
Employee	414,471	424,681
State	261,278	265,801
Total contributions	<u>986,322</u>	<u>751,007</u>
Investment earnings:		
Net increase (decrease) in fair value of investments	1,908,871	(906,687)
Interest and dividends	677,260	718,901
Income from real estate investment fund	203,616	192,011
Miscellaneous	554	2,334
Total investment earnings	<u>2,790,301</u>	<u>6,559</u>
Less investment expense	214,965	286,040
Net investment earnings (loss)	<u>2,575,336</u>	<u>(279,481)</u>
<b>TOTAL ADDITIONS</b>	<u>3,561,658</u>	<u>471,526</u>
<b>DEDUCTIONS</b>		
Benefits	3,449,620	2,836,935
Administrative expenses	63,464	53,632
<b>TOTAL DEDUCTIONS</b>	<u>3,513,084</u>	<u>2,890,567</u>
<b>CHANGE IN NET POSITION</b>	48,574	(2,419,041)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>35,745,651</u>	<u>38,164,692</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 35,794,225</u>	<u>\$ 35,745,651</u>

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Seminole (the City) maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

The City is a political subdivision of the State of Florida, located in Pinellas County in the southwest portion of the State. The City incorporated on January 4, 1972 under the provisions of the Laws of Florida, Chapter 165.04 under a mayor-council structure. On September 8, 1994, the Charter was amended to provide for the appointment of a City Manager, among other items. The City is approximately 5.3 square miles in area. The City provides its citizens with a full complement of municipal services. These services include public safety (police and fire), construction and maintenance of streets and sidewalks, stormwater management, recreation, public improvements, planning and zoning and general administrative services.

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

**2. Governmental Accounting Standards Board Statements**

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

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

The basic financial statements include both government-wide and fund financial statements. The government-wide statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund, Special Revenue Funds, and the Capital Improvement Fund. The City's Fiduciary Fund is not included in the government-wide statements since by definition these assets are being held for the benefit of a third-party and cannot be used to address activities or obligations of the government.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The government-wide Statement of Activities reports the gross and net cost for the various functional categories of the City that are otherwise supported by general government revenues. The expenses for each functional category are reduced by program revenues to ascertain the net costs for that function. Program revenues are defined as charges for services, operating grants, and capital grants that specifically relate to a specific program function. Charges for services include revenues arising from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Operating grants and capital grants consist of revenues received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either operating expenditures/expenses or capital expenditures/expenses associated with a specific program.

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

The City's comprehensive financial report is presented in accordance with the provisions of Statement Number 44, "Economic Condition Reporting: The Statistical Section," which improves the understandability and usefulness of the information that local governments present as supplementary information in the statistical section. Furthermore, this standard incorporates the government-wide, accrual-based information established by Statement Number 34.

**3. Measurement Focus:** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The measurement focus is the determination of financial position and sources and uses of resources, rather than net income determination.

The fiduciary fund statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Operating statements of these funds present increases (e.g. additions) and decreases (e.g. deductions) in net position.

**4. Fund Accounting:** The City organizes its accounting system on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts. The various funds are grouped in the financial statements as follows:

Governmental Fund Types:

General Fund: This fund type is used to account for all financial resources, except those required by law or administrative action to be accounted for in another fund. The general fund is always reported as a major fund.

Special Revenue Funds: This fund type is used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes.

Transportation Impact Fee Fund – This fund accounts for the proceeds of transportation impact fees that are restricted for capital outlays associated with roads and streets. The City elected to have this fund reported as a major fund in the governmental fund financial statements.



**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Grants Fund – This fund accounts for the proceeds of grants that have restrictions placed on their use. The City elected to have this fund reported as a major fund in the governmental fund financial statements.

Infrastructure Sales Surtax Fund – This fund accounts for the proceeds of the infrastructure sales surtax which is restricted for fixed capital outlays associated with the construction, reconstruction, or improvement of public facilities that have a life expectancy in excess of five years or vehicles that have a life expectancy of at least five years. This fund is reported as a major fund in the governmental fund financial statements.

Special Events Fund – This fund accounts for the proceeds and expenditure of funds associated with various special events sponsored by the City. This fund is reported as a non-major fund in the governmental fund statements.

Library Fund – This fund accounts for the proceeds of donations that have been restricted by the donor for the library. This fund is reported as a non-major fund in the governmental fund statements.

Tree and Landscape Mitigation Fund - This fund accounts for the proceeds of tree mitigation fees that are restricted for capital outlays associated with the planting of trees and replacement of landscaping. This fund is reported as a non-major fund in the governmental fund statements.

Capital Projects Fund: This fund type includes the Capital Improvement Fund which accounts for financial resources earmarked or segregated for the acquisition and construction of capital assets. This fund is reported as a major fund in the governmental fund financial statements.

Fiduciary Fund Types:

Trust Funds: This fund type accounts for the activities of the pension funds, which accumulate resources for pension benefit payments to qualified employees.

**5. Basis of Accounting:** Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements and the fiduciary fund financial statement are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available (susceptible to accrual). Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of year-end. Revenues that are susceptible to accrual include franchise fees, sales tax, local option gas tax, interest revenue, state revenue sharing entitlements, and intergovernmental grants. Expenditures are recorded at the time the related fund liabilities are incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Under the accrual basis of accounting, revenues are recognized in the period when earned and expenses are recognized in the period when incurred.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**6. Budgets and Budgetary Accounting:** The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. On or before June 1 of each year, the department heads submit requests for appropriations to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity (departments), and includes information for the prior fiscal year, current year estimates, and requested appropriations for the next fiscal year.
- b. The City Manager presents the proposed budget to the City Council by July 1. The budget contains proposed expenditures and the means to finance them, including a proposed property tax millage. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager and the department heads, or the revenue estimates may be changed by an affirmative vote of a majority of the City Council.
- c. Public hearings are conducted to obtain taxpayer comments on the proposed budget and property tax millage rate.
- d. The budget and property tax millage is approved by the City Council in September.
- e. An annual budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles. The City does not formally adopt an annual budget for any other major fund.
- f. Expenditures may not exceed legal appropriations at the department level. The City Manager is authorized to transfer budget amounts within departments; however, any revision that alters the total expenditures of any department must be approved by the City Council. Appropriations lapse at year-end. All budget amounts presented in the accompanying financial statements have been adjusted for revisions as approved by the City Council during the year. General Fund appropriations were increased \$1,207,053 as a result of these approved revisions.
- g. For the year ended September 30, 2016, within the General Fund, expenditures exceeded appropriations in the following departments: fire control - \$23,349 and code enforcement - \$14,233.

**7. Property Taxes:** Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2016 was 2.4793.

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

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pinellas County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4%

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on property. Tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. The certificate holder may make application for a tax deed on any unredeemed tax certificates after a period of two years.

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

Because of the Pinellas County Tax Collector's efficient system for selling tax certificates and remitting the proceeds to the City, any delinquent or uncollected property taxes at year-end are immaterial. The City's tax calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, succeeding year
Lien Date:	April 1, succeeding year

**8. Assets, Liabilities, and Fund Equity:**

Cash, Pooled Cash, and Cash Equivalents and Investments: The City utilizes a consolidated cash pool to account for cash and cash equivalents of all City funds. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield that are inherent to a larger pool. Formal accounting records detail the individual equities of the participating funds.

The City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The majority of the City's pooled investments have the general characteristics of demand deposits, in that additional funds may be deposited at any time and funds may be withdrawn at any time without prior notice or penalty. Therefore, all of the pooled investments regardless of their maturities are considered cash equivalents.

Investments, which are currently reported only in the fiduciary fund, are reported at fair value. Investments in common stocks and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Investments in mutual fund type securities are valued at the net asset value of the fund based on the underlying assets held in the fund. The fair value of an investment is the amount at which an investment could be exchanged in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.

Receivables: No allowance for doubtful accounts has been recorded as of September 30, 2016 and 2015 as management considers all accounts collectible.

Inventories: Inventories are valued at average cost. Inventories in the governmental funds are accounted for by the consumption method, wherein inventories are charged as expenditures when used.

Prepaid Items: Payments made to vendors for services that will benefit periods beyond September 30, 2016 are recorded as prepaid items and are accounted for based on the consumption method of accounting.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Capital Assets: Capital assets acquired or constructed in excess of \$5,000 are capitalized at historical cost. Donated assets are recorded at fair market value as of the date received. Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable assets are as follows:

Buildings	50 years
Improvements other than buildings	10-30 years
Equipment	3-15 years
Infrastructure	15-50 years

Interest cost is not capitalized on assets in the governmental funds.

Compensated Absences: Employees earn vacation and sick leave beginning with their first pay period.

Vacation Leave: Annual vacation accrues according to the number of regularly scheduled hours an employee works and the employee's length of service. The vacation accrual for part-time employees is calculated on a pro-rated basis. It is the intent of the City that employees will use their vacation leave during the year following the year in which it is earned. If vacation time is not used in the subsequent year, it is forfeited, unless a specific waiver is obtained from the City Manager. At termination employees are paid for any accumulated vacation leave that is available at that time.

Sick Leave: It is the City's policy that full-time (forty hour per week) employees earn eight (8) hours of sick leave for each full month of employment, full-time (fifty-six hour per week) employees earn twelve (12) hours of sick leave for each full month of employment, and part-time employees earn pro-rated sick leave based upon the employee's standard work week. Sick leave may be accumulated up to a maximum of nine hundred-sixty hours for all forty hour per week employees, one thousand four hundred forty hours for all fifty-six hour per week employees, and three hundred hours for all part-time employees. Employees who have completed ten years of service with the City and are in good standing upon separation are entitled to receive ten percent (10%) of accumulated sick leave. Employees who have reached normal retirement age who will retire from their position and are in good standing are entitled to receive thirty percent (30%) of accumulated sick leave.

All compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Inflows of Resources: In the governmental funds and government-wide statements, the amount of business registration fees collected in advance of the October 1 due date is recorded as a deferred inflow of resources and will be recognized as revenue in the fiscal year the fees are due.

Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions: Deferred inflows of resources and deferred outflows of resources related to pension plans that are derived from the difference between projected and actual earnings on the respective plan investments are amortized to pension expense over a closed five year period. Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan's total pension liability are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan (active and inactive employees) determined as of the beginning of the

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

Net Pension Liability: The City adopted GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement Number 27* for fiscal year ended September 30, 2015. As a result of the implementation of GASB Statements 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2013 for the Firefighters' Pension Trust Fund and as of October 1, 2014 for the City's proportionate interest in the Florida Retirement System cost sharing - multiple employer plan. The City did not have the information necessary to adopt GASB Statements 68 and 71 as of October 1, 2013 for the City's proportionate interest in the Florida Retirement System cost sharing - multiple employer plan.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is presented in three components – invested in capital assets (net of related debt), restricted, and unrestricted.

- Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.
- Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, and contributors) or by law through constitutional provisions of enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of these funds. The government-wide statement of net position reports \$5,669,123 of restricted net position, of which impact fees and tree and landscape mitigation fees totaling \$521,959 are restricted by enabling legislation while all other restricted net positions are restricted by grantors, contributors or state law.
- Unrestricted – This component consists of net position that does not meet the definition of “net investment in capital assets” and “restricted”. Designations of net position made by the City's management are included in this component because these types of constraints are internal and management can remove or modify them.

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

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City Council through the approval of an ordinance. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action, which is the approval of an ordinance that was employed when the funds were initially committed. This classification also includes contractual obligations (encumbrances) to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The intent is expressed through the City Council by the inclusion of the constrained amounts in the City's subsequent year budget. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has assigned funds for Capital Projects which are to be used for the repair and replacement of capital assets.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The Unassigned classification would also include negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of Assigned fund balance amounts.

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

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

**10. Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**11. Comparative data / reclassifications:** The financial statements include summarized prior year comparative information that does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2015, from which such summarized information was derived.

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

**Deposits**

Florida Statutes require depositories of public funds to provide collateral each month at least equal to 50 percent of the average daily balance of all public deposits in excess of deposit insurance. The City's deposits are covered by the Florida Security for Public Deposits Act, Chapter 280. All of the City's pooled cash funds are deposited in qualified public depositories, and are considered insured. The carrying amounts of the City's deposits at year-end were \$6,289,963.

**Cash Equivalent Investments**

The City's investment policy is to maintain funds in investments that yield the highest possible efficiency and return within the limitations established by the Florida Statutes. Florida Statute 218.415(17) authorizes the City to invest in the Local Government Surplus Funds Trust Fund; SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or saving accounts in qualified public depositories, direct obligations of the United States Treasury, and federal agencies and their instrumentalities. The City adheres to the State of Florida authorized investment policy.

The Local Government Surplus Funds Trust Fund (Florida Prime) is an investment pool administered by the Florida State Board of Administration which is a three-member board that is made up of the State elected officials of Governor, Chief Financial Officer and Attorney General. This Board is empowered by Florida law to invest funds at the request of local governments. The Florida Prime is treated as a "2a-7 like" pool in accordance with GASB Statement Number 31 and Number 59 and is valued using the pooled share price (amortized cost), which approximates fair value. The Florida Prime funds may be withdrawn upon demand. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation. The amount on deposit in the Florida Prime as of September 30, 2016 was \$4,415,559.

The Florida Municipal Investment Trust (Trust) is an investment pool administered by the Florida League of Cities, Inc. It is an inter-local governmental entity created under the laws of the State of Florida. The Trust is an authorized investment under section 163.01 of the Florida Statutes. The City has invested in the Trust 0-2 Year High Quality Bond Fund. The amount on deposit with the Florida Municipal Investment Trust at September 30, 2016 was \$602,997.

The Florida Surplus Asset Fund Trust (Florida Safe Investment Pool) is a common law trust organized in 2007 under the laws of the State of Florida. An elected five member Board of Trustees oversees all actions and decides on general policies. The trust is administered by Florida Management and Administrative Services, LLC, the operations manager is PMA Financial Network, Inc. and the investment advisor is Prudent Man Advisors, Inc., an affiliate of PMA Financial Network, Inc. The trust includes a liquid money market-like investment called the "FL SAFE Fund" and one or more Term Series portfolios that have a fixed duration. Participants in the trust may invest in the FL SAFE Fund or any of the Term Series Portfolios. The Term Series Portfolios may consist of certificates of deposit, obligations of the U. S. government or its agencies or other investments allowed under Florida statutes. The FL SAFE Fund is accounted for as a Stable Net Position Value investment pool. The total amount on deposit with the Florida Surplus Asset Fund Trust at September 30, 2016 was \$2,251,874. The amount on deposit at September 30, 2016 was invested in the following: FL SAFE Fund - \$501,874 and Term Series Portfolios - \$1,750,000.

GASB Statement Number 53 – "Accounting and Financial Reporting for Derivative Instruments" was effective for fiscal year 2011. The City does not invest in derivative type instruments.

SEPTEMBER 30, 2016

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

Fair Value of Investments – The City categorizes its fair value of investments within the fair value hierarchy established by generally accepted accounting principles pursuant to GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, and Level 3 are significant unobservable inputs.

Interest Rate Risk – In compliance with the City’s investment policy, as of September 30, 2016, the City minimized the interest rate risk, related to the decline in market value of securities due to rising interest rates, by limiting the investment of operating funds to government investment pools so that securities are immediately available to meet cash requirements for ongoing operations without risk of market decline.

Credit Risk – In compliance with the City’s Investment Policy, as of September 30, 2016, the City minimized credit risk losses due to default of a security issuer or backer, by limiting investments to government investment pools.

A summary of cash, pooled cash, and cash equivalent type investments as reported in the accompanying Statement of Net Position as of September 30, 2016, is summarized below:

	<u>Carrying Amount</u>	<u>Fair Value Measurement</u>	<u>Overall Credit Rating</u>
Petty Cash	\$ 1,200	N/A	N/A
Deposits	6,289,963	N/A	N/A
Florida State Board of Administration Local Government Pooled Investment Fund – Florida Prime	4,415,559	Net Asset value	AAAm (S&P)
Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund	602,997	Level 2 inputs	AAA/V1(Fitch)
Florida Surplus Asset Fund Trust FL SAFE Fund	501,874	Level 2 inputs	AAAm (S&P)
Term Series Portfolios	<u>1,750,000</u>	Level 2 inputs	Non-rated
Total Cash, Pooled Cash, and Cash Equivalents	<u>\$ 13,561,593</u>		

**Pension Plan Assets**

The City reports one pension fund in the accompanying financial statements: the Firefighters’ Pension Fund. The Firefighters’ Pension Fund has its own investment policy and related investment restrictions. The Firefighters’ Pension Fund is a defined benefit plan. All investments at year-end were in compliance with the Firefighters’ Pension Fund investment policies.

**Firefighters’ Pension Fund****Deposits**

The Firefighters’ Pension Fund (the Fund) Board of Trustees has appointed First State Trust Company as custodian of the Fund’s investments. The Fund assets have been invested with Morgan Stanley and UBS Trumbull Property Fund. Morgan Stanley holds temporarily un-invested cash funds primarily in the MS Liquid Asset Fund and Money Market accounts. First State Trust Company holds cash funds in a Northern Institutional Diversified Assets account.



SEPTEMBER 30, 2016

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

The Board of Trustees of the Firefighters' Pension Fund are authorized to invest in time, savings and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U. S. Government or an agency or instrumentality of the U. S. Government, domestic and international equity securities such that not more than 5% of the Plan's assets shall be invested in the common stock of any one issuing company and no more than 10% of the Plan's assets shall be invested in foreign securities; domestic fixed income investments rated in one of the three highest classifications by a major rating service, and real estate such that no more than 10% of the Plan's assets may be invested in real estate with a limit of \$3,000,000 at the time of the initial investment. If commercial paper is acquired it must be only of the highest quality (A-1 or P-1). The Fund's targeted investment portfolio mix is as follows: large capitalization value stocks – 27.5%; large capitalization growth stocks – 27.5%; international stocks – 10%, fixed income securities – 25% and real estate – 10%.

The Firefighters' Pension Fund held the following investments as of September 30, 2016:

Investment Type	Fair Value	Fair Value Measurement	Overall Credit Rating	Average Effective Duration (Years)
Temporary investments funds:				
Cash and Money Market Balance	\$ 867,812	N/A	N/A	N/A
MS Liquid Asset Fund	25,409	N/A	N/A	N/A
Northern Institutional Diversified Assets	13,895	N/A	N/A	N/A
U. S. Government and Government Sponsored Entity Bonds	2,482,057	Level 1 inputs	AAA	6
Asset backed securities:				
Non-rated – Fed. Home Loan Mtg. Corp. and Fed. National Mortgage Association	5,101,378	Level 3 inputs	N/A	24
Equity investments	22,124,403	Level 1 inputs	N/A	N/A
Real Estate Investment Trusts	106,880	Level 2 inputs		
Limited partnership interest - real estate investment fund (UBS Trumbull Property Fund)	4,488,631	Level 3 inputs	N/A	N/A
<b>Total Investments</b>	<b>\$35,210,465</b>			

**Credit Risk** – Consistent with state law the Plan's investment guidelines limit its fixed income securities to a quality rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments which are downgraded to a "BAA" or equivalent rating must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments that are downgraded below a "BAA" rating are to be liquidated immediately.

**Interest Rate Risk** – Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates.

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CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE C - CAPITAL ASSETS**

Capital asset activity for the fiscal year ending September 30, 2016 was as follows:

	Balance 10/1/15	Additions/ Transfers In	Deletions/ Transfers Out	Balance 9/30/16
<b>Governmental Activities:</b>				
Non-Depreciable assets				
Land, improvements and land rights	\$ 5,702,473	\$ -	\$ 24,680	\$ 5,677,793
Land improvements - roadway base	4,971,447	-	-	4,971,447
Total land and improvements	10,673,920	-	24,680	10,649,240
Construction and projects in progress	448,682	816,428	104,409	1,160,701
Depreciable assets				
Buildings	23,613,640	-	-	23,613,640
Improvements other than buildings	3,340,847	167,351	22,955	3,485,243
Equipment	7,905,426	306,348	206,199	8,005,575
Infrastructure	7,187,321	323,907	-	7,511,228
Total at historical cost	53,169,836	1,614,034	358,243	54,425,627
Less accumulated depreciation for:				
Buildings	5,214,112	574,239	-	5,788,351
Improvements other than buildings	1,833,297	176,854	22,955	1,987,196
Equipment	5,392,361	337,211	204,324	5,525,248
Infrastructure	3,790,308	189,832	-	3,980,140
Total accumulated depreciation	16,230,078	1,278,136	227,279	17,280,935
Capital assets, net	\$ 36,939,758	\$ 335,898	\$ 130,964	\$ 37,144,692

The City has determined that the cost of land improvements – roadway base represents an inexhaustible asset and therefore these costs are not being depreciated. The cost of land improvement – roadway base includes site preparation, excavating, fill dirt, and compaction.

Depreciation was charged to the governmental activities as follows:

General government	\$ 110,520
Fire	399,863
Code enforcement	6,732
Physical environment	189,832
Public works	176,539
Library	9,785
Recreation	384,865
	<u>\$ 1,278,136</u>

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE C - CAPITAL ASSETS** (continued)

In accordance with GASB Statement Number 51 –“Accounting and Financial Reporting for Intangible Assets”, the City includes computer software purchases as a capital asset in the category “Equipment” and property easements are included within the category “Land , improvements, and land rights”.

**NOTE D - LONG-TERM DEBT**

Long-term debt activity for the fiscal year ending September 30, 2016 was as follows:

	Balance 10/1/15	Additions	Reductions	Balance 9/30/16	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Revenue Bonds 2014 payable	\$3,713,264	\$ -	\$ 915,211	\$2,798,053	\$ 926,376
Subtotal - Revenue Bonds	3,713,264	-	915,211	2,798,053	926,376
Compensated absences	828,922	679,180	646,559	861,543	688,311
Totals	\$4,542,186	\$ 679,180	\$1,561,770	\$3,659,596	\$1,614,687

The compensated absences liability will be liquidated by the general fund.

Current Refunding of Debt:

On September 2, 2014 the City issued \$4,617,173 in Revenue Bonds- Series 2014 to currently refund the remaining balance of the 2009 Revenue Bonds in the amount of \$3,074,173, to provide partial funding for the construction of a new community center in the amount of \$1,500,000 and to pay for the debt issuance costs totaling \$43,000. As a result of the Series 2014 Revenue Bonds bearing a lower interest rate, a cash savings of \$335,650 was realized resulting in an economic gain on the current refunding. The present value of the cash savings was \$324,648.

Long-term debt for the governmental activities is comprised of the following at September 30, 2016:

<u>Revenue Bond, Series 2014</u> , in the amount of \$4,617,173 issued to partially finance the construction of a community center and to currently refund the Revenue Bonds, Series 2009. The interest rate on the bonds is 1.22% and is payable semi-annually on March 1 and September 1. The bonds mature annually through September 1, 2019. The payment of the principal and interest on the bonds is secured by a pledge of the one-cent discretionary infrastructure sales surtax.	\$ 2,798,053
<u>Compensated absences</u> , consisting of the vested portion of accumulated vacation and sick pay benefits due employees.	<u>861,543</u>
Total long-term debt	<u>\$ 3,659,596</u>

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE D - LONG-TERM DEBT** (continued)

The annual requirements to amortize the long-term debt as of September 30, 2016 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Revenue Bond, Series 2014</u>			
2017	\$ 926,376	\$ 34,136	\$ 960,512
2018	938,228	22,835	961,063
2019	933,449	11,388	944,837
	<u>\$ 2,798,053</u>	<u>\$ 68,359</u>	<u>\$ 2,866,412</u>

The debt service for the Revenue Bonds will be paid from the Infrastructure Sales Surtax Fund. The total debt service requirement in 2016 for the Series 2014 Revenue Bonds was \$960,513. The amount of Infrastructure Sales Surtax received for 2016 was \$1,724,478.

Interest expense on the Series 2014 Revenue Bonds in the amount of \$44,403 is reported in the Statement of Activities.

Restrictions:

The Revenue Bonds, Series 2014 have a debt service reserve requirement that requires that the pledged Infrastructure Sales Surtax revenues be accounted for in a sinking fund such that upon each interest and principal payment date a sufficient amount of pledged revenues is available to pay the debt service.

**NOTE E - RETIREMENT PLANS**

The City maintains a single employer, defined benefit pension plan (Firefighters' Pension Plan) which covers all of its firefighters and a defined contribution 401(a) plan which covers the City's general employees hired on or after January 1, 1996. General employees hired prior to January 1, 1996 participate in the Florida Retirement System (System), a cost-sharing multiple-employer public employee retirement system (PERS), and effective March 28, 2006, all eligible new general employees as well as general employees previously participating in the defined contribution 401(a) plan that have elected to participate in the Florida Retirement System.

Florida Retirement System

*Plan Description:* The City of Seminole contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer public employee retirement system (PERS) defined benefit pension plan controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement. The System provides retirement and disability benefits, annual cost-of-living adjustments, a health insurance subsidy, and survivor benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the State of Florida Department of Management Services. The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The report may be obtained by writing to the Department of Management Services, Division of Retirement, P. O. Box 9000, Tallahassee, Florida 32399-9000, by calling (850) 488-5706 or online at the Florida Retirement System Website:

[www.myfrs.com/content/resources/publications/index](http://www.myfrs.com/content/resources/publications/index)

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE E - RETIREMENT PLANS** (continued)

*Funding Policy:* Effective July 1, 2011, FRS requires contributions from covered members at a rate of 3%. The City is required by State Statute to contribute, on a monthly basis, an actuarially determined rate. The current rates, effective July 1, 2016 and continuing through September 30, 2016, based on employees' gross earnings, are 7.52% for regular employees, 21.77% for senior management, and 42.47% for elected officials. The rates for the period July 1, 2015 to June 30, 2016 were 7.26% for regular employees, 21.43% for senior management, and 42.274% for elected officials. The City's contributions to the FRS for the fiscal years ending September 30, 2016, 2015, and 2014, were \$304,047, \$265,581 and \$232,631, respectively, and were equal to the required contributions for each year.

*Deferred Retirement Option Program:* The FRS Deferred Retirement Option Program (DROP) is a defined contribution plan and is available to a member when the member first reaches eligibility for normal retirement. The Plan is controlled by the State Legislature and administered by the Florida Department of Management Services, Division of Retirement. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the State of Florida Department of Management Services. DROP allows a member to retire while continuing employment up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5%. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. During the DROP eligibility period, the City is required to make contributions to FRS. The current rate, effective July 1, 2016 and continuing through September 30, 2016, based upon employees' gross earnings is 12.99%. The rate for the period July 1, 2015 through June 30, 2016 was 12.88%.

*Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions-* At September 30, 2016, as required by GASB 68 *Accounting and Financial Reporting for Pensions*, the City reported a net pension liability of \$2,400,453 for the FRS Plan component and \$1,104,509 for the HIS Plan component for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability, totaling \$3,504,962, was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share at June 30, 2016 for the FRS Plan component was .009506714%. The City's proportionate share at June 30, 2016 for the HIS Plan component was .009477035%. The City's proportionate shares at June 30, 2015 were .008491243% and .008697689% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2016 the City recognized pension expense of \$198,920 and \$56,199 for the FRS and HIS Plan components, respectively. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

FRS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 183,797	\$ 22,350
Changes in assumptions	145,220	-
Net difference between projected and actual earnings on investments	620,488	-
Changes in proportion and differences between City contributions and proportionate share of contributions	305,128	-
Contributions subsequent to the measurement date	65,200	-
	<u>\$ 1,319,833</u>	<u>\$ 22,350</u>

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE E - RETIREMENT PLANS** (continued)

HIS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 2,516
Changes in assumptions	173,327	-
Net difference between projected and actual earnings on investments	558	-
Changes in proportion and differences between City contributions and proportionate share of contributions	77,220	-
Contributions subsequent to the measurement date	<u>12,105</u>	<u>-</u>
	<u>\$ 263,210</u>	<u>\$ 2,516</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$65,200 for the FRS component and \$12,105 for the HIS component will be recognized as a reduction in the net pension liability in the fiscal year ended September 30, 2017. Other amounts related to deferred outflows and inflows of resources in the amount of \$1,232,283 for the FRS component and \$248,589 for the HIS component will be recognized as pension expense as follows:

<u>Fiscal year ending September 30,</u>	<u>FRS component</u>	<u>HIS component</u>
2017	\$ 73,480	\$ 12,984
2018	73,480	12,984
2019	73,480	12,984
2020	73,480	12,984
2021	48,683	12,984
Thereafter	889,680	183,669

Net Pension Liability –

	<u>FRS component</u>	<u>HIS component</u>
City's proportionate share of Total Pension Liability	\$ 15,879,159	\$ 1,115,300
City's proportionate share of Plan Fiduciary Net Position	<u>(13,478,706)</u>	<u>(10,791)</u>
City's proportionate share of Net Pension Liability	<u>\$ 2,400,453</u>	<u>\$ 1,104,509</u>

Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability

84.88%	0.97%
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CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE E - RETIREMENT PLANS** (continued)

Change in Net Pension Liability –

	<u>FRS component</u>	<u>HIS component</u>
Beginning balance – City’s proportionate share	\$ 1,096,758	\$ 887,027
Service Cost	225,451	38,340
Interest on total pension liability	1,279,953	58,361
Plan changes	3,415	-
Effect of economic/demographic gain or loss	103,608	(4,604)
Effect of assumptions	108,943	201,994
Employer contributions	(257,770)	(76,553)
Member contributions	(75,124)	-
Projected investment earnings	(1,170,686)	(464)
Net investment income	1,083,949	380
Administrative expense	1,956	28
	<hr/>	<hr/>
Ending balance – City’s proportionate share	\$ 2,400,453	\$ 1,104,509

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

	<u>FRS component</u>	<u>HIS component</u>
Valuation date	July 1, 2016	July 1, 2016
Measurement date	June 30, 2016	June 30, 2016
Inflation	2.60%	2.60%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	7.60%, net of expense, includes inflation	2.85%, Municipal Bond Rate
Mortality tables	Generation RP-2000 with Projection Scale BB tables	Generation RP-2000 with Projection Scale BB tables
Discount rate	7.60%	2.85%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. The following changes in actuarial assumptions occurred in 2016 for the FRS component: the long-term expected rate of return was decreased from 7.65% to 7.60% and the active member mortality assumption was updated. Additionally, for the HIS component, a change in the actuarial assumption was made reducing the municipal bond rate used to determine total pension liability from 3.80% to 2.85%.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized as follows:

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE E - RETIREMENT PLANS** (continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.00%	3.00%	1.70%
Fixed Income	18.00%	4.70%	4.60%	4.60%
Global Equity	53.00%	8.10%	6.80%	17.20%
Real Estate	10.00%	6.40%	5.80%	12.00%
Private Equity	6.00%	11.50%	7.80%	30.00%
Strategic Investments	12.00%	6.10%	5.60%	11.10%
<b>Total</b>	<b>100.00%</b>			
Assumed Inflation – Mean			2.60%	1.9%

(1) As outlined in the Pension Plan’s Investment Policy

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –  
The following table represents the City’s proportionate share of the net pension liability calculated at the respective discount rates and the proportionate share using a rate 1% less than and 1% more than the current rate.

FRS component	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
City’s Proportionate share of the net pension liability	\$4,419,397	\$2,400,453	\$719,950
HIS component	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
City’s Proportionate share of the net pension liability	\$1,267,122	\$1,104,509	\$969,548

Firefighters’ Pension Fund

*Plan Administration:* The Firefighters’ Pension Fund (the Plan) is administered by a 5 member Board of Trustees that is comprised of two Council appointees, two members of the department that are elected by the membership, and a fifth member who is elected by the other four members and appointed by Council.

*Membership in the Plan:* Membership of the Plan as of September 30, 2016:

Group	
Inactive plan members or beneficiaries currently receiving benefits	80
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members:	71
<b>Total</b>	<b>156</b>



CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE E - RETIREMENT PLANS** (continued)

*Basis of Accounting:* The Plans' financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Expenses are recognized when due and payable in accordance with the terms of the Plan. The Firefighters' Pension Fund issues separate, audited financial statements that may be obtained at the City of Seminole, 9199 113<sup>th</sup> Street N., Seminole, FL 33772-2806 or by calling 393-8711. The financial statements for the Plan are also presented on pages 27 and 28 of the basic financial statements.

*Plan Description and Benefits Provided:* The City contributes to a single-employer defined benefit pension plan that covers all firefighters. Firefighters who retire at age 55 and the completion of ten years of credited service, or age 62 regardless of credited service, or the completion of twenty-five years of credited service regardless of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their average annual compensation times their years of credited service. The Plan permits early retirement at age 50 and the completion of ten years of credited service with benefits being reduced from 3% for each year from age 55. Benefits vest upon completing ten years of credited service and the members will receive the vested portion of their benefits at age 55. There is no post-retirement cost of living increase.

The Plan also provides death and disability benefits for participants with coverage beginning from the date of employment. Service incurred disability benefits are equal to 3% of the firefighter's average annual compensation times years of credited service plus 42% of their last two years' average final compensation with a maximum benefit of 75%. Non-service incurred disability benefits are equal to 3% of the firefighter's average annual compensation for their last two years. For vested member, pre-retirement death benefits are payable monthly to the designated beneficiary for ten years at the members' normal or early retirement date.

Member contributions are 9.89% effective October 1, 2015 of salary and are adjusted with each actuarial valuation to ensure that the City and the members have equal funding requirements. The member contribution rate shall not exceed 15%. Accumulated firefighter contributions are refunded if a firefighter leaves covered employment before completing ten years of credited service. Interest is not paid on contributions of terminated firefighters.

Excise tax payments are also received from the State of Florida under Florida Statutes, Chapter 175. The Plan's administrative costs are financed through investment earnings.

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

The City's pension liability recorded in the September 30, 2016 financial statements was measured as of September 30, 2016.

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

**NOTE E - RETIREMENT PLANS** (continued)

Investment rate of return	7.75%
Post retirement benefit increases	None
Projected salary increases	Service based: 4% to 5%
Inflation rate	2.30%
Discount rate	7.75%
Mortality basis	RP-2000 table with no projection, disabled lives set forward 2 years female and set back 4 years male

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

The following changes of assumptions were made for the measurement date September 30, 2016: as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees and the inflation rate assumption was lowered from 3.5% to 2.3%, matching the long-term inflation assumption utilized by the Plan’s investment consultant.

The best estimates of arithmetic real rates of return for each major asset class included in the Plan’s adopted target asset allocation policy as of September 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Return</u>
Domestic Equity	55%	7.67%
International Equity	10%	7.30%
Fixed Income	25%	2.47%
Real Estate	10%	3.58%
Total	100%	

The Plan did not hold investments in any one organization that represent 5% or more of the Plan’s fiduciary net position. For the year ended September 30, 2016 the annual money-weighted rate of return on Plan investments net of investment expense was 7.54%. The money-weighted rate of return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member (employees) contributions will be made at the current contribution rate and that plan sponsor (employer) contributions will be made at rates equal to the difference between actuarially determined contribution rates and the plan member rate. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Change in Net Pension Liability:* The change in the net pension liability for the year ended September 30, 2016 is as follows:

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE E - RETIREMENT PLANS** (continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	a	b	a -b
Beginning balance	\$ 39,399,036	\$ 35,772,115	\$ 3,626,921
Changes for the year:			
Service cost	716,045	-	716,045
Interest	2,974,989	-	2,974,989
Differences between expected and actual experience	161,240	-	161,240
Changes of assumptions	1,032,209	-	1,032,209
Contributions - employer	-	310,573	(310,573)
Contributions - State	-	268,067	(268,067)
Contributions - employees	-	390,603	(390,603)
Contributions – buy back	23,668	23,668	-
Net investment income	-	2,584,673	(2,584,673)
Benefit payments, including refund of Employee contributions	(3,449,539)	(3,449,539)	-
Administrative expense	-	(63,352)	63,352
Net changes	<u>1,458,612</u>	<u>64,693</u>	<u>1,393,919</u>
Ending balance	<u>\$ 40,857,648</u>	<u>\$ 35,836,808</u>	<u>\$ 5,020,840</u>

The Plan Fiduciary Net Position as reported in the Statement of Fiduciary Net Position on page 27 of this report is \$35,794,225. The difference of \$42,583 compared to the amount as reported in the table above is due to timing differences resulting from the accrual of income and expense items.

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

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
<u>\$10,183,990</u>	<u>\$5,020,840</u>	<u>\$1,637,957</u>

For the year ended September 30, 2016, the City recognized pension expense under GASB 68 of \$762,847.

The City has reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions in the Statement of Net Position as of September 30, 2016 from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134,366	\$ 545,754
Changes of assumptions	860,175	-
Net difference between projected and actual earnings on pension plan investments	1,973,950	-
Total	<u>\$ 2,968,491</u>	<u>\$ 545,754</u>

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

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE E - RETIREMENT PLANS** (continued)

<u>Year ended September 30:</u>	<u>Amount</u>
2017	\$ 652,394
2018	652,392
2019	776,511
2020	142,532
2021	198,908
Thereafter	-

Employees' Pension Fund

*Plan Description:* The City, in accordance with Florida Statute 121, elected to opt out of the Florida Retirement System for newly hired employees effective January 1, 1996, and subsequently established a non-contributory defined contribution 401(a) plan administered by the ICMA Retirement Corporation under their prototype Profit-Sharing Plan and Trust Agreement. All new full time employees, except firefighters who are covered by a separate plan, are eligible to participate in the plan after one year of employment. Employees are fully vested after five years of service. Plan provisions and contribution requirements are established and may be amended by the City Council.

As previously disclosed, effective March 28, 2006, the City Council approved rejoining the Florida Retirement System for all eligible new general employees and general employees previously participating in the single-employer defined contribution 401(a) plan that have elected to participate in the Florida Retirement System. Existing employees as of March 28, 2006, who desired to remain in the 401(a) plan were permitted to do so.

*Funding Policy:* The 401(a) plan does not require contributions from members. The City contributes 10% of the annual compensation for general employees and 16% for executive employees. For fiscal years ending September 30, 2016, 2015, and 2014 the City contributed \$26,886, \$51,782, and \$47,635, respectively, to the plan. Contributions made by the City were equal to the required contributions. The net position of the pension fund was \$818,307 as of September 30, 2016.

Any portion of the unvested City contributions for employees who leave employment before five years of service are used to reduce the City's current period contribution requirement.

**NOTE F – OTHER POST EMPLOYMENT BENEFITS**

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

*Plan Description:* The City provides a defined benefit postemployment health care plan, the City of Seminole Florida Post Retirement Benefits Plan (the Plan), whereby retired employees are able to purchase medical and dental care benefits through the City's health care provider. In accordance with Section 112.0801, of the Florida Statutes, because the City provides a medical and dental plan to active employees of the City and their eligible dependents, the City is also required to provide retirees with the opportunity to participate in this Plan. The Plan is administered by the City as a single-employer plan. The Plan is currently unfunded. There is no separate trust through which benefits for retirees are funded. All approved benefits are paid from general assets when due. No assets are currently accumulated or earmarked for the Plan. The Plan does not issue separate, stand-alone audited financial statements.

**NOTE F – OTHER POST EMPLOYMENT BENEFITS** (continued)

To be eligible to participate in the Plan, *general* employees must have a minimum of 6 years of vesting service with the City, and must either retire at the age of 62 or above or retire after 30 years of service regardless of age. Early retirement may be taken within 20 years of normal retirement age after completing 6 years of service. *Firefighter* employees are eligible to participate in the Plan if they retire at the age of 55 or above with 10 years of service, retire after 25 years of service regardless of age, or retire at age 62 regardless of service. Early retirement may be taken at age 50 with 10 years of service.

The benefit provisions of the Plan are established by the City Council and may be amended by the City Council. The retired employees (including their eligible dependents) that are eligible to participate in the Plan are required to pay 100% of their respective health care insurance premiums and the City does not contribute toward this payment. However, the City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The resulting incremental increase in health care and dental insurance premiums results in an actuarial accrued liability to the City based on projected health care and dental insurance costs. Medicare eligible retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

*Funding Policy:* Contribution rates for the Plan are established on an annual basis by the City Council. While the City does not contribute directly towards the cost of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees, constitutes a significant economic benefit to retirees, or an implicit subsidy. This implicit subsidy is considered to be another post employment benefit (OPEB) obligation of the City. The annual required contribution to fund the OPEB obligation is currently based on a pay-as-you-go funding approach. For the year ended September 30, 2016, the expected contribution from the City was \$3,116.

*Annual Other Postemployment Benefit Cost (OPEB) and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that would be required to cover the normal cost of the plan each year on a pay-as-you-go basis assuming a 30 year amortization period.

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

A key assumption that had been used in the City's initial actuarial valuation was that 100% of the active employees would participate in the defined benefit postemployment health care plan. Based on historical experience, the City determined that approximately only 10% of current employees avail themselves of the City's defined benefit postemployment health care plan.

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE F – OTHER POST EMPLOYMENT BENEFITS** (continued)

Based on this information, subsequent actuarial valuations have been based on the assumption that 10% of active employees will participate in the defined benefit postemployment health care plan. This change in a key assumption resulted in a significant decrease in the City’s Net OPEB Obligation when comparing the amounts reported as of September 30, 2012 (\$480,795) and September 30, 2013 (\$98,309). The Net OPEB Obligation reported in the Statement of Net Position as of September 30, 2016 is \$127,334.

The following table shows the City’s annual OPEB cost, the amount expected to be contributed by the City towards this OPEB obligation, and the end of year Net OPEB obligation:

	Pay-As-You-Go Funding - Fiscal Year Ending 9/30/16
Annual Required Contribution (ARC)	\$ 13,806
Interest on net OPEB obligation	220
Adjustment to ARC	(1.043)
Annual OPEB cost	12,983
Expected employer contribution	3,116
Increase in net OPEB obligation	9,867
Net OPEB obligation beginning of year	117,467
Net OPEB obligation end of year	\$ 127,334

*Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/15	\$ -	\$ 230,421	\$230,421	0.0%	\$6,719,435	3.43%
10/1/14	-	220,554	220,554	0.0%	6,416,368	3.44%
10/1/13	-	210,880	210,880	0.0%	6,046,522	3.49%
10/1/12	-	201,396	201,396	0.0%	6,648,207	3.02%
10/1/11	-	1,724,859	1,724,859	0.0%	5,717,008	30.17%
10/1/10	-	1,588,000	1,588,000	0.0%	5,572,986	28.49%

*Three Year Trend Information*

Fiscal Year End	Actuarial Valuation Date	Annual OPEB Cost (AOC)	Actual Contribution (Estimated)	Percent of AOC Contributed	Net OPEB Obligation
9/30/16	10/1/15	\$12,983	\$3,116	24.0%	\$127,334
9/30/15	10/1/14	12,729	3,055	24.0%	117,467
9/30/14	10/1/13	12,479	2,995	24.0%	107,793

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE F – OTHER POST EMPLOYMENT BENEFITS** (continued)

*Required Actuarial information*

Actuarial valuation date	October 1, 2015
Annual OPEB Cost	\$12,983
Contributions made	\$3,116
Actuarial cost method	Entry Age Cost Method
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return	3%
Projected salary increases *	2%
Initial medical trend rated	9%
Ultimate medical trend rate	5%
* - Includes inflation at	2%

**NOTE G - FIRE PROTECTION FEES**

Fire protection fee revenue for the year ended September 30, 2016 was as follows:

Fire equipment – County	\$ 188,657
Fire protection fee – County	3,964,659
Fire protection fee – Redington Shores	111,127
Fire protection fee – North Redington Beach	74,910
Fire protection fee – Redington Beach	54,857
Fire protection fee – Bay Pines	103,386
	<u>\$ 4,497,596</u>

**NOTE H – INTERFUND TRANSFERS**

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ -	\$ 1,267,321
Capital Improvement Fund	1,267,321	-
	<u>\$ 1,267,321</u>	<u>\$ 1,267,321</u>

The transfer from the General Fund to the Capital Improvement Fund in the amount of \$1,267,321 was for the acquisition and construction of capital assets.

**NOTE I - RISK MANAGEMENT**

The City is subject to losses in the normal course of operations resulting from general liability; property and casualty; workers' compensation; employee health and accident, environmental and antitrust matters. In an effort to reduce the rising costs of commercial insurance, the City purchases all of its insurance coverages, except for health coverage, from the Florida Municipal Insurance Trust (FMIT), which is serviced by the Florida League of Cities, Inc. The City does not retain any risk of loss as a member of the FMIT program.

CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE I - RISK MANAGEMENT** (continued)

The FMIT is a public entity risk pool currently operating as a common risk management and insurance program for local municipalities. The City pays an annual premium for property, liability, and workers' compensation based on members' experience. The City continues to carry commercial insurance for all other risks of loss including health and employee accident insurance.

During the fiscal year ended September 30, 2016, the City had no significant reductions of insurance coverage from the prior year. In addition, there have been no settlements that have exceeded the City's insurance coverage in any of the past three fiscal years.

**NOTE J - COMMITMENTS**

Grants: Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Law Enforcement: The City annually contracts with the Sheriff of Pinellas County, Florida for law enforcement services. The cost of this contract for services for the fiscal year ended September 30, 2016 was \$1,607,568.

Fire Control: The City provides fire protection and EMS services to unincorporated areas of Pinellas County, Florida known as the Seminole Fire District under contracts expiring September 30, 2016. Revenue from these contracts for the fiscal year ended September 30, 2016 was \$4,497,596 for fire services and \$2,060,960 for emergency medical services. Expenditures are subject to review for compliance. At September 30, 2016, the City recorded a receivable from the County in the amount of \$1,055,340 for future capital outlays of fire protection equipment.

Contractual Commitments: General Fund encumbrances totaling \$19,050 as reported in the Balance Sheet – Governmental Funds.

**NOTE K - DEFERRED COMPENSATION PLAN**

The City maintains a deferred compensation plan (plan) under the provisions of Section 457 of the Internal Revenue Code, as amended. This law stipulates that all assets and income of the plan must be held in trust for the exclusive benefit of the Plan participants and their beneficiaries. The City's plan is administered by the International City Management Association (ICMA) Retirement Corporation and Nationwide Retirement Solutions and provides the plan participants with the option to invest in over twenty different registered investment funds (mutual funds). Although the City is the Trustee of the plan, the City has no administrative involvement and performs no investing function for the plan and has not, therefore, included the plan in this financial report.

**NOTE L – JOINT USE LIBRARY**

In May 2000, the City contracted with St. Petersburg College to develop, maintain, and operate a community library. The library serves as a multipurpose building for College and community use, including library program rooms, conference rooms, study rooms, offices, classrooms, computer lab rooms, a food service area, exhibition space, and College library instruction. The library was built and is owned by the College. The College is responsible for maintaining and repairing the facility, utilities, custodial services, security services, and all capital maintenance. The City is responsible for maintaining the



CITY OF SEMINOLE, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**NOTE L – JOINT USE LIBRARY** (continued)

collection and managing the daily operations of the library including the staffing of the library for a minimum of 62 hours per week with eight full-time and fifteen part-time employees. Additional staff positions or operating hours in excess of 62 hours per week are reimbursed by the College. For fiscal year ending September 30, 2016, the City billed the College \$59,586 for additional staffing requirements.

**NOTE M – PRIOR PERIOD ADJUSTMENTS**

During fiscal year 2015 the City implemented the provisions of Government Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASB Statements 68 and 71, the City reported a restatement of its net position for the change in accounting principle as of October 1, 2013 in the amount of \$1,471,033 for the Firefighters' Pension Trust Fund. The restatement of net position for the City's proportionate interest in the Florida Retirement System cost sharing - multiple employer plan in the amount of \$1,741,271 was reported as of October 1, 2014. The restatements to net position were reported in the Statement of Net Position and Statement of Activities.

**NOTE N – SUBSEQUENT EVENTS**

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

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## **Required Supplementary Information**

Required supplementary information includes a budgetary comparison schedule for the general fund and schedules depicting the changes in net pension liability and contributions for the single employer defined benefit pension plan and the changes in net pension liability for the cost-sharing multiple-employer public employee retirement system plan.

CITY OF SEMINOLE, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2016  
With Comparative Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Total
	Original	Final			
<b>RESOURCES (INFLOWS):</b>					
<b>TAXES</b>					
Ad valorem	\$ 2,689,864	\$ 2,689,864	\$ 2,703,650	\$ 13,786	\$ 2,462,476
Utility taxes	1,149,000	1,149,000	1,155,885	6,885	1,124,390
Franchise fees	1,384,708	1,384,708	1,330,080	(54,628)	1,411,294
Communication services tax	700,000	700,000	695,750	(4,250)	711,714
<b>TOTAL TAXES</b>	<b>5,923,572</b>	<b>5,923,572</b>	<b>5,885,365</b>	<b>(38,207)</b>	<b>5,709,874</b>
<b>LICENSES AND PERMITS</b>					
Local business tax	140,000	140,000	144,471	4,471	133,285
Building permits and plan reviews	175,936	175,936	700,841	524,905	435,981
<b>TOTAL LICENSES AND PERMITS</b>	<b>315,936</b>	<b>315,936</b>	<b>845,312</b>	<b>529,376</b>	<b>569,266</b>
<b>INTERGOVERNMENTAL</b>					
Local option gas tax	220,000	220,000	247,261	27,261	240,313
State revenue sharing	375,000	375,000	520,348	145,348	493,491
Mobile home licenses	5,200	5,200	5,812	612	7,356
Alcoholic beverage licenses	11,000	11,000	22,276	11,276	11,605
Half-cent sales tax	925,000	925,000	1,118,003	193,003	1,049,621
Education reimbursement - Fire	15,960	15,960	83,134	67,174	81,995
State fuel tax refund	1,450	1,450	1,617	167	1,914
Library shared revenue	196,527	196,527	199,832	3,305	173,584
Department of Transportation maintenance reimbursement	25,000	25,000	23,530	(1,470)	36,577
Pinellas County share fire station construction	-	-	410,474	410,474	-
Recycling grant	13,000	13,000	13,431	431	13,135
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	<b>1,788,137</b>	<b>1,788,137</b>	<b>2,645,718</b>	<b>857,581</b>	<b>2,109,591</b>
<b>CHARGES FOR SERVICES</b>					
Administrative	419,256	419,256	441,213	21,957	415,733
Fire protection fees	4,497,580	4,497,580	4,497,596	16	4,194,329
Emergency medical services	2,060,960	2,060,960	2,060,960	-	1,907,921
Culture and recreation	502,146	502,146	581,721	79,575	547,840
Other	31,000	31,000	36,254	5,254	21,278
<b>TOTAL CHARGES FOR SERVICES</b>	<b>7,510,942</b>	<b>7,510,942</b>	<b>7,617,744</b>	<b>106,802</b>	<b>7,087,101</b>
<b>FINES AND FORFEITURES</b>					
Court fines	30,000	30,000	26,492	(3,508)	34,632
Other fines	26,000	26,000	35,610	9,610	41,493
<b>TOTAL FINES AND FORFEITURES</b>	<b>56,000</b>	<b>56,000</b>	<b>62,102</b>	<b>6,102</b>	<b>76,125</b>
<b>MISCELLANEOUS</b>					
Investment income	7,500	7,500	29,381	21,881	17,231
Contributions	-	-	879	879	465
Rents	28,000	28,000	53,534	25,534	21,649
Proceeds from sale of capital assets	200	200	5,254	5,054	-
Other	36,803	36,803	45,074	8,271	111,914
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>72,503</b>	<b>72,503</b>	<b>134,122</b>	<b>61,619</b>	<b>151,259</b>
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<b>15,667,090</b>	<b>15,667,090</b>	<b>17,190,363</b>	<b>1,523,273</b>	<b>15,703,216</b>

(continued)

CITY OF SEMINOLE, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2016 (continued)  
With Comparative Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Total
	Original	Final			
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>					
<b>GENERAL GOVERNMENT</b>					
Legislative					
Personal services	\$ 90,673	\$ 90,673	\$ 91,109	\$ (436)	\$ 85,032
Operating expenses	86,585	86,585	61,435	25,150	62,179
	<u>177,258</u>	<u>177,258</u>	<u>152,544</u>	<u>24,714</u>	<u>147,211</u>
Executive					
Personal services	282,850	269,790	258,104	11,686	281,940
Operating expenses	47,074	47,074	8,223	38,851	63,929
	<u>329,924</u>	<u>316,864</u>	<u>266,327</u>	<u>50,537</u>	<u>345,869</u>
City Clerk					
Personal services	77,063	77,063	80,295	(3,232)	64,586
Operating expenses	37,388	50,448	40,518	9,930	34,785
	<u>114,451</u>	<u>127,511</u>	<u>120,813</u>	<u>6,698</u>	<u>99,371</u>
Financial					
Personal services	149,624	95,961	97,711	(1,750)	77,017
Operating expenses	25,403	29,478	18,219	11,259	15,949
	<u>175,027</u>	<u>125,439</u>	<u>115,930</u>	<u>9,509</u>	<u>92,966</u>
Legal					
Operating expenses	56,000	56,000	52,116	3,884	52,218
	<u>56,000</u>	<u>56,000</u>	<u>52,116</u>	<u>3,884</u>	<u>52,218</u>
Administration					
Personal services	314,112	299,143	302,197	(3,054)	316,535
Operating expenses	100,895	100,895	87,592	13,303	90,639
Capital outlay	-	-	-	-	9,750
	<u>415,007</u>	<u>400,038</u>	<u>389,789</u>	<u>10,249</u>	<u>416,924</u>
Facilities					
Personal services	52,814	52,814	53,108	(294)	51,054
Operating expenses	145,335	185,550	167,067	18,483	166,734
	<u>198,149</u>	<u>238,364</u>	<u>220,175</u>	<u>18,189</u>	<u>217,788</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>1,465,816</u>	<u>1,441,474</u>	<u>1,317,694</u>	<u>123,780</u>	<u>1,372,347</u>
<b>PUBLIC SAFETY</b>					
Law enforcement					
Operating expenses	1,633,382	1,633,382	1,632,374	1,008	1,599,188
Fire control					
Administration					
Personal services	488,800	479,184	525,867	(46,683)	481,747
Operating expenses	270,276	289,195	282,762	6,433	298,104
Capital outlay	-	-	17,804	(17,804)	103,841
	<u>759,076</u>	<u>768,379</u>	<u>826,433</u>	<u>(58,054)</u>	<u>883,692</u>

(continued)

CITY OF SEMINOLE, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2016 (continued)  
With Comparative Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Total
	Original	Final			
<b>PUBLIC SAFETY (continued)</b>					
Fire Control					
Emergency medical services					
Personal services	\$ 1,807,486	\$ 1,807,134	\$ 1,799,998	\$ 7,136	\$ 1,746,280
Operating expenses	253,474	253,826	260,962	(7,136)	161,641
	<u>2,060,960</u>	<u>2,060,960</u>	<u>2,060,960</u>	<u>-</u>	<u>1,907,921</u>
Life safety services					
Personal services	203,570	201,806	211,295	(9,489)	220,023
Operating expenses	31,450	30,950	18,865	12,085	23,916
	<u>235,020</u>	<u>232,756</u>	<u>230,160</u>	<u>2,596</u>	<u>243,939</u>
Training					
Personal services	126,850	115,949	110,168	5,781	102,101
Operating expenses	43,880	43,884	26,842	17,042	28,301
Capital outlay	9,300	9,300	5,700	-	-
	<u>180,030</u>	<u>169,133</u>	<u>142,710</u>	<u>22,823</u>	<u>130,402</u>
Maintenance					
Personal services	194,240	192,566	195,413	(2,847)	188,053
Operating expenses	45,450	47,724	43,743	3,981	39,109
Capital outlay	-	-	-	-	11,821
	<u>239,690</u>	<u>240,290</u>	<u>239,156</u>	<u>1,134</u>	<u>238,983</u>
Fire Operations					
Personal services	3,858,824	3,381,374	3,858,968	(477,594)	3,316,345
Operating expenses	656,780	649,138	512,456	136,682	574,887
Capital outlay	20,000	508,350	159,286	349,064	178,408
	<u>4,535,604</u>	<u>4,538,862</u>	<u>4,530,710</u>	<u>8,152</u>	<u>4,069,640</u>
Total Fire control	<u>8,010,380</u>	<u>8,010,380</u>	<u>8,030,129</u>	<u>(23,349)</u>	<u>7,474,577</u>
Code enforcement					
Personal services	271,901	271,901	259,913	11,988	228,868
Operating expenses	204,287	261,346	231,934	29,412	216,469
Capital outlay	-	-	55,633	(55,633)	-
	<u>476,188</u>	<u>533,247</u>	<u>547,480</u>	<u>(14,233)</u>	<u>445,337</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>10,119,950</u>	<u>10,177,009</u>	<u>10,209,983</u>	<u>(36,574)</u>	<u>9,519,102</u>
<b>PHYSICAL ENVIRONMENT</b>					
Community Development Administration					
Personal services	170,121	170,121	173,545	(3,424)	166,530
Operating expenses	43,960	43,960	38,619	5,341	40,851
	<u>214,081</u>	<u>214,081</u>	<u>212,164</u>	<u>1,917</u>	<u>207,381</u>
Parks					
Personal services	258,341	239,993	207,389	32,604	239,156
Operating expenses	231,964	269,362	225,013	44,349	222,546
Capital Outlay	-	-	-	-	606
	<u>490,305</u>	<u>509,355</u>	<u>432,402</u>	<u>76,953</u>	<u>462,308</u>
<b>TOTAL PHYSICAL ENVIRONMENT</b>	<u>704,386</u>	<u>723,436</u>	<u>644,566</u>	<u>78,870</u>	<u>669,689</u>

CITY OF SEMINOLE, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2016 (continued)  
With Comparative Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015  Total
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		
	Original	Final			
<b>PUBLIC WORKS</b>					
Administration					
Personal services	\$ 241,866	\$ 241,866	\$ 240,780	\$ 1,086	\$ 193,329
Operating expenses	502,376	484,976	391,787	93,189	404,391
Capital Outlay	-	-	8,289	(8,289)	79,495
	<u>744,242</u>	<u>726,842</u>	<u>640,856</u>	<u>85,986</u>	<u>677,215</u>
Transportation					
Personal services	159,637	152,637	131,711	20,926	156,420
Operating expenses	100,800	133,088	100,261	32,827	111,234
	<u>260,437</u>	<u>285,725</u>	<u>231,972</u>	<u>53,753</u>	<u>267,654</u>
<b>TOTAL PUBLIC WORKS</b>	<u>1,004,679</u>	<u>1,012,567</u>	<u>872,828</u>	<u>139,739</u>	<u>944,869</u>
<b>CULTURE AND RECREATION</b>					
Library					
Personal services	916,621	916,621	908,896	7,725	884,678
Operating expenses	60,409	140,409	129,613	10,796	131,970
	<u>977,030</u>	<u>1,057,030</u>	<u>1,038,509</u>	<u>18,521</u>	<u>1,016,648</u>
Recreation					
Personal services	695,575	695,575	658,495	37,080	644,142
Operating expenses	435,174	438,882	441,031	(2,149)	396,268
Capital Outlay	-	20,000	-	20,000	31,600
	<u>1,130,749</u>	<u>1,154,457</u>	<u>1,099,526</u>	<u>54,931</u>	<u>1,072,010</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>2,107,779</u>	<u>2,211,487</u>	<u>2,138,035</u>	<u>73,452</u>	<u>2,088,658</u>
<b>TRANSFERS TO OTHER FUNDS</b>	<u>264,480</u>	<u>1,308,170</u>	<u>1,267,321</u>	<u>40,849</u>	<u>1,254,642</u>
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>15,667,090</u>	<u>16,874,143</u>	<u>16,450,427</u>	<u>420,116</u>	<u>15,849,307</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	-	(1,207,053)	739,936	1,946,989	(146,091)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>6,437,074</u>	<u>6,437,074</u>	<u>6,437,074</u>	-	<u>6,583,165</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,437,074</u>	<u>\$ 5,230,021</u>	<u>\$ 7,177,010</u>	<u>\$ 1,946,989</u>	<u>\$ 6,437,074</u>

(continued)

CITY OF SEMINOLE, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended September 30, 2016 (continued)

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

SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 17,190,363
Differences - budget to GAAP:	
Proceeds from sale of surplus capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(5,254)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 17,185,109</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 16,450,427
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,267,321)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 15,183,106</u>



CITY OF SEMINOLE, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FIREFIGHTERS' PENSION TRUST FUND  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY

Measurement Date:	September 30,		
	2014	2015	2016
<b>Total Pension Liability</b>			
Service cost	\$ 650,715	\$ 673,538	\$ 716,045
Interest on the total pension liability	2,931,119	2,967,687	2,974,989
Change in funding standard account	(354,784)	-	-
Differences between expected and actual experience	-	(446,275)	161,240
Change in assumptions	-	-	1,032,209
Contributions - buy back	-	-	23,668
Benefit payments, including refunds of employee contributions	(2,719,110)	(2,836,936)	(3,449,539)
Net change in total pension liability	507,940	358,014	1,458,612
Total pension liability beginning	38,533,082	39,041,022	39,399,036
Total pension liability ending (a)	<u>\$ 39,041,022</u>	<u>\$ 39,399,036</u>	<u>\$ 40,857,648</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 207,920	\$ 60,525	\$ 310,573
Contributions - State	264,239	284,794	268,067
Contributions - employees	509,862	424,681	390,603
Contributions - buy back	-	-	23,668
Net investment income (loss)	3,386,823	(292,760)	2,584,673
Benefit payments, including refunds of employee contributions	(2,719,110)	(2,836,936)	(3,449,539)
Administrative expenses	(55,437)	(52,016)	(63,352)
Net Change in plan fiduciary net position	1,594,297	(2,411,712)	64,693
Plan fiduciary net position - beginning	36,589,530	38,183,827	35,772,115
Plan fiduciary net position - ending (b)	<u>\$ 38,183,827</u>	<u>\$ 35,772,115</u>	<u>\$ 35,836,808</u>
Net Pension Liability - Ending (a - b)	<u>\$ 857,195</u>	<u>\$ 3,626,921</u>	<u>\$ 5,020,840</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	97.80%	90.79%	87.71%
Covered Employee Payroll	\$ 3,700,010	\$ 3,788,411	\$ 3,949,473
Net pension liability as a percentage of covered employee payroll	23.17%	95.74%	127.13%

Please refer to the notes to the financial statements (pages 47-48) for the assumptions used.

**NOTE:** Only three years of information is available for the GASB 68 disclosures.

CITY OF SEMINOLE, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FIREFIGHTERS' PENSION TRUST FUND  
 SCHEDULE OF CONTRIBUTIONS

	9-30-14	9-30-15	9-30-16
Actuarially determined contribution	\$ 826,943	\$ 713,089	\$ 670,715
Less funding credit balance used	(354,784)	(367,770)	(92,075)
Contributions in relation to the actuarially determined contribution	(472,159)	(345,319)	(578,640)
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,700,010	\$ 3,788,411	\$ 3,949,473
Contributions as a percentage of covered employee payroll	-12.76%	-9.12%	-14.65%

**NOTES TO SCHEDULE**

Valuation date: September 30, 2014  
 Actuarially determined contribution rates are calculated as of September 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

**Funding Method:** Entry Age Normal Actuarial Cost Method  
 Interest - A half year, based on the current 7.75% assumption.  
 Salary - A full year, based on the current 4.6% assumption.

**Amortization Method:** Level Dollar

**Remaining Amortization Period:** 27 years as of 9-30-14

**Mortality:** RP-2000 table with no projection - disabled lives are set forward 5 years. Based on a study of over 650 public safety plans, this table reflects a 10% margin for future mortality improvements.

**Interest Rate:** 7.75% per year compounded annually, net of investment related expenses.

**Inflation:** 3.5% per year.

**Retirement Rates:** Age and experience-based probability table considering eligibility for normal retirement.

**Salary Increases** Less than 10 years of credited service - 5%, 10-20 years of credited service - 4.5%, and more than 20 years of credited service 4%.

**Disability Rates** Age based probability tables based on assumption that 75% of disablements and active member deaths are service related.

**Asset Smoothing Method** The total investment gain or loss for each plan year is recognized over a 4 year period. In the first year 25% of the gain or loss is recognized and 25% in each of the successive remaining three years. Investment gain or loss return is the difference between the actual rate of return on the Plan's assets and the assumed rate of return based on the actuarial assumption for investment return.

**Payroll Growth:** None.

CITY OF SEMINOLE, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
FLORIDA RETIREMENT SYSTEM - CITY'S PROPORTIONATE SHARE  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	9/30/2015	9/30/2016
<b>FRS Pension Plan</b>		
Total Pension Liability	\$ 13,702,381	\$ 15,879,159
Plan Fiduciary Net Position	(12,605,623)	(13,478,706)
Net Pension Liability	<u>\$ 1,096,758</u>	<u>\$ 2,400,453</u>
Plan Net Position as a Percentage of Total Net Pension Liability	92%	85%
Service Cost	\$ 191,514	\$ 225,451
Interest on the total pension liability	1,061,870	1,279,953
Plan changes	-	3,415
Effect of economic/demographic gain or loss	146,836	103,608
Effect of assumptions	-	108,943
Employer contributions	(220,869)	(257,770)
Member contributions	(63,260)	(75,124)
Projected investment earnings	(1,015,541)	(1,170,686)
(Gain) Loss on investments	515,180	1,083,949
Administrative expense	1,637	1,956
Net change in net pension liability	617,367	1,303,695
Net pension liability - beginning	479,391	1,096,758
Net pension liability - ending	<u>\$ 1,096,758</u>	<u>\$ 2,400,453</u>
Covered employee payroll	\$ 2,840,484	\$ 2,890,662
Net pension liability as a percentage of covered employee payroll	39%	83%
<b>Retiree Health Insurance Subsidy (HIS Plan)</b>		
Total Pension Liability	\$ 891,443	\$ 1,115,300
Plan Fiduciary Net Position	(4,416)	(10,791)
Net Pension Liability	<u>\$ 887,027</u>	<u>\$ 1,104,509</u>
Plan Net Position as a Percentage of Total Net Pension Liability	0.50%	0.97%
Service Cost	\$ 23,443	\$ 38,340
Interest on the total pension liability	43,697	58,361
Effect of economic/demographic gain or loss	65,496	(4,604)
Effect of assumptions	-	201,994
Employer contributions	(41,199)	(76,553)
Member contributions	-	-
Projected investment earnings	(333)	(464)
Net investment income	290	380
Administrative expense	20	28
Net change in net pension liability	91,414	217,482
Net pension liability - beginning	795,613	887,027
Net pension liability - ending	<u>\$ 887,027</u>	<u>\$ 1,104,509</u>
Covered employee payroll	\$ 2,840,484	\$ 2,890,662
Net pension liability as a percentage of covered employee payroll	31%	38%

**NOTE:** Only two years of information are available for the GASB 68 disclosures.

## **Combining Financial Statements**

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

CITY OF SEMINOLE, FLORIDA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2016  
With Comparative Amounts for September 30, 2015

	2016			2015	
	Special Events	Library	Tree and Landscape Mitigation	Total Non-major Governmental Funds	Total
<b>ASSETS</b>					
Cash, pooled cash, and cash equivalents	\$ 83,102	\$ 109,571	\$ 94,243	\$ 286,916	\$ 244,312
<b>TOTAL ASSETS</b>	<u>\$ 83,102</u>	<u>\$ 109,571</u>	<u>\$ 94,243</u>	<u>\$ 286,916</u>	<u>\$ 244,312</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 2,912	\$ -	\$ -	\$ 2,912	\$ 964
<b>TOTAL LIABILITIES</b>	<u>2,912</u>	<u>-</u>	<u>-</u>	<u>2,912</u>	<u>964</u>
<b>FUND BALANCES</b>					
Fund balances					
Restricted for:					
Library	-	109,571	-	109,571	97,301
Tree and landscape mitigation	-	-	94,243	94,243	85,143
Committed for:					
Special events	80,190	-	-	80,190	60,904
<b>TOTAL FUND BALANCES</b>	<u>80,190</u>	<u>109,571</u>	<u>94,243</u>	<u>284,004</u>	<u>243,348</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 83,102</u>	<u>\$ 109,571</u>	<u>\$ 94,243</u>	<u>\$ 286,916</u>	<u>\$ 244,312</u>

CITY OF SEMINOLE, FLORIDA

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

For the Year Ended September 30, 2016  
With Comparative Amounts for the Year Ended September 30, 2015

	2016				2015
	Special Events	Library	Tree and Landscape Mitigation	Total Non-major Governmental Funds	Total
REVENUES					
Miscellaneous revenues	\$ 110,167	\$ 12,270	\$ 9,375	\$ 131,812	\$ 96,107
TOTAL REVENUES	110,167	12,270	9,375	131,812	96,107
EXPENDITURES					
Current					
Culture and recreation	90,881	-	275	91,156	77,734
Physical environment	-	-	-	-	50,000
TOTAL EXPENDITURES	90,881	-	275	91,156	127,734
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	19,286	12,270	9,100	40,656	(31,627)
OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	19,286	12,270	9,100	40,656	(31,627)
FUND BALANCES - BEGINNING OF YEAR	60,904	97,301	85,143	243,348	274,975
FUND BALANCES - END OF YEAR	\$ 80,190	\$ 109,571	\$ 94,243	\$ 284,004	\$ 243,348

## **Other Supplementary Schedules**

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

CITY OF SEMINOLE, FLORIDA

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

September 30, 2016

	Total Governmental Funds	Long-term Assets, Liabilities	Pension Related Items	Reclasses & Eliminations	Statement of Net Asset Totals
<b>ASSETS</b>					
Cash, pooled cash, and cash equivalents	\$ 13,561,593	\$ -	\$ -	\$ -	\$ 13,561,593
Receivables					
Accounts	5,173	-	-	-	5,173
Taxes	249,626	-	-	-	249,626
Due from other governments	1,795,768	-	-	-	1,795,768
Inventories - at cost	65,590	-	-	-	65,590
Prepaid items	135,365	-	-	-	135,365
Capital assets	-	54,425,627	-	-	54,425,627
Accumulated depreciation	-	(17,280,935)	-	-	(17,280,935)
Deferred outflows of resources					
Defined benefit pension plans	-	-	4,551,534	-	4,551,534
<b>TOTAL ASSETS</b>	<b>\$ 15,813,115</b>	<b>\$ 37,144,692</b>	<b>\$ 4,551,534</b>	<b>\$ -</b>	<b>\$ 57,509,341</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 487,720	\$ -	\$ -	\$ -	\$ 487,720
Accrued liabilities	667,488	-	-	2,750	670,238
Deferred revenue	107,901	-	-	(107,901)	-
Net Other Post Employment Benefit liability	-	-	-	127,334	127,334
Compensated absences	-	-	-	861,543	861,543
Revenue bonds payable	-	-	-	2,798,053	2,798,053
Net pension liability	-	-	8,525,802	-	8,525,802
Deferred inflows of resources					
Unearned revenue	-	-	-	107,901	107,901
Defined benefit pension plans	-	-	570,620	-	570,620
<b>TOTAL LIABILITIES</b>	<b>1,263,109</b>	<b>-</b>	<b>9,096,422</b>	<b>3,789,680</b>	<b>14,149,211</b>
<b>TOTAL FUND BALANCES / NET POSITION</b>	<b>14,550,006</b>	<b>37,144,692</b>	<b>(4,544,888)</b>	<b>(3,789,680)</b>	<b>43,360,130</b>
<b>TOTAL LIABILITIES AND FUND BALANCES / NET POSITION</b>	<b>\$ 15,813,115</b>	<b>\$ 37,144,692</b>	<b>\$ 4,551,534</b>	<b>\$ -</b>	<b>\$ 57,509,341</b>



CITY OF SEMINOLE, FLORIDA

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

For the Year Ended September 30, 2016

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Pension Related Items	Reclasses & Eliminations	Statement of Activities Totals
<b>REVENUES</b>						
Taxes	\$ 7,609,843	\$ -	\$ -	\$ -	\$ (7,609,843)	\$ -
Licenses and permits	845,312	-	-	-	(845,312)	-
Intergovernmental revenue	2,665,072	-	-	-	(2,665,072)	-
Charges for services	7,617,744	-	-	-	1,101,719	8,719,463
Fines and forfeitures	62,102	-	-	-	(62,102)	-
Miscellaneous revenues	278,610	-	-	-	(278,610)	-
Operating grants and contributions	-	-	-	-	268,375	268,375
Capital grants and contributions	-	-	-	-	435,694	435,694
General revenues	-	-	-	-	9,655,151	9,655,151
<b>TOTAL REVENUES</b>	<b>19,078,683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,078,683</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
General government	1,325,626	133,019	(8,054)	91,489	-	1,542,080
Public safety	9,981,601	-	-	-	(9,981,601)	-
Law enforcement	-	-	-	-	1,632,374	1,632,374
Fire	-	396,789	1,522	795,052	7,857,380	9,050,743
Code enforcement	-	6,732	5,316	11,762	491,847	515,657
Physical environment	650,431	190,712	23,349	28,780	-	893,272
Public works	864,539	176,539	7,197	24,924	-	1,073,199
Culture and recreation	2,265,869	-	-	-	(2,265,869)	-
Library	-	9,785	8,733	43,049	1,045,975	1,107,542
Recreation	-	385,861	4,425	22,910	1,219,894	1,633,090
Capital Outlay	1,509,625	(1,509,625)	-	-	-	-
<b>Debt service</b>						
Principal retirement	915,211	-	(915,211)	-	-	-
Interest and fiscal charges	45,302	-	(899)	-	-	44,403
<b>TOTAL EXPENDITURES</b>	<b>17,558,204</b>	<b>(210,188)</b>	<b>(873,622)</b>	<b>1,017,966</b>	<b>-</b>	<b>17,492,360</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	5,254	(5,254)	-	-	-	-
Transfers in	1,267,321	-	-	-	(1,267,321)	-
Transfers out	(1,267,321)	-	-	-	1,267,321	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,254</b>	<b>(5,254)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE / NET POSITION</b>						
	<b>\$ 1,525,733</b>	<b>\$ 204,934</b>	<b>\$ 873,622</b>	<b>\$ (1,017,966)</b>	<b>\$ -</b>	<b>\$ 1,586,323</b>

# Statistical Section

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect financial trends, revenue capacity, debt capacity, demographics, and operating information of the City.

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## **Schedules of Financial Trends Information**

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

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City of Seminole, Florida  
Schedule 1  
Net Position by Component  
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 24,876,463	\$ 25,229,380	\$ 26,648,022	\$ 27,055,701
Restricted	2,421,457	2,875,030	2,643,403	3,112,622
Unrestricted	<u>6,643,319</u>	<u>7,500,652</u>	<u>7,662,369</u>	<u>7,482,286</u>
Total governmental activities net position	<u>\$ 33,941,239</u>	<u>\$ 35,605,062</u>	<u>\$ 36,953,794</u>	<u>\$ 37,650,609</u>

(1) - The City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The unrestricted balance for fiscal year 2014 has been restated to reflect the net pension liability of the Fire Fighters Pension Trust Fund. The unrestricted balance for fiscal year 2015 also reflects the net pension liability of the City's proportionate share of the Florida Retirement System.

2011	2012	2013	(Restated) (1) 2014	2015 (1)	2016
\$ 27,105,605	\$ 29,270,861	\$ 30,587,031	\$ 30,606,323	\$ 33,226,494	\$ 34,346,639
3,259,596	3,241,844	3,728,343	4,347,386	4,763,310	5,669,123
7,610,402	6,972,322	6,880,991	7,405,080	3,784,003	3,344,368
<u>\$ 37,975,603</u>	<u>\$ 39,485,027</u>	<u>\$ 41,196,365</u>	<u>\$ 42,358,789</u>	<u>\$ 41,773,807</u>	<u>\$ 43,360,130</u>

City of Seminole, Florida  
Schedule 2  
Changes in Net Position  
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>							
Governmental activities:							
General government	\$ 1,370,189	\$ 1,282,640	\$ 1,357,026	\$ 1,250,049	\$ 1,307,119	\$ 1,191,801	\$ 1,181,971
Law enforcement	1,572,310	1,616,977	1,715,104	1,766,399	1,715,071	1,699,930	1,571,901
Fire	9,858,227	9,578,610	8,611,690	8,249,873	8,471,797	8,286,660	7,912,490
Code enforcement	722,094	668,327	591,048	473,369	393,682	338,965	335,025
Physical environment	832,922	658,175	543,391	532,207	513,660	642,876	780,806
Public works	1,147,108	1,285,305	1,269,541	1,488,035	1,357,409	1,287,121	1,360,669
Library	904,995	938,323	966,440	962,652	917,293	988,308	1,073,879
Recreation	1,553,225	1,485,850	1,484,435	1,463,360	1,576,448	1,440,688	1,448,393
Interest on long-term debt	156,929	134,761	106,255	363,715	312,203	252,784	203,575
Total governmental activities expenses	<u>\$ 18,117,999</u>	<u>\$ 17,648,968</u>	<u>\$ 16,644,930</u>	<u>\$ 16,549,659</u>	<u>\$ 16,564,682</u>	<u>\$ 16,129,133</u>	<u>\$ 15,868,709</u>
<b>Program Revenues</b>							
Governmental activities:							
Charges for services							
General government	\$ 541,382	\$ 568,148	\$ 580,309	\$ 517,115	\$ 514,717	\$ 532,788	\$ 499,110
Law enforcement	261,146	246,127	238,048	201,121	201,005	150,917	45,131
Fire	7,703,495	7,917,039	7,145,380	6,483,420	6,307,225	6,544,427	6,451,407
Code enforcement	441,735	163,839	134,950	187,703	168,286	322,808	415,882
Physical environment	-	-	-	-	39,479	176,073	3,231
Library	66,145	76,104	71,128	68,036	73,584	75,450	82,424
Recreation	736,435	580,544	523,769	504,382	530,738	518,343	549,588
Operating grants and contributions	509,769	374,210	325,640	311,840	286,197	263,282	307,898
Capital grants and contributions	73,652	11,228	12,742	67,805	93,979	488,129	270,250
Total governmental activities program revenues	<u>\$ 10,333,759</u>	<u>\$ 9,937,239</u>	<u>\$ 9,031,966</u>	<u>\$ 8,341,422</u>	<u>\$ 8,215,210</u>	<u>\$ 9,072,217</u>	<u>\$ 8,624,921</u>
<b>Net (Expense)/Revenue</b>							
Governmental activities net expense	<u>\$ (7,784,240)</u>	<u>\$ (7,711,729)</u>	<u>\$ (7,612,964)</u>	<u>\$ (8,208,237)</u>	<u>\$ (8,349,472)</u>	<u>\$ (7,056,916)</u>	<u>\$ (7,243,788)</u>
<b>General Revenues and Other Changes in Net Position</b>							
Governmental activities:							
Taxes							
Ad valorem	\$ 3,492,061	\$ 3,433,432	\$ 3,130,995	\$ 2,756,204	\$ 2,448,358	\$ 2,372,877	\$ 2,276,155
Franchise fees	1,395,998	1,363,670	1,496,207	1,549,743	1,420,630	1,361,423	1,286,329
Utility taxes	976,473	994,954	1,028,380	1,168,373	1,094,465	1,026,026	1,074,203
Communication services tax	824,314	801,449	856,569	791,165	819,458	830,481	773,387
Half-cent sales tax	1,016,802	988,793	900,367	897,505	930,163	907,237	947,232
Infrastructure tax	952,209	844,475	823,634	1,045,040	1,275,822	1,346,319	1,422,592
Local option gas tax	88,496	234,543	231,030	229,246	223,708	227,177	231,605
Other taxes	19,415	20,265	18,436	17,949	19,376	19,638	22,422
State revenue sharing	429,239	396,031	348,555	346,593	367,714	379,770	412,322
Investment income	468,064	248,172	61,170	48,909	15,046	5,952	5,840
Miscellaneous	22,831	49,768	66,353	54,325	59,726	104,857	111,069
Special Item	-	-	-	-	-	-	391,970
Total governmental activities	<u>\$ 9,685,902</u>	<u>\$ 9,375,552</u>	<u>\$ 8,961,696</u>	<u>\$ 8,905,052</u>	<u>\$ 8,674,466</u>	<u>\$ 8,581,757</u>	<u>\$ 8,955,126</u>
<b>Change in Net Position</b>							
Governmental activities	<u>\$ 1,901,662</u>	<u>\$ 1,663,823</u>	<u>\$ 1,348,732</u>	<u>\$ 696,815</u>	<u>\$ 324,994</u>	<u>\$ 1,524,841</u>	<u>\$ 1,711,338</u>
<b>Net position</b>							
Governmental activities:							
Net position - beginning of year	\$ 32,039,577	\$ 33,941,239	\$ 35,605,062	\$ 36,953,794	\$ 37,650,609	\$ 37,960,186	\$ 39,485,027
Net position - end of year	<u>\$ 33,941,239</u>	<u>\$ 35,605,062</u>	<u>\$ 36,953,794</u>	<u>\$ 37,650,609</u>	<u>\$ 37,975,603</u>	<u>\$ 39,485,027</u>	<u>\$ 41,196,365</u>

(1) - The beginning net position balance for fiscal year 2014 has been restated to reflect the net pension liability of the Fire Fighters Pension Trust Fund as of October 1, 2013 as a result of implementing GASB Statement No. 68. Additionally, Fire expenses have been restated for fiscal year 2014 to reflect the change in pension expense resulting from the implementation of GASB 68.

(2) - The beginning net position balance for fiscal year 2015 has been restated to reflect the net pension liability of the City's proportionate share of the Florida Retirement System as of October 1, 2014 as a result of implementing GASB 68.

(Restated) (1)	(Restated) (2)	
2014	2015	2016
\$ 1,415,475	\$ 1,461,642	\$ 1,542,080
1,574,965	1,599,188	1,632,374
7,142,895	8,441,264	9,050,743
416,183	458,128	515,657
871,087	905,616	893,272
1,048,973	1,029,756	1,073,199
1,045,562	1,031,000	1,107,542
1,533,638	1,450,978	1,633,090
215,133	55,443	44,403
<u>\$ 15,263,911</u>	<u>\$ 16,433,015</u>	<u>\$ 17,492,360</u>

\$ 530,401	\$ 527,187	\$ 563,283
27,942	34,632	26,492
6,258,082	6,188,399	6,659,370
433,057	468,432	735,072
49,187	49,522	19,438
85,856	86,909	84,306
589,149	584,522	631,501
238,367	312,885	268,375
756,564	37,230	435,694
<u>\$ 8,968,605</u>	<u>\$ 8,289,718</u>	<u>\$ 9,423,531</u>

\$ (6,295,306)    \$ (8,143,297)    \$ (8,068,829)

\$ 2,337,121	\$ 2,462,476	\$ 2,703,650
1,372,643	1,411,294	1,330,080
1,141,682	1,124,390	1,155,885
720,765	711,714	695,750
992,067	1,049,621	1,118,003
1,514,280	1,632,208	1,724,478
231,838	240,313	247,261
21,054	20,875	29,705
448,691	493,491	520,348
10,253	19,755	31,382
138,369	133,449	98,610
-	-	-
<u>\$ 8,928,763</u>	<u>\$ 9,299,586</u>	<u>\$ 9,655,152</u>

\$ 2,633,457    \$ 1,156,289    \$ 1,586,323

<u>\$ 39,725,332</u>	<u>\$ 40,617,518</u>	<u>\$ 41,773,807</u>
<u>\$ 42,358,789</u>	<u>\$ 41,773,807</u>	<u>\$ 43,360,130</u>



City of Seminole, Florida  
Schedule 3  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2007	2008	2009	2010
General Fund				
Reserved	\$ 339,468	\$ 258,687	\$ -	\$ -
Unreserved	4,294,714	4,963,321	-	-
Nonspendable	-	-	140,558	154,773
Restricted	-	-	52,999	52,999
Committed	-	-	4,141,042	4,278,269
Assigned	-	-	974,859	754,832
Unassigned	-	-	764,754	650,000
Total general fund	<u>\$ 4,634,182</u>	<u>\$ 5,222,008</u>	<u>\$ 6,074,212</u>	<u>\$ 5,890,873</u>
All Other Governmental Funds				
Reserved	\$ 2,567,158	\$ 3,576,219	\$ -	\$ -
Unreserved				
Special revenue funds	334,355	343,052	-	-
Capital project fund	2,448,043	2,198,270	-	-
Restricted	-	-	2,590,404	3,059,623
Committed	-	-	5,738,705	437,487
Assigned	-	-	2,488,483	2,375,192
Total all other governmental funds	<u>\$ 5,349,556</u>	<u>\$ 6,117,541</u>	<u>\$ 10,817,592</u>	<u>\$ 5,872,302</u>

Note:

The City implemented GASB Statement #54 - "Fund Balance Reporting and Governmental Fund Type Definitions" for the year ended September 30, 2010. The fund balance classifications for the year ended September 30, 2009 were restated for comparison purposes.

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
161,612	148,090	194,533	181,662	170,207	200,955
35,353	29,853	29,853	-	-	-
4,304,788	4,443,388	4,272,683	4,317,047	57,059	19,050
616,728	226,215	894,037	1,297,325	1,149,994	1,897,191
650,000	915,132	915,132	787,131	5,059,814	5,059,814
<u>\$ 5,768,481</u>	<u>\$ 5,762,678</u>	<u>\$ 6,306,238</u>	<u>\$ 6,583,165</u>	<u>\$ 6,437,074</u>	<u>\$ 7,177,010</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
3,224,243	3,211,991	3,698,490	4,347,386	4,763,310	5,669,123
424,334	477,000	351,568	320,187	321,952	327,776
2,687,150	2,100,086	1,191,732	2,477,888	1,501,937	1,376,097
<u>\$ 6,335,727</u>	<u>\$ 5,789,077</u>	<u>\$ 5,241,790</u>	<u>\$ 7,145,461</u>	<u>\$ 6,587,199</u>	<u>\$ 7,372,996</u>

City of Seminole, Florida  
Schedule 4  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2007	2008	2009	2010
<b>Revenues</b>				
Taxes	\$ 7,641,055	\$ 7,437,980	\$ 7,335,785	\$ 7,310,525
Licenses and permits	569,653	307,393	278,994	320,064
Intergovernmental revenue	2,052,131	2,068,552	1,879,003	1,882,424
Charges for services	8,843,479	8,816,509	8,013,570	7,293,536
Fines and forfeitures	281,806	272,742	262,688	226,115
Miscellaneous revenue	631,537	409,615	223,622	213,810
Total revenues	<u>20,019,661</u>	<u>19,312,791</u>	<u>17,993,662</u>	<u>17,246,474</u>
<b>Expenditures</b>				
General government	1,250,010	1,136,826	1,234,293	1,109,629
Public safety	11,717,939	11,464,642	10,401,018	9,989,786
Physical environment	720,125	614,878	489,147	482,873
Public works	1,054,121	1,111,391	1,105,208	1,186,714
Culture and recreation	2,192,774	2,138,406	2,166,341	2,107,852
Capital outlay	582,792	930,905	1,991,671	6,238,474
Debt service				
Principal retirement	445,000	465,000	485,000	951,469
Interest and fiscal charges	120,484	100,601	79,334	323,831
Total expenditures	<u>18,083,245</u>	<u>17,962,649</u>	<u>17,952,012</u>	<u>22,390,628</u>
Excess of revenues over (under) expenditures	1,936,416	1,350,142	41,650	(5,144,154)
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	2,340	5,670	10,605	15,525
Issuance of debt	-	-	5,500,000	-
Issuance of debt - refunding bonds	-	-	-	-
Transfers in	1,135,884	975,739	1,659,872	6,125,897
Transfers out	(1,135,884)	(975,739)	(1,659,872)	(6,125,897)
Total other financing sources (uses)	<u>2,340</u>	<u>5,670</u>	<u>5,510,605</u>	<u>15,525</u>
Net change in fund balances	1,938,756	1,355,812	5,552,255	(5,128,629)
Fund balances - beginning of year	8,044,981	9,983,737	11,339,549	16,891,804
Fund balances - end of year	<u>\$ 9,983,737</u>	<u>\$ 11,339,549</u>	<u>\$ 16,891,804</u>	<u>\$ 11,763,175</u>
Debt service as a percentage of noncapital expenditures	3.2%	3.3%	3.5%	7.9%

Note 1 - September 30, 2014 debt principal retirement includes \$3,074,173 of current refunding of Revenue Bonds.

	2011	2012	2013	2014	2015	2016
\$	7,058,733	\$ 6,937,126	\$ 6,832,666	\$ 7,086,491	\$ 7,342,082	\$ 7,609,843
	298,568	468,235	541,743	559,750	569,266	845,312
	1,973,250	2,311,313	2,221,224	2,696,505	2,166,168	2,665,072
	7,096,557	7,350,790	7,305,108	7,176,437	7,087,101	7,617,744
	237,600	179,709	78,012	65,468	76,125	62,102
	224,968	397,752	204,401	278,200	348,562	278,610
	<u>16,889,676</u>	<u>17,644,925</u>	<u>17,183,154</u>	<u>17,862,851</u>	<u>17,589,304</u>	<u>19,078,683</u>
	1,182,615	1,068,290	1,034,420	1,244,404	1,385,947	1,325,626
	9,881,987	9,884,635	9,467,565	9,215,578	9,226,960	9,981,601
	464,048	459,306	578,915	671,160	741,708	650,431
	1,064,986	1,125,341	1,210,590	881,187	865,374	864,539
	2,217,806	2,110,876	2,194,170	2,270,071	2,139,779	2,265,869
	481,478	2,285,496	1,716,466	2,229,184	2,973,807	1,509,625
	988,961	1,027,093	781,391	3,606,085	903,909	915,211
	291,054	252,043	208,287	225,393	56,173	45,302
	<u>16,572,935</u>	<u>18,213,080</u>	<u>17,191,804</u>	<u>20,343,062</u>	<u>18,293,657</u>	<u>17,558,204</u>
	316,741	(568,155)	(8,650)	(2,480,211)	(704,353)	1,520,479
	24,292	15,702	4,923	43,636	-	5,254
	-	-	-	1,500,000	-	-
	-	-	-	3,117,173	-	-
	1,162,392	463,088	343,926	798,993	1,254,642	1,267,321
	(1,162,392)	(463,088)	(343,926)	(798,993)	(1,254,642)	(1,267,321)
	<u>24,292</u>	<u>15,702</u>	<u>4,923</u>	<u>4,660,809</u>	<u>-</u>	<u>5,254</u>
	341,033	(552,453)	(3,727)	2,180,598	(704,353)	1,525,733
	11,763,175	12,104,208	11,551,755	11,548,028	13,728,626	13,024,273
\$	<u>12,104,208</u>	<u>11,551,755</u>	<u>11,548,028</u>	<u>13,728,626</u>	<u>13,024,273</u>	<u>14,550,006</u>

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Note 1

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## **Schedules of Revenue Capacity Information**

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

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City of Seminole, Florida  
Schedule 5  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended September 30	Amounts			
	Residential	Commercial	Governmental	Institutional
2007	\$ 1,469,269,900	\$ 297,624,400	\$ 88,712,300	\$ 91,445,500
2008	1,548,090,800	319,337,100	98,402,300	97,800,600
2009	1,430,838,900	330,139,300	98,483,800	99,283,400
2010	1,175,854,053	313,044,318	78,815,945	92,265,540
2011	1,002,257,459	268,749,921	68,862,592	86,884,529
2012	958,108,790	256,385,346	66,556,977	83,453,992
2013	886,541,181	255,861,874	65,846,748	86,156,092
2014	950,903,585	266,267,243	67,627,741	85,928,141
2015	1,067,475,461	271,501,712	70,441,180	88,906,537
2016	1,242,067,559	283,973,414	72,413,737	90,329,380
	Percentages			
2007	72.53%	14.69%	4.38%	4.51%
2008	72.29%	14.91%	4.59%	4.57%
2009	70.51%	16.27%	4.85%	4.89%
2010	67.67%	18.01%	4.54%	5.31%
2011	66.99%	17.96%	4.60%	5.81%
2012	66.80%	17.87%	4.64%	5.82%
2013	65.16%	18.80%	4.84%	6.33%
2014	66.47%	18.61%	4.73%	6.01%
2015	68.59%	17.45%	4.53%	5.71%
2016	71.05%	16.25%	4.14%	5.17%

Note:

1. Source: Pinellas County Property Appraiser



Amounts				
Misc. & Personal	Total Assessed	Less: Tax-Exempt	Total Taxable Assessed	Total Direct Tax
\$ 78,645,200	\$ 2,025,697,300	\$ 711,835,132	\$ 1,313,862,168	2.7500
77,980,650	2,141,611,450	706,683,012	1,434,928,438	2.4793
70,652,130	2,029,397,530	731,481,574	1,297,915,956	2.4793
77,775,551	1,737,755,407	594,243,839	1,143,511,568	2.4793
69,409,939	1,496,164,440	475,426,732	1,020,737,708	2.4793
69,888,558	1,434,393,663	445,853,226	988,540,437	2.4793
66,250,821	1,360,656,716	410,232,747	950,423,969	2.4793
59,771,829	1,430,498,539	454,262,276	976,236,263	2.4793
58,003,299	1,556,328,189	527,299,405	1,029,028,784	2.4793
59,253,169	1,748,037,259	618,047,694	1,129,989,565	2.4793

Percentages			
3.88%	100.00%	35.14%	64.86%
3.64%	100.00%	33.00%	67.00%
3.48%	100.00%	36.04%	63.96%
4.48%	100.00%	34.20%	65.80%
4.64%	100.00%	31.78%	68.22%
4.87%	100.00%	31.08%	68.92%
4.87%	100.00%	30.15%	69.85%
4.18%	100.00%	31.76%	68.24%
3.73%	100.00%	33.88%	66.12%
3.39%	100.00%	35.36%	64.64%

City of Seminole, Florida  
Schedule 6  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rates per \$1,000 of assessed value)

Fiscal Year	City	County	School Board	County-Wide Overlapping Rates						EMS	Total
				Pinellas County Transit	Pinellas County Planning	Juvenile Welfare	Southwest Florida Water Management	Pinellas Anclote River			
2007	2.7500	5.4700	8.2100	0.6074	0.0195	0.7963	0.4220	0.4000	0.6300	19.3052	
2008	2.4793	4.8730	7.7310	0.5601	0.0170	0.7384	0.3866	0.3701	0.5832	17.7387	
2009	2.4793	4.8730	8.0610	0.5601	0.0170	0.7915	0.3866	0.3600	0.5832	18.1117	
2010	2.4793	4.8730	8.3400	0.5601	0.0125	0.7915	0.3866	0.2900	0.5832	18.3162	
2011	2.4793	4.8730	8.3400	0.5601	0.0125	0.7915	0.3770	0.2600	0.5832	18.2766	
2012	2.4793	4.8730	8.3850	0.7305	0.0125	0.8337	0.3928	n/a	0.8506	18.5574	
2013	2.4793	5.0727	8.3020	0.7305	0.0125	0.8981	0.3928	n/a	0.9158	18.8037	
2014	2.4793	5.3377	8.0600	0.7305	0.0160	0.8981	0.3818	n/a	0.9158	18.8192	
2015	2.4793	5.3377	7.8410	0.7305	0.0160	0.8981	0.3658	n/a	0.9158	18.5842	
2016	2.4793	5.3377	7.7700	0.7305	0.0160	0.8981	0.3488	n/a	0.9158	18.4962	

Note:

1. Source: Pinellas County Property Appraiser
2. The Ad valorem direct tax rate for the City of Seminole pertains to operating expenditures only, and therefore no further breakdown of the direct rate can be shown.
3. May 31, 2011 - Pinellas Anclote River merged and consolidated into the Southwest Florida Water Management District.

City of Seminole  
Schedule 7  
Principal Property Taxpayers  
Current Year and Nine Years Ago

2016				2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Northwestern Mutual Life Ins Co	\$ 42,000,000	1	3.72%	Seminole Properties Seminole Mall	\$ 24,365,700	1	1.85%
Freedom Square Trust	21,616,629	2	1.91%	Acquisition/Bluffs Retail	23,840,700	2	1.81%
Wal-Mart Stores East LP	17,650,000	3	1.56%	Essilor of America, Inc.	17,588,700	3	1.34%
Sembler Family Partnership #47 LTD	16,059,193	4	1.42%	Peoples Gas Sys	15,034,300	4	1.14%
Seminole Mall LP	12,874,125	5	1.14%	D W Seminole	14,721,000	5	1.12%
East Madeira Corp	11,650,000	6	1.03%	East Madeira Corp	12,270,200	6	0.93%
Suso 4 Seminole LP	9,725,000	7	0.86%	New Plan Realty Trust	12,049,600	7	0.92%
New Plan Realty Trust	9,290,000	8	0.82%	Dayton Hudson Corporation	10,700,000	8	0.81%
Dayton Hudson Corp	9,225,000	9	0.82%	Home Depot	9,750,000	9	0.74%
Home Depot	<u>7,920,000</u>	10	<u>0.70%</u>	Colonnades Seminole LLC	<u>9,750,000</u>	10	<u>0.74%</u>
Total Principal Taxpayers	158,009,947		13.98%	Total Principal Taxpayers	150,070,200		11.42%
All Other Taxpayers	<u>971,979,618</u>		<u>86.02%</u>	All Other Taxpayers	<u>1,163,791,968</u>		<u>88.58%</u>
Total	<u>\$ 1,129,989,565</u>		<u>100.00%</u>	Total	<u>\$ 1,313,862,168</u>		<u>100.00%</u>

Notes:

1. Source: Pinellas County Property Appraiser

Notes:

1. Source: Pinellas County Property Appraiser

City of Seminole, Florida  
Schedule 8  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 3,613,121	\$ 3,486,135	96.49%	\$ 5,926	\$ 3,492,061	96.65%
2008	3,557,618	3,321,794	93.37%	111,639	3,433,432	96.51%
2009	3,217,923	3,080,711	95.74%	50,284	3,130,995	97.30%
2010	2,835,108	2,750,186	97.00%	6,018	2,756,204	97.22%
2011	2,530,593	2,445,770	96.65%	2,588	2,448,358	96.75%
2012	2,450,887	2,369,604	96.68%	3,273	2,372,877	96.82%
2013	2,356,381	2,269,898	96.33%	6,257	2,276,155	96.60%
2014	2,420,380	2,331,440	96.33%	5,681	2,337,121	96.56%
2015	2,551,270	2,458,626	96.37%	3,850	2,462,476	96.52%
2016	2,801,581	2,699,852	96.37%	3,798	2,703,650	96.50%

Notes:

1. Source: Pinellas County Property Appraiser
2. The fiscal year 2015 property tax collections of \$2,462,476 include \$3,850 of prior year delinquent taxes. The Pinellas County Property Appraiser does not provide information on subsequent year collections by year. The City is currently working with Pinellas County to obtain the delinquent collections by year.

## **Schedules of Debt Capacity Information**

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

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City of Seminole, Florida  
Schedule 9  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Total	Percentage of Personal Income	Per Capita
2007	\$ 2,805,000	\$ 2,805,000	0.43%	\$ 150
2008	2,340,000	2,340,000	0.36%	125
2009	7,355,000	7,355,000	1.06%	390
2010	6,403,531	6,403,531	0.86%	340
2011	5,414,569	5,414,569	0.79%	314
2012	4,387,476	4,387,476	0.65%	254
2013	3,606,085	3,606,085	0.51%	209
2014	4,617,173	4,617,173	0.63%	259
2015	3,713,264	3,713,264	0.49%	207
2016	2,798,053	2,798,053	0.42%	154

Notes:

1. The City has had no general obligation bonded debt in the last ten years.

City of Seminole, Florida  
Schedule 10  
Direct and Overlapping Governmental Activities Debt  
As of September 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Pinellas County School Board (2)	\$ 10,559,000	1.77%	\$ 186,945
Pinellas County Capital Leases (2)	21,863	1.77%	387
Pinellas County Governmental Activities Bonds (2)	<u>11,208,241</u>	1.77%	<u>198,440</u>
Total Overlapping	<u>\$ 21,789,104</u>		385,772
City direct debt	<u>\$ 2,798,053</u>	100.00%	<u>2,798,053</u>
Total direct and overlapping debt			<u>\$ 3,183,825</u>
Total direct and overlapping debt per capita			<u>\$ 175</u>

Notes:

1. The City's share is calculated based on the ratio of the 2015 City Taxable Value of \$1,129,989,565 to the County's Taxable Value of \$63,823,883,260.
2. The City of Seminole is not responsible for the debt of the County or School Board.
3. 2016 permanent Seminole population is 18,153.



City of Seminole, Florida  
Schedule 11  
Legal Debt Margin Information  
Last Ten Fiscal Years

	2007	2008	2009	2010
Debt limit	\$131,386,217	\$143,492,844	\$129,791,596	\$114,351,157
Total net debt applicable to limit	-	-	-	-
Legal debt margin - General Obligation Debt	<u>\$131,386,217</u>	<u>\$143,492,844</u>	<u>\$129,791,596</u>	<u>\$114,351,157</u>
 Total net debt applicable to the limit as a percentage of debt limit	 0.00%	 0.00%	 0.00%	 0.00%

Notes:

1. State law does not provide for a legal debt margin; however, the City's Code provides for a legal debt margin of 10% of assessed value.
2. The City did not have any General Obligation (G.O.) debt outstanding during fiscal years 2007 through 2016. General Obligation debt is defined as debt that is secured by the full faith and credit of the City and would generally be secured by the City's ad valorem tax revenues.

2011	2012	2013	2014	2015	2016
\$102,073,771	\$ 98,854,044	\$ 95,042,397	\$ 97,623,626	\$102,902,878	\$112,998,957
-	-	-	-	-	-
<u>\$102,073,771</u>	<u>\$ 98,854,044</u>	<u>\$ 95,042,397</u>	<u>\$ 97,623,626</u>	<u>\$102,902,878</u>	<u>\$112,998,957</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Seminole, Florida  
Schedule 12  
Pledged-Revenue Coverage  
Last Ten Fiscal Years

Year	Infrastructure Sales Surtax (1)	Revenue Bonds Principal	Interest	Coverage
2007	\$ 952,209	\$ 445,000	\$ 120,484	1.68
2008	844,475	465,000	100,601	1.49
2009	823,634	485,000	79,334	1.46
2010 (1)	1,045,040	951,469	323,831	0.82
2011	1,275,822	988,961	291,054	1.00
2012	1,346,319	1,027,093	252,043	1.05
2013	1,422,592	781,391	208,287	1.44
2014 (2)	1,514,280	3,606,085	182,393	0.40
2015	1,632,208	903,909	56,173	1.70
2016	1,724,478	915,211	45,302	1.80

Notes:

1. The City utilized the available fund balance in the Infrastructure Sales Surtax Fund to pay the balance of the debt service payments not covered by the infrastructure sales surtax revenues in fiscal year 2010.
2. Principal payments made in 2014 include \$3,074,173 of currently refunded bonds pertaining to the Revenue Bonds Series 2009 issue. Proceeds from the Revenue Bonds Series 2014 were used to refund the debt.

## **Schedules of Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

City of Seminole, Florida  
 Schedule 13  
 Demographic and Economic Statistics  
 Last Ten Calendar Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)(7)	Median Age (3)(6)	Education Level in Years of Schooling (3)	School Enrollment (4)	Unemployment Rate (5)(6)
2007	18,738	\$ 655,061,742	\$ 34,959	59.1	12.6	13,054	6.3%
2008	18,862	695,970,076	36,898	59.1	12.6	14,359	10.8%
2009	18,870	696,642,660	36,918	59.1	12.6	13,972	10.9%
2010	18,832	743,694,512	39,491	59.1	12.6	14,492	11.7%
2011	17,233	688,665,146	39,962	59.1	12.6	12,237	10.7%
2012	17,250	677,252,250	39,261	51.6	12.6	12,568	10.0%
2013	17,267	705,564,154	40,862	53.5	12.6	12,819	6.8%
2014	17,830	730,780,380	40,986	53.5	12.6	12,987	6.4%
2015	17,923	760,011,595	33,057	52.1	12.6	13,116	5.7%
2016	18,153	664,998,849	36,633	55.2	12.8	13,267	4.3%

Sources:

1. U.S. Census Bureau Quick Fact Finder
2. Office of Economic and Demographic Research
3. U.S. Census Bureau Quick Fact Finder
4. National Center of Educational Statistics and St. Petersburg College/Census Fact Finder
5. Unemployment Rate Pinellas County; Florida Labor Market Statistics Local Area Unemployment Statistics
6. Sperlings Best Places
7. City-Data.com

City of Seminole  
Schedule 14  
Principal Employers  
Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St Petersburg College	810	1	N/A	163	7	N/A
Freedom Square	714	2	N/A	850	1	N/A
Walmart	300	3	N/A	-		-
Target	250	4	N/A	170	6	N/A
Lake Seminole Square	235	5	N/A	200	4	N/A
Home Depot	200	6	N/A	200	3	N/A
City of Seminole	156	7	N/A	235	2	N/A
Tandem Health Care	120	8	N/A	136	8	N/A
Suncoast Chrysler-Jeep	95	9	N/A	85	9	N/A
U.S. Post Office	89	10	N/A	99	10	N/A
Publix	-		-	194	5	N/A
	2,159		0.00%	1,876		0.00%

Note:

N/A - Total employment within the City is not available

Sources:

Seminole Chamber of Commerce

City of Seminole

## **Schedules of Operating Information**

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

City of Seminole, Florida  
Schedule 15  
Full-time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government										
Legislative	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Executive	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	3.000	3.000
City Clerk	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Financial	3.000	3.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.500
Administration	6.375	5.375	5.375	5.375	5.375	5.375	5.375	5.375	5.375	5.000
Facilities	1.000	1.000	1.000	1.000	1.000	1.000	2.000	2.000	2.000	2.500
Fire										
Administration	3.625	3.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Emergency Medical Services	34.000	-	-	16.000	16.000	16.000	16.000	16.000	16.000	16.000
Life and Safety Services	4.500	4.000	3.000	2.500	2.500	2.500	3.000	3.000	3.000	3.000
Training	3.000	3.000	2.000	1.000	1.000	1.000	1.500	1.500	1.500	1.500
Maintenance	3.000	3.000	2.000	2.000	2.000	2.000	2.500	2.500	2.500	2.500
Fire Operations	39.000	73.000	67.000	52.000	51.500	51.500	51.500	51.500	51.500	51.500
Code Enforcement	7.000	6.000	5.000	3.500	3.500	3.500	4.000	4.000	4.200	3.625
Physical environment										
Comm. Development Administration	2.000	2.000	2.000	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Parks	3.000	3.000	2.500	2.625	3.000	3.000	5.500	5.500	5.000	5.000
Public Works										
Public Works Administration	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Transportation	8.000	8.000	6.000	6.000	6.000	6.000	3.000	3.000	3.000	2.500
Library	17.500	17.550	17.550	17.550	17.800	17.550	17.500	18.230	17.850	17.875
Recreation	32.500	32.500	32.500	11.500	11.500	11.500	11.500	11.500	11.380	10.750
	<u>179.500</u>	<u>176.425</u>	<u>161.925</u>	<u>138.550</u>	<u>138.675</u>	<u>138.425</u>	<u>140.875</u>	<u>141.605</u>	<u>141.805</u>	<u>140.750</u>

Sources:

1. City of Seminole Finance Division



City of Seminole, Florida  
 Schedule 16  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police</b>										
Physical arrests	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parking violations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic violations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fire - A</b>										
Emergency responses (3)	1,895	1,658	1,581	1,513	10,903	10,973	10,815	11,031	12,060	12,363
Fires extinguished	240	328	372	418	413	422	419	152	592	309
Inspections	2,491	1,104	1,917	1,326	952	897	902	1,431	1,450	998
<b>Public works - B</b>										
Street resurfacing (miles)	0.50	0.25	0.67	0.63	1.50	2.45	2.06	1.91	3.40	2.62
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Recreation - C</b>										
Memberships	8,700	8,536	7,500	6,500	6,820	3,904 (4)	3,911	3,631	4,292	4,615
<b>Library - D</b>										
Volumes in collection	72,935	69,154	82,579	86,160	93,775	97,451	90,003	91,700	90,704	92,953
Total volumes borrowed	233,141	234,290	279,904	292,847	286,012	286,012	298,308	290,296	273,208	253,519

Notes:

1. N/A = not available
2. Police services are contracted with the Pinellas County Sheriff's Office
3. Emergency responses only include fire responses through 2010 at which time Emergency Medical Services responses are also included.
4. Prior years included fees not pertaining to membership

Sources:

- A. City of Seminole Fire Department
- B. City of Seminole Public Works Department
- C. City of Seminole Recreation Division
- D. City of Seminole Library Division

City of Seminole, Florida  
Schedule 17  
Capital Asset Statistics by Function / Program  
Last Ten Fiscal Years

<u>Function / Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fire stations	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public works										
Streets (miles)	63.0	63.0	63.0	63.0	42.0	42.0	42.0	42.0	42.0	42.0
Highways (miles)	-	-	-	-	-	-	-	-	-	-
Streetlights	1,140	1,160	1,161	1,161	1,291	1,291	1,291	1,291	1,291	1,291
Traffic signals	21	21	21	21	21	39	39	39	39	39
Parks										
Acreage	21.08	21.08	21.08	21.08	21.08	21.08	29.16	29.16	29.16	29.16
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	0	0	0	0	0	0	0	0	0	0
Soccer/football fields	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	1	1

Sources:

1. City of Seminole Public Works Department
2. City of Seminole Recreation Division

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## **Other Information**

This section provides the reader with the service efforts and accomplishments of the City's fire department, recreation division, and library division

# ***City of Seminole - Fire Rescue Department***

Service Efforts and Accomplishments

Fiscal Year 2016

The City of Seminole Fire Rescue Department is lead by the Fire Chief. The Department is divided into; Administration, Operations, Emergency Medical Services, Training, Life Safety Services and Fleet Maintenance Sections. Emergency Medical Services (EMS) and Fire Operations personnel are divided into three shifts of personnel. Personnel work a schedule of rotating 24 hour shifts. The Department operates from four fire stations providing comprehensive public safety services that include; emergency fire, rescue, hazardous materials mitigation and medical services, fire prevention and code enforcement, and public education. In addition to providing emergency services for the City of Seminole, the City contracts with; Pinellas County for emergency fire and EMS services to the unincorporated area surrounding the City, Bay Pines Veterans Administration complex for emergency fire response, and the Towns of Redington Beach, North Redington Beach and Redington Shores through joint Seminole/Madeira Beach fire protection Interlocal agreements. The Seminole Fire District's service area covers 25 square miles and protects approximately 100,000 full time residents and an additional 8,000 tourists and daytime workforce. The Department funds 78 full-time employees and three part time employees. Emergency response personnel staff four advanced life support (ALS) fire engines, one 105 ft ladder truck, one ALS support heavy rescue vehicle and a District Chief vehicle on a 24-hour a day basis. A hazardous materials vehicle, a brush fire fighting vehicle, and a number of support vehicles are staffed as needed. All firefighter personnel are State of Florida certified firefighters and are either emergency medical technician (EMT) or paramedic certified. In addition, all officers are State of Florida certified Fire Officers. The Insurance Services Office (ISO) rating for the Seminole Fire District is a Class One (1) rating (on a ten-point scale with one being the best).

## **I. Administration**

- A. The Fire Chief coordinates and manages the Administration Division including Fleet Maintenance and Life Safety Services. The Department provides Fire Suppression and Fire Inspection services in three Redington communities through an inter-local agreement with each Town. The Division tracks department contracts, purchases and expenses and continues to reduce costs through cooperative purchasing, competitive requests for proposals, and purchasing through State contracts where practical. The Fire Chief represents the city's interests within Pinellas County at the Pinellas County Fire Chiefs Association and other meetings as directed by the City Manager.
- B. **Fleet Maintenance Section** – The Fleet Maintenance Section provides full-time comprehensive vehicle repairs, apparatus equipment installation, and preventative maintenance to all City vehicles including fire apparatus as well as providing maintenance services to other fire departments which generate revenue for the District.
- C. **Life Safety Services** - The Life Safety Services Section includes all phases of inspection, enforcement of fire and safety codes/issues, fire investigations, and education. This single authority provides codes interpretation, application, and enforcement functions over all development and safety codes and standards. Certified Fire Inspectors are

responsible for conducting fire safety inspections and fire code enforcement of all commercial and multi-residential entities within the fire district and the three Redington towns. The Fire Marshal represents the city's interests within Pinellas County at the Pinellas County Fire Marshals Association and other meetings as directed by the Fire Chief.

- D. **Public Education** – Public Education is part of the Life Safety Services Section. This portion of the Section provides comprehensive safety and accident prevention educational programs within our community through many different delivery methods. An annual Fire Department Open House has expanded into a broad-spectrum fire prevention and safety program for families with increased emphasis upon hurricane preparation and damage prevention efforts. The Public Educator participates actively in the Suncoast Safe Kids Coalition, a coalition consisting of law enforcement, fire, public health, 911, and many other safety related agencies both public and private. Each year 911 statistics are evaluated to determine child injury trends in order to focus on relevant prevention efforts. The Public Educator is involved in numerous safety education endeavors and also participates with the Pinellas County Juvenile Fire Setters Program. This program is a coalition of public educators who network to address the issue of educating/diverting children who have had incidence of fire setting/fire play. Comprehensive safety programs are delivered in our schools, community groups/ organizations, businesses and individuals on a daily basis. Free battery powered smoke detectors are provided and installed within a home at any request by our residents.

## **II. Fire Operations:**

The Assistant Fire Chief of Operations coordinates and oversees the management of the Fire Operations and Training Sections along with department logistics. The EMS Sections is managed by the Assistant Fire Chief of Administration who also serves as the EMS Coordinator. This Division is charged with the responsibility for responding to all emergency and non-emergency requests for service in the Seminole Fire and EMS District. The Department has sixty-six (69) firefighters, cross trained as EMTs and paramedics, assigned to the Operations Division. Requests for assistance include responses to medical emergencies, fires, hazardous materials incidents, technical rescue emergencies, animal rescues, assistance to other public agencies and various other requests for service. In addition, this division installs smoke detectors and is the primary provider of public education. Assigned shift personnel serve on the City's Safety Committee. The Assistant Fire Chief of Operations serves as the Department's Health & Safety Officer and participates in the Department's Health & Safety Committee. He also represents the City's interests within Pinellas County at the Pinellas County Operations Chief's Association. The Assistant Fire Chief of Administration participates in the Pinellas County EMS Association, the Pinellas County Equipment Committee, as well as attending State EMS Advisory Committee meetings and other meetings as directed by the Fire Chief.

- A. **Operations Section** is responsible for response and mitigation within an all-hazards response profile whether the request is for emergency or non-emergency services. The City of Seminole also participates with the Pinellas County Hazardous Materials Response Team providing trained team members and command officers who respond within Pinellas County as the need arises. Fire Operations responds within the Seminole

Fire District. The Pinellas County EMS Authority contracts with the City of Seminole Fire Rescue Department to provide First Response advanced life support (ALS) services to the community. After initial treatment and stabilization is provided by Seminole EMTs and paramedics, a private ambulance company transports the patient to the hospital.

- B. EMS Section** is responsible for providing department directed EMS training and all support necessary for shift personnel to affectively respond to emergency and non-emergency medical incidents. This Section maintains a quality assurance program to monitor the medical performance of EMTs and Paramedics on medical incidents that meets the requirements of the County EMS contract.
- C. Training Section** is responsible for the development and delivery of monthly formal training programs for the Department's personnel as well as proper training documentation. Directly managed by the Assistant Fire Chief of Operations, training programs are designed to meet the growing needs of the department and to ensure compliance with recognized standards. In addition to regular training, the Section works with Department personnel on educational goals and facilitates efforts for attendance at seminars and college classes. The Assistant Fire Chief of Operations is responsible for the department's Personal Protective Equipment and Self Contained Breathing Apparatus. The position is also responsible for; representing the City's training interests within Pinellas County at the Pinellas County Training Officers Association Committee meetings; functioning as a Commander of the county Hazardous Materials Response Team serving as a liaison between our city and county government; and attending other meetings as directed by the Fire Chief.

**CITY OF SEMINOLE, FLORIDA  
FIRE DEPARTMENT**

**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
Year Ended September 30, 2016

	<u>Target</u> <u>Performance</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>Four Year</u> <u>Average</u>	<u>Peer Group</u> <u>Average</u>
<b>Outcomes:</b>							
Percentage of citizens rating performance satisfactory		not captured	not captured	not captured	not captured		
ISO * fire insurance rating	3	1	3	3	3	2.5	3
Total dollars in fire losses (millions)	\$0.00	\$1.2000	\$1.1250	\$0.9035	\$3.283	\$1.63	
Total fire-related deaths	0	0	0	0	0	0	
Total fire-related injuries	0	4	4	8	1	4.25	
<b>Outputs:</b>							
Population served		84,600	84,600	84,600	84,600	0	
Residential		76,700	76,700	76,700	76,700	76,700	
Workforce		2,900	2,900	2,900	2,900	2,900	
Tourist, average daily		5,000	5,000	5,000	5,000	5,000	
Total property value protected (millions)		\$4,761	\$4,761	\$4,761	\$4,761	\$4,761	
Residential (millions)		n/a	n/a	n/a	3979		
Commercial (millions)		n/a	n/a	n/a	782		
<b>Inputs:</b>							
Personnel:		79	79	79	75	78	
Full Time		74	74	74	74	74	
Part-time and volunteer		4	4	5	2	4	
Total operating expenditures (thousands)		\$7,306	\$6,399	\$6,376	\$6,523	\$6,651	
Total capital expenditures (thousands)		\$1,042	\$1,043	\$497	\$346	\$732	



## FIRE DEPARTMENT

### SERVICE EFFORTS AND ACCOMPLISHMENTS

Year Ended September 30, 2016

	<u>Target Performance</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>Four Year Average</u>
<b>Outcomes:</b>						
Average response time	<7:30	4:44	5:01	5:21	5:01	5:01
Percentage of responses in under seven minutes, 30 seconds	90%	98%	98%	52%	58%	76.45%
Minimum water volume available	Limited by fire hydrants - Avg. min 1000 gpm/hydrant					
Minimum water flow available	Limited by fire apparatus plumbing capacity at scene- Avg. 1000-1500 gpm/pump					
Population with access to adequate water supply	75,000	77,000	77,000	77,000	77,000	77,000
Average time to control fires:	Information n Information n Information not captured by dispatch					
Single-alarm, residential						
Single-alarm, industry						
Two-alarm, industry						
Percentage of fires spread limited to 115% square feet on arrival:						
Single-alarm, residential	0	0	0	0	<1%	<1%
Single-alarm, industry	0	0	0	0	0	0
Two-alarm, industry	0	0	0	0	0	0
<b>Outputs:</b>						
Number of fire calls answered		1,746	1,651	1,351	1,536	1,571
<b>Inputs:</b>						
<b>Personnel:</b>						
Full Time		56	56	56	57	56
Part-time and volunteer		3	3	2	0	2
Total man-hours worked (thousands)		158	158	158	158	158
Total operating expenditures (thousands)		\$4,803	\$3,897	\$4,014	\$4,154	4,217
Total capital expenditures (thousands)		\$172.00	\$173.00	\$238.00	\$170.00	188
Man-hours in training programs (thousands) suppression only		28.8	23.6	16.9	24.4	23
Percentage of firefighters		100%	100%	100%	100%	100%
<b>Efficiency:</b>						
Operating expenditures per capita		\$30.40	\$24.66	\$25.41	\$26.29	\$26.69

**CITY OF SEMINOLE, FLORIDA  
FIRE DEPARTMENT**

**SERVICE EFFORTS AND ACCOMPLISHMENTS**

Year Ended September 30, 2016

	<u>Target Performance</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>Four Year Average</u>
<b>Outcomes:</b>						
Average emergency response time	7:30	4:44	4:45	4:38	4:30	4:39
Percentage of responses in under seven minutes 30 seconds	90.00%	97.56%	97.12%	96.35%	97.44%	97.12%
<b>Inputs:</b>						
<b>Personnel:</b>						
Full Time	25	16	16	16	16	16
Part-time and volunteer	0	0	0	0	0	0
<b>Man-hours in training programs</b>						
(thousands) PMs	1.000	1.665	1.295	1.295	0.972	1.31
EMTs	1.000	0.87	0.85	0.702	0.972	0.85
<b>Efficiency:</b>						
Total operating expenditures (thousands)		\$2,061	\$1,907	\$2,016	\$2,058	\$2,011
Total capital expenditures (thousands)		\$813.02	\$889.04	\$1,009.51	\$1,058.64	\$942.55

**Footnotes:**

\* Average cost of ALS unit in county (412,120) x number of units (5)

**CITY OF SEMINOLE, FLORIDA  
FIRE DEPARTMENT**

**SERVICE EFFORTS AND ACCOMPLISHMENTS  
Year Ended September 30, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>Four Year Average</u>
Outcomes:					
Total Facility Training (hrs)	1,097	1,325	1,266	1,065	1,188
Total Special Training (hrs)	3,250	3,469	1,676	1,632	2,507
Total Company Officers' Development	3,593	1,321	1,185	1,836	1,984
Total Department Training (hrs)	28,874	26,283	21,482	22,252	24,723
Total Conferences/Seminars/College	540	652	209	752	538
Special Projects					
Hazardous Material Team (hrs)	597	1,176	977	1,056	952
Technical Rescue Team (desolved)	0	0	0	0	0
Extrication Team (hrs)	N/A	N/A	N/A	N/A	N/A
Inputs:					
Personnel:					
Full Time	1	1	1	1	1
Part-time and volunteer	1	1	0	0	1
Total operating expenditures (thousands)	\$169	\$130	\$134	\$140	\$143
Total capital expenditures (thousands)	\$0.28	\$0.11	\$0.14	\$0.13	\$0.17

**CITY OF SEMINOLE, FLORIDA  
FIRE DEPARTMENT**

**SERVICE EFFORTS AND ACCOMPLISHMENTS**

Year Ended September 30, 2016

	<u>Target Performance</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>Four Year Average</u>
<b>Outcomes:</b>						
Number of fires (reported and unreported)	0	309	592	577	412	473
Percentage of fires preventable by Inspection or education	100%	unknown	unknown	unknown	unknown	
Fires of suspicious origin	0	0	0	0	2	1
Fires in inspected/un-inspected buildings:						
Industrial *	0	0	0	0	2	1
Other	0	309	592	577	539	504
Citizens participating in or aware of education programs **	16,000	23,500	23,500	225,000	22,000	73,500
<b>Outputs:</b>						
Number of inspections	1,850	998	1,450	1,340	1,139	1,232
Number of education programs given	225	277	210	206	270	241
Number of fire investigations		12	14	12	10	12
Number of child safet seat inspections		0	0	14	10	6
<b>Inputs:</b>						
Personnel:						
Full Time	4	3	2	2	1	2
Part-time and volunteer	1	0	1	2	3	2
Total man-hours worked (thousands)		4.8	2.0	2.5	5.2	3.6
<b>Efficiency:</b>						
Total operating expenditures (thousands)		\$273	\$243	\$240	\$195	\$238
Total capital expenditures (thousands)		\$56.81	\$121.50	\$96.00	\$37.50	\$77.95

**Footnotes:**

\* Defined as other than residential

\*\* In 2014 advertised in five (5) Counties using one time Grant

## ***City of Seminole – Recreation Division***

Service Efforts and Accomplishments

Fiscal Year 2016

### **CITY OF SEMINOLE – RECREATION DIVISION FY2016**

#### ***Recreation Division Mission Statement***

While the City of Seminole is dedicated to excellence, professionalism, and integrity in the delivery of community services for an enhanced quality of life. The City of Seminole Recreation Divisions mission is to provide a diverse community leisure program for those living, working, and visiting our community by creating memorable life experiences through exceptional programs, facilities, customer service and leadership that exceeds community expectations.

#### ***Recreation Advisory Board Mission Statement***

The City of Seminole Recreation Advisory Board serves as the link between the community, and city officials. The board is dedicated to excellence through the evaluation of recreation programs, City parks & facilities, and events on behalf of the citizens of Seminole. The advisory board meets monthly and provides volunteer service in order to improve and enhance the quality of City recreation programs, parks & facilities, and events.

#### ***Recreation Division Description of Responsibilities***

The leisure services provided to the community through the Recreation Division of the Department of Administration are intended to enhance the quality of life to citizen and visitor, alike. The City of Seminole Recreation Division provides a myriad of programs for adults and children. The Recreation Division is under the direction of the Recreation Director, and is supervised by the Recreation Coordinators. The Recreation Division also has a City Council appointed Advisory Board consisting of seven (7) citizens that meet the 1<sup>st</sup> Monday of every month.

Responsibilities include the following programs:

- a) Children's Camp & Break Programs: Winter Break Camp, Spring Break Camp, Summer Break Camp, and Specialty Activity Camps provide childcare through various organized activities for the children of Seminole and surrounding cities during the time that the children are out of school. Activities offered include: Swimming, Field Trips, Crafts, Music, Games, Special Activities, Sports, Special Events, and many other diversified activities.
- b) Athletic Programs: Athletic programming for the community includes sports activities for men, women, boys and girls. Athletic opportunities include adult basketball, adult

volleyball, adult badminton, adult pickle-ball, youth soccer, youth basketball, youth flag football, and youth triathlon.

- c) Aquatic Programs: The Seminole Family Aquatic Center offers seasonal recreational swimming along with aquatic based programs for all ages. Programs include Jr. Lifeguard, Lifeguard Certification, Red Cross Swim Lessons, Recreational Swim Team, Youth Triathlon Team, Family Movie Nights, Doggie Derby, Water Aerobics, and Pool Party Rentals.
- d) Classes/Programs: The classes/programs offered by the Recreation Division reach all age groups throughout the City. The classes/programs include athletics, hobbies, crafts, instructional classes, physical fitness, the arts, fitness & wellness activities, pre-school activity programs and pre-school sport play groups.
- e) Special Events: The Recreation Division is responsible for conducting special events for the community through such offerings as Field of Screams, Music in the Park, Winterfest, “Fit over Fifty” Health & Wellness Expo, Pow Wow Festival & Parade, Freaky Fridays, “Tri if you Dare” Kids Triathlon, Back to School Open House, and Teen Events including the annual Community Yard Sale.
- f) Community Partnerships: The Recreation Division has been involved with the Seminole Shooting Stars Soccer Association for many years. This organization provides the youth soccer programs for the children in the fall and spring. In addition, the Recreation Division has established partnerships with the Rotary Club of Seminole (Rotary Children’s Playground), Lake Seminole Rotary Club (Fit Kids Triathlon), Seminole Junior Woman’s Club (Fit Kids Triathlon), Kiwanis Club of Seminole (Every Child a Swimmer), Seminole Kiwanis Club Breakfast (Pow Wow Festival), and the Seminole Chamber of Commerce (Kids Appreciation Day).

**CITY OF SEMINOLE, FLORIDA  
RECREATION DIVISION**

**SERVICE EFFORTS AND ACCOMPLISHMENTS**

Year Ending September 30, 2016

<b>Outcomes:</b>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Recreation Center Memberships	4,615	3,568	3,631	3,911	3,375
Fitness Center Daily Use	203	163	38	36	96
Aquatic Daily Use	165	190	132	130	75
Holiday Camp participants	76	11	15	31	52
Spring Break Camp	26	11	40	64	40
Summer Day Camp participants	485	430	325	304	268
Summer Sports Camp participants	66	87	98	136	106
Summer Aquatic Program participants	295	285	425	514	632
<b>Summer Camp Programs offered</b>	<b>81</b>	<b>63</b>	<b>56</b>	<b>47</b>	<b>19</b>
Pre-School Day program participants	0	27	120	135	135
School Age Program participants	5,032	853	803	3,152	2,754
<b>Programs Offered - Youth</b>	<b>236</b>	<b>36</b>	<b>29</b>	<b>35</b>	<b>12</b>
Youth Sports participants	339	308	458	454	466
<b>Programs Offered</b>	<b>15</b>	<b>14</b>	<b>9</b>	<b>9</b>	<b>7</b>
Adult Sports participants	335	289	492	164	331
<b>Programs Offered</b>	<b>14</b>	<b>16</b>	<b>5</b>	<b>5</b>	<b>5</b>
Adult Program participants	12,812	12,371	13,264	11,479	5,877
<b>Programs Offered Adult</b>	<b>92</b>	<b>60</b>	<b>27</b>	<b>45</b>	<b>41</b>
Special Events Youth participants	1,125	1,246	1,232	972	930
Special Events Adult participants	455	1,065	1,066	1,076	1,034
Special Events Family participants	43,876	39,160	38,149	40,170	30,350
<b>Special Events Offered</b>	<b>24</b>	<b>19</b>	<b>19</b>	<b>18</b>	<b>15</b>
<b>Inputs:</b>					
Personnel:					
Full-time	10	10	10	10	10
Part-time	3	3	3	3	2
Seasonal	24	24	26	26	22
Total man hours worked	39,433	39,142	38,792	39,493	36,505
Total Expenditures	1,294,612	1,101,650	1,116,711	1,102,394	1,147,022
<b>Revenue:</b>					
Program generated	564,073	513,741	589,159	536,968	518,343
Tax base generated	730,539	587,909	527,552	565,426	628,679

## ***City of Seminole – Library Division***

Service Efforts and Accomplishments

Fiscal Year 2016

The Library Division serves the residents of the City of Seminole and qualified borrowers of the Pinellas Public Library Cooperative (PPLC). In addition, the library is a joint use partnership facility between the City and St. Petersburg College (SPC), functioning both as a public library and a college library, and serving the students, faculty, and staff of the College as well as the general public. Public and College library collections, resources, programs, and services are located in the facility. Under the terms and conditions of the *Intergovernmental Agreement*, the contractual document of the joint use partnership, the City is responsible for managing, directing, and coordinating the daily activities and services of the library, including administering staff appointments, scheduling, evaluation, training, and development. The Library Division is under the management of the Community Library Director who reports to the Director of Administration.

Key areas of service include:

### *Technical Services*

This section of the library is responsible for the classification, cataloging, and processing of library materials, making them ready for circulation to library patrons.

### *Circulation*

On the City side of the partnership, the library is a member of the Pinellas Public Library Cooperative, along with 13 other member libraries. On the College side of the joint use partnership, the library participates in the Florida Academic Library Services Cooperative (FALSC), a statewide automated library system used by all public college and universities statewide. These two networks provide shared library catalogs and collections of online journals, e-books, and other e-resources.

### *Collection and Resources*

A library's collection and resources require diligent management and development if they are to be of maximum value and efficiency for library users. Library staff evaluate and select library materials and resources – print, audio-visual, and electronic. In addition, staff monitor and analyze the collection and resources on an ongoing basis to meet patrons' recreational, informational, and educational interests.

### *Reference and Information Service*

Finding one's way through a wealth of books, periodicals, audio/visual materials, and e-resources sometimes requires assistance. The library serves patrons who want to use the collection and resources independently and those who desire guidance in searching for the right book, audio/visual, or e-resource material. The library's reference librarians are expert in navigating the various media and bringing together the patron and the item the patron is searching for.



### *Resource Sharing*

No library can own or have access to everything, and so libraries have a long history of sharing resources through “inter-library loan,” both among local libraries and those in other counties or states. Through its membership in the Pinellas Public Library Cooperative (PPLC), the Tampa Bay Library Consortium (TBLC), and the Florida Academic Library Services Cooperative, the library is able to participate in inter-library loan networks with other libraries to mutual benefit. The library borrows more items through inter-library loan than it lends, thus making this service especially valuable for our local patrons.

### *Programming and Outreach*

In addition to providing its collection and resources, the library serves as a community gathering place for children, teens, and adults for a wide variety of programs, meetings, events, and activities. These programming efforts are sponsored by the City library staff, the Friends of the Library, College library staff, and community organizations of many kinds.

### *Support Organizations*

A public institution such as a library benefits greatly from dedicated volunteers who assist staff with daily operations, fundraising, advocacy, and advice from the citizen’s perspective on library policies and management. The Friends of Seminole Library, Inc., the Library Advisory Board, the Library Teen Board, and our many dedicated Library Volunteers are invaluable in working with staff to provide high quality library service to patrons.

**CITY OF SEMINOLE, FLORIDA  
LIBRARY DIVISION**

**SERVICE EFFORTS AND ACCOMPLISHMENTS**

Year Ending September 30, 2016

<b>Outcomes:</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>
Library Visitors	270,954	296,071	314,575	323,376	324,993
Public Service Hours	3,678	3,678	3,678	3,678	3,678
Registration and Circulation					
Registered Borrowers	36,757	*	*	*	*
New Borrowers Registered	*	*	2,291	*	*
Library Materials Circulation	253,519	273,206	290,296	298,308	288,647
Collection and Resources					
Print Books	84,182	81,360	83,105	81,137	88,333
Electronic Books	*	*	*	*	67,114
Databases	68	71	66	58	53
Audio Materials -- Physical units	3,557	3,760	3,323	3,483	3,612
Video Materials -- Physical units	5,214	5,584	5,272	5,383	5,506
Print Periodical Subscriptions	127	139	139	124	124
Reference and Information Transactions	16,534	16,738	20,217	21,223	20,441
Resource Sharing					
Interlibrary Loans Provided	258	150	151	182	150
Interlibrary Loans Received	392	355	341	355	305
Programming					
Number of Adult Programs	692	529	385	264	241
Number of Youth Programs	487	488	464	447	446
Total Number All Programs	1,179	1,017	849	711	687
Attendance at Adult Programs	11,784	6,362	10,631	6,971	6,508
Attendance at Youth Programs	19,597	19,850	17,896	18,427	17,726
Total Attendance All Programs	31,381	26,212	28,527	25,398	24,234
<b>Inputs:</b>					
Personnel					
Full-time	10	10	10	10	10
Part-time	15	15	15	14	14
Full-time Equivalent	18	18	18	18	19
Total Personnel Expenditures	908,896	884,675	870,533	825,568	815,897
General Operations Expenditures (excluding Collection and Resource Expenditures and Programming Expenditures)	49,163	41,992	53,231	46,525	38,860
Collection and Resources Expenditures (books, magazines, newspapers, audio-visuals, digital resources)	73,737	83,258	75,513	76,218	80,000
Programming Expenditures					9,675
Adult programs	4,730	3,709	4,265	4,218	
Teen programs	991	1,011	900	1,908	
Children's programs	1,989	1,994	1,885	1,456	
Total Programming Expenditures	7,710	6,714	7,050	7,582	
Volunteer Service					
Library Volunteer Hours	2,562	4,646	5,357	5,850	3,156
Friends' Shoppe Volunteer Hours	3,164	2,912	2,821	3,014	3,096
Total Volunteer Hours	5,726	7,558	8,178	8,864	6,252

\* Reliable figures not currently available

\*\* Available thru shared Cooperative collection

# **Other Reports of Independent Certified Public Accountants**

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

The Honorable Mayor, City Council,  
and City Manager  
City of Seminole, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Seminole, Florida (the City) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 6, 2017.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Wells, Houser & Schatzel, P.A.*

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

March 6, 2017

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor, City Council,  
and City Manager  
City of Seminole, Florida

**Report of the Financial Statements**

We have audited the financial statements of the City of Seminole, Florida, as of and for the year ended September 30, 2016, and have issued our report thereon dated March 6, 2017.

**Auditor's Responsibility**

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

**Other Reports and Schedules**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated March 6, 2017, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

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

**Financial Condition**

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

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

**Annual Financial Report**

Rules of the Auditor General Sections 10.554 (1)(i) 5.b. and 10.556 (7), require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City of Seminole, Florida, for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

**Special District Component Units**

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

**Other Matters**

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

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

**Purpose of this Letter**

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

*Wells, Houser & Schatzel, P.A.*

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

March 6, 2017

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

The Honorable Mayor, City Council  
and City Manager  
City of Seminole, Florida

We have examined the City of Seminole, Florida's (the City's) compliance with the requirements of Section 218.415, Florida Statutes during the year ended September 30, 2016. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City of Seminole, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

*Wells, Houser & Schatzel, P.A.*

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

March 6, 2017



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