



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED 9/30/2021



CITY COMMISSION

CITY ADMINISTRATION

Dr. Woody Brown Mayor

James Robinson Vice Mayor

John L. Carroll

Samantha Fenger

Eric Gerard

Donna Holck

Michael Smith

Henry P. Schubert City Manager

Margaret Paluch

Assistant City Manager

Alan S. Zimmet City Attorney

Diane Bruner, CMC

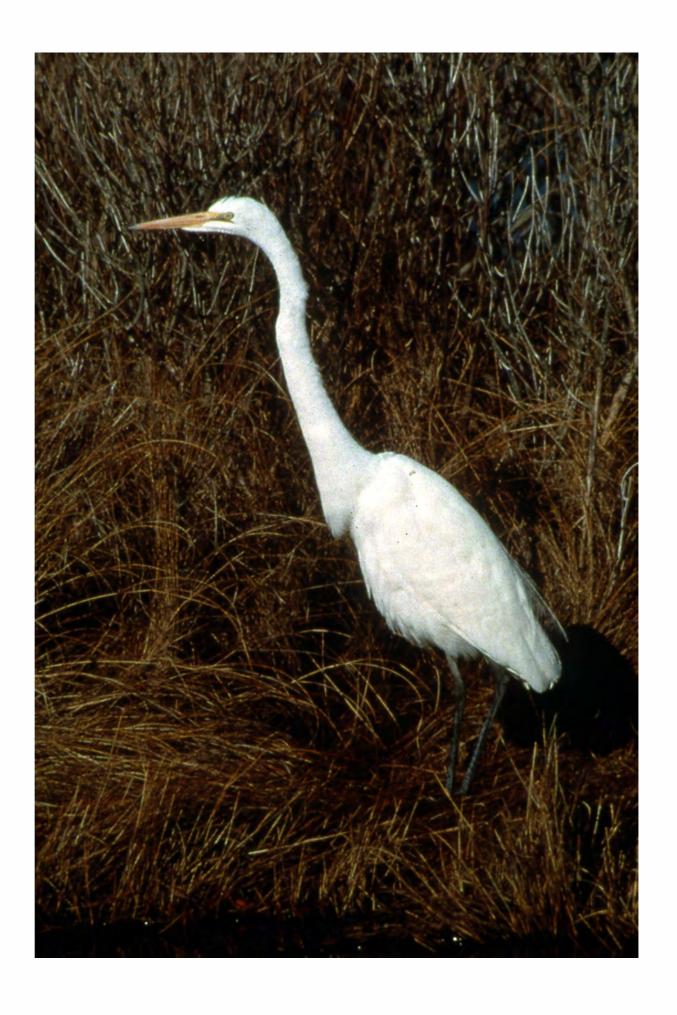
City Clerk

Kimball R. Adams, CPA

Finace Director

Rebecca Spuhler

Assistant Finance Director



City of Largo Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2021



INTRODUCTORY SECTION	
Letter of Transmittal	
Certificate of Achievement for Excellence in Financial Reporting	٧
Distinguished Budget Presentation Award	٧
List of Principal Officials	vi
Organizational Chart	vii
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis Report	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	35
Statement of Activities	36
Fund Financial Statements	
Balance Sheet-Governmental Funds	37
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of	
Governmental Funds to the Statement of Activities	42
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Major Funds	
General Fund	43
Local Option Sales Tax Fund	44
SHIP Fund	45
HOME Fund	46
CDBG Fund	47
Statement of Net Position-Proprietary Funds	48
Statement of Revenues, Expenditures and Changes in Fund Net Position-Proprietary Funds	49
Statement of Cash Flows-Proprietary Funds	50
Statement of Fiduciary Net Position	51
Statement of Changes in Fiduciary Net Position-Fiduciary Funds	52

City of Largo Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2021

Notes to Financial Statements Index	53
Notes to Financial Statements	54
Required Supplementary Information Police Officers and Firefighters Pension Plan	105
Required Supplementary Information – Post Employment Benefit Plan	108
Community Redevelopment Agency	
Balance Sheet	109
Statement of Revenues, Expenditures and Changes in Fund Balance	110
Combining and Other Supplementary Information Schedules	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-	111
General Fund	
Combining and Individual Fund Statements	112
Combining Balance Sheet – Nonmajor Governmental Funds	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-	
Nonmajor Governmental Funds	115
Combining Balance Sheet – Nonmajor Special Revenue Funds	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-	440
Nonmajor Special Revenue Funds	118
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-	
Nonmajor Special Revenue Funds	400
County Gas Tax Fund	120
Transportation Impact Fee Fund	121 122
Multimodal Impact Fee Fund Construction Services Fund	123
Stormwater Fund	123
ARPA Fund	125
Downtown Tax Incremental Financing Fund	126
PCH Fund	127
Neighborhood Stabilization Program 2 Fund	128
Program Special Revenue Fund	129
Tree Fund	130
Parkland Dedication Fund	131
Combining Balance Sheet – Nonmajor Capital Project Funds	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-	133
Nonmajor Capital Project Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-	
Nonmajor Capital Project Funds	
Transportation Capital Projects	134
Technology Capital Projects	135
City Hall Capital Project	136
Combining Balance Sheet – Nonmajor Debt Service Fund	137
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-	138
Nonmajor Debt Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-	139
Nonmaior Debt Service Fund	

City of Largo Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2021

Combining Statement of Net Position–Internal Service Funds	141
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position-	
Internal Service Funds	142
Combining Statement of Cash Flows – Internal Service Funds	143
Supplemental Information to Financial Statements	
Notes to Schedule of Revenue and Expenditures and Changes in Reserves-	
Largo, Belleair Bluffs and High Point Fire Districts and Emergency Medical Services	144
Schedule of Revenue and Expenditures and Changes in Reserves-	
Largo Fire and Emergency Medical Services	145
Belleair Bluffs Fire and Emergency Medical Services	146
High Point Fire and Emergency Medical Services	147
STATISTICAL SECTION	148
Net Position by Component, Last Ten Fiscal Years	150
Changes in Net Position, Last Ten Fiscal Years	151
Governmental Activities Tax Revenue by Source, Last Ten Fiscal Years	153
Fund Balances of Governmental Funds, Last Ten Fiscal Years	154
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	155
General Governmental Tax Revenues by Source, Last Ten Fiscal Years	156
Wastewater Charges, Last Ten FiscalYears	157
Assessed Value, Taxable Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	158
Property Tax Rates Direct and Overlapping Governments, Last Ten Fiscal Years	159
Principal Property Taxpayers, September 30, 2021	160
Property Tax Levies and Collections, Last Ten Fiscal Years	161
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	162
Direct and Overlapping Governmental Activities Debt, as of September 30, 2021	163
Legal Debt Margin Information, Last Ten Fiscal Years	164
Pledged-Revenue Coverage, Last Ten Fiscal Years	165
Demographic and Economic Statistics, Last Ten Fiscal Years	167
Principal Employers, Current Year and Ten Years Ago	168
Full-time Equivalent City Governmental Employees by Function, Last Ten Fiscal Years	169
Operating Indicators by Function, Last Ten Fiscal Years	170
Capital Asset Statistics by Function, Last Ten Fiscal Years	171
Major Revenue Sources	172
General Information	175
Community Profile	176
Financial Management Policies	177

City of Largo Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2021



COMPLIANCE SECTION	
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	179
Auditor's Report on Compliance With Requirements Applicable to Each Major Federal Awards Program	181
and State Financial Assistance Project on Internal Control over Compliance in Accordance with OMB Circular A - 133	
Schedule of Expenditures of Federal Awards and State Financial Assistance	183
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	184
Schedule of Findings and Questioned Costs-Federal Awards Programs and State Projects	186
Management Letter	187
Attestation Report on Compliance with Secion 218.415, Florida Statutes, Local	
Government Investment Policies	189
Affidavit, F.S. Section 163.31801, Impact Fees	190





May 2, 2022

Letter of Transmittal

Honorable Mayor and City Commissioners, City Manager and Citizens of the City of Largo, Florida

INTRODUCTION

The Finance Department respectfully transmits the City's FY21 Annual Comprehensive Financial Report(ACFR), which fulfills the annual financial reporting requirements for several stakeholder groups, including:

- The Mayor and City Commissioners, who are primarily responsible for maintaining the City's financial integrity
- Federal and State regulatory agencies, grant providers, the financial industry and creditors, who need to verify
 whether the City was in compliance with grant restrictions, debt covenants, contractual provisions and
 statutory requirements
- Largo's citizens and businesses, who are the City's most important stakeholders.

Two documents are provided herein to assist with interpreting the City's financial statements and assess the City's financial condition, including:

- Letter of Transmittal This letter presents general information about the City and highlights certain information that is not discussed elsewhere.
- Management's Discussion and Analysis (MD&A) The MD&A is located after the Independent Auditors'
 Report and summarizes the City's financial reporting principles and practices. The MD&A also provides an
 analysis of major components of the City's financial condition, financial position and results of operations.

CITY OF LARGO PROFILE

The City of Largo, Florida is an independent reporting entity, as defined by the Governmental Accounting Standards Board (GASB). Please visit *Largo.com* for more information and for links to other sites within the Tampa Bay area.

Largo is located on Florida's Gulf Coast in Pinellas County, the most densely populated county in Florida. Largo provides a full range of municipal services, including: police and fire/rescue, wastewater collection and treatment, solid waste collection, community planning, street repair and maintenance, stormwater repair and maintenance, recreation, parks, arts and library services. Pinellas County provides potable water, solid waste disposal and jail/court services.

Largo was incorporated in 1905 with 291 residents and an area of 1 square mile and has grown to approximately 84,500 residents and 20 square miles and is the third largest city in Pinellas County. The City also serves over 30,000 unincorporated county residents with services, including: fire protection, EMS, wastewater, library, recreation, parks and arts, the cost of which is partially funded by the County.

In 1913, Largo became the first town in Florida and second in the nation to adopt the Commission/Manager form of government. Largo's Mayor and six Commissioners (City Commission) are elected at large and serve staggered four-year terms. The City Commission establishes legislative policies and hires a City Manager who implements the policies and manages daily operations through an executive leadership team.

INDEPENDENT AUDIT AND AUDIT COMMITTEE

State Statutes and the City Charter require an annual audit to be conducted by independent Certified Public Accountants selected by the City Commission. This requirement was fulfilled and the City's financial statements have received an unmodified opinion from the auditors, Carr Riggs and Ingram, LLC, which is the highest opinion that can be received. The Independent Auditors' Report (opinion) enhances the reliability of the City's financial statements within certain limitations, as outlined in the opinion letter.

The City Commission appoints an Audit Committee, which provides a public venue to discuss any audit matters. The Audit Committee monitors the audit through meetings with the auditors, which enhances the auditors' independence and objectivity. Audit Committee members are, Mayor Woody Brown, Chairperson and City Commissioners James Robinson and Michael Smith. The Audit Committee was supported by the Performance & Budget Manager, William Payne, and an independent financial expert, John Houser, CPA, of Wells, Houser and Schatzel, PA.

MANAGEMENT'S FINANCIAL REPORTING RESPONSIBILITY

The City Administration (management) is responsible for the accuracy, completeness and fairness of presentation of all financial information. Internal accounting and administrative controls have been implemented to capture and record all financial information so that the City's financial statements can be prepared in accordance with generally accepted accounting principles (GAAP).

The cost of a control should not exceed the benefit derived; therefore, the City's internal controls have been developed with the objective to provide reasonable assurance that the financial statements are free of any material misstatements. Management believes the information presented is accurate and complete in all material respects and fairly presents the City's financial position and results of operations for FY21 and as of year-end.

FINANCIAL MANAGEMENT POLICIES

The City Commission has adopted financial policies to guide the City's activities, which are included in the Statistical Section. Financial policies cover the following areas:

Operating Budget

- Fund Balance & Reserves
- Revenues
- Purchasing
- Debt
- Investments
- Accounting, Auditing & Financial Reporting
- Long-term Planning & Capital Improvements
- · Capital Improvements Element

BUDGETARY & INTERNAL ACCOUNTING CONTROLS

The City's annual budget is an integral part of the financial accounting system. The City Manager proposes an annual operating budget to the City Commission. The City Commission must adopt an operating budget in accordance with procedures established by the City Charter and the State of Florida.

Primary budget preparation and monitoring is assigned at the department level. Each department designates program managers who authorize purchases and payments and evaluate budget performance. Encumbrances are recorded for all significant purchases at the time a commitment is made. Line item reports are accessible to all managers that include: amounts budgeted, expenditures to date, encumbrances, budget balances and prior year activity.

The Finance Department monitors financial activity on an ongoing basis throughout the year. Monthly reports are prepared for all departments and reports are periodically reviewed in meeting with the Treasury Manager, Assistant Finance Director, Finance Director, OPB staff, Assistant City Manager and City Manager.

LONG-TERM FINANCIAL PLANNING

The City prepares a five-year Long-term Financial Plan (LTFP) and Capital Improvements Program (CIP) for all Funds. which projects the City's major revenues, operating expenditures, fund balance and capital projects over a rolling five-year period. The LTFP/CIP provides information to assess the City's long-term financial condition in comparison to the short-term focus of the annual operating budget.

The City Manager proposes an LTFP/CIP to the City Commission annually, which the City Commission reviews and adopts in accordance with the City Charter and State requirements. The LTFP/CIP is an integral part of the financial management system, but does not appropriate funds. Projections are updated and the first year's projects are incorporated into the next budget. The City is projected to remain in good financial condition.

	Act	ual	Projected (FY22 millage rate is actu			tual)	
General Fund	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Millage rate (10 mill maximum)	5.62	5.62	5.58	TBD	TBD	TBD	TBD
Property Tax Revenue Increase	8%	8%	8%	6%	6%	6%	6%
Unrestricted fund balance as % of the following year's budget	24%	23%	14%	14%	14%	15%	16%

The City's utility rates are competitive with similar communities. Projected utility rate and golf fee increases are:

Projected Increases	FY22	FY23	FY24	FY25	FY26
Stormwater (drainage)	-	20%	-	-	-
Wastewater (sewage)	10%	10%	5%	5%	5%
Reclaimed Water (sewage effluent)	-	-	-	-	-
Solid Waste Collection (garbage)	10%	-	15%	-	-
Golf (subject to market constraints)	TBD	TBD	TBD	TBD	TBD

Conditions that will enable the City to maintain a positive financial condition, include:

- Adequate reserves in most funds
- No general obligation debt
- All revenue-pledged debt is within conservative guidelines
- Sufficient provisions have been made for infrastructure repairs, maintenance and replacement
- A relatively diversified revenue structure provides stability

Conditions that could challenge the City's future financial condition, include:

- The Covid 19 Coronavirus's affect on the economy
- Previous budget cuts have reduced operating flexibility
- Public safety pension costs and health care costs
- Low or no growth in several major revenues
- Existing and proposed property tax exemptions and 'Save Our Homes' portability
- The Governor and Legislature have repeatedly introduced legislation eroding the City's Home Rule Authority

AWARDS FOR FINANCIAL REPORTING & BUDGET PRESENTATION

The City participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program, which recognizes conformance with the highest standards for preparation of state and local government financial reports. To receive a Certificate, a government must publish a ACFR that must be: easy to read, organized, promotes consistency, contains full disclosure and meets all GAAP requirements. The City received the Certificate for FY20 and the FY21 ACFR will be submitted to the Program for review.

The City also participates in the GFOA's Distinguished Budget Presentation Award Program. In order to receive this award, a government must publish a budget that meets Program criteria as a policy document, as an operations guide, and as a communication medium. The City received the award for the FY 2021 Budget and believes the FY 2022 Budget will meet all Program requirements.

ACKNOWLEDGMENTS

The largest contributing factor to Largo's sound financial condition is the steadfast commitment of Largo's elected officials to maintaining the City's financial integrity. The City Commission has established prudent fiscal policies and has worked hard to ensure those policies were implemented. With their continued leadership, the City can look forward to a secure financial future.

Preparation of the ACFR was made possible by the efforts of everyone in the Finance Department. Appreciation is expressed to Jared Meyer who prepared all Statistical Schedules and assisted with preparation of the Notes to the Financial Statements. Mr. Meyer also performed numerous quality control reviews, which greatly improved accuracy and completeness. Denise Fournier is commended for coordinating capital assets reconciliations and for providing analytical assistance in several other areas.

Brandon Bevan, Barbara SanSouci, Lisa Pasch and Diane DeBiase deserve special recognition for conducting the utility funds closing activities and assisting the auditors with testing. Jolanta Data and Brandon Bevan are commended for their efforts in preparing several of the utility funds' financial statements and assisting in preparation of the Notes to the Financial Statements.

Jolanta Data and Sharon O'Neil are commended for their extensive account analysis and preparation of year-end journal entries. Appreciation is also expressed to Patricia Stopa, Katherine Oster, Noelle Sansom and Maria Encinosa who were responsible for coordinating the accurate recording of all cash transactions, year-end accounts payable, encumbrances, payroll accruals and other items.

The Director expresses special appreciation to Assistant Finance Director, Rebecca Spuhler, for coordinating all year-end closing activities, managing the audit process and preparing most of the ACFR. Miss Spuhler's efforts resulted in the efficient and timely completion of all audit related activities, in addition to ensuring that all accounting information was accurately recorded during the year.

Appreciation is also expressed to IT Assistant Director, Scott Semones, who assisted the auditors with their IT systems evaluation. Kate Oyer, Communications and Engagement Director, is commended for her professionalism in contributing the photographs displayed throughout the ACFR.

Other City Departments contributed significantly to the success of the audit process by ensuring the accuracy of accounting information recorded throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Every City Department's efforts are greatly appreciated.

Last, but not least, appreciation is expressed to the City's auditors, Carr Riggs and Ingram, LLC, for their professionalism in conducting the audit. CRI contributed valuable reporting suggestions that made the ACFR better than it would have been otherwise, in addition to adding credibility to the contents therein.

Respectfully submitted, CITY OF LARGO

Rebecca Spuhler Assistant Finance Director Kimball R. Adams, CPA Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Largo Florida

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished **Budget Presentation** Award

PRESENTED TO

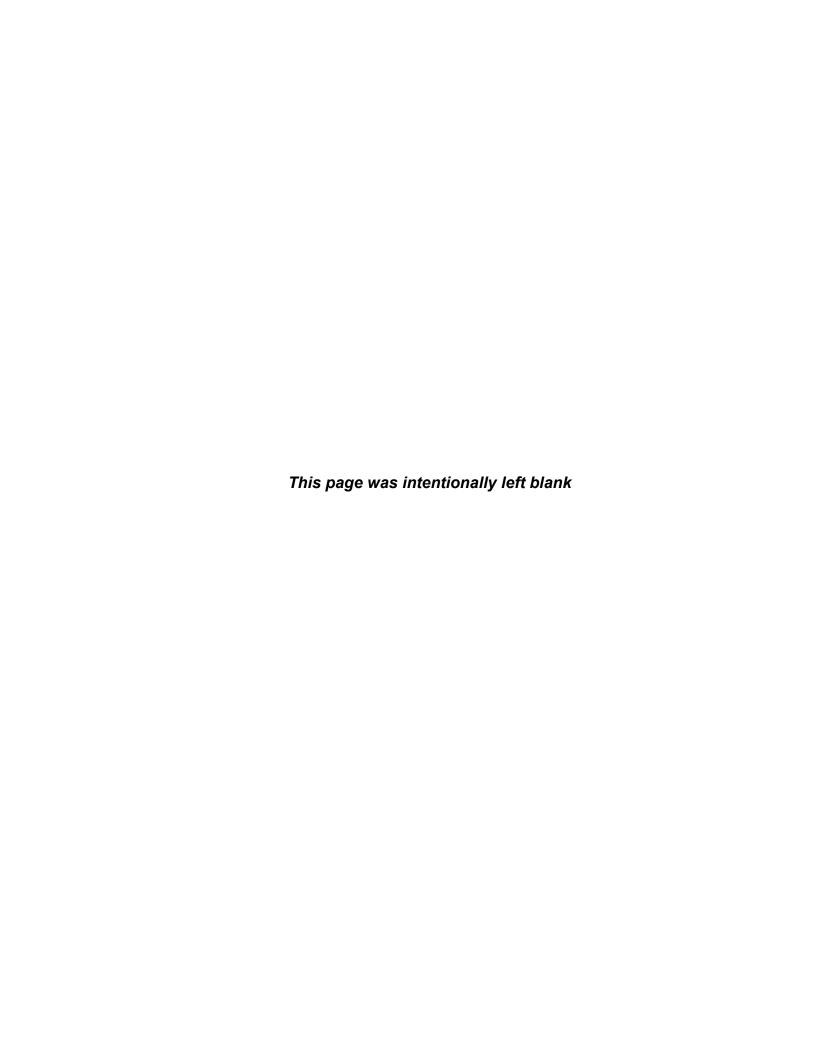
City of Largo Florida

For the Fiscal Year Beginning

October 01, 2020

Executive Director

Christopher P. Morrill



CITY OF LARGO, FLORIDA LIST OF PRINCIPAL OFFICIALS **September 30, 2021**

City Commission

Dr. Woody Brown, Mayor James Robinson, Vice Mayor John L. Carroll Samantha Fenger Eric Gerard Donna Holck Michael Smith

City Manager

Henry P. Schubert

Assistant City Manager

Margaret Paluch

City Attorney

Alan S. Zimmet

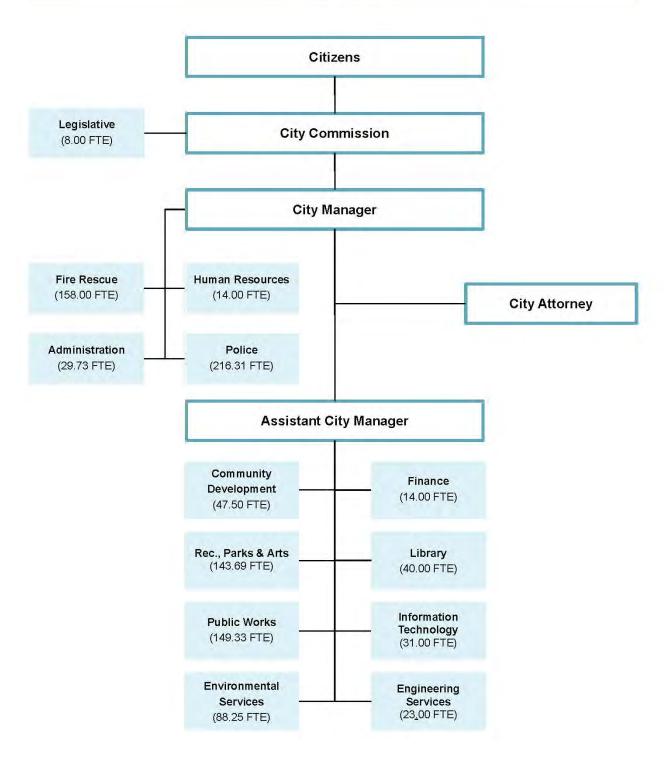
City Clerk

Diane L. Bruner

Executive Leadership Team

Community Development Director, Cheryl C. Reed Communications & Engagement Director, Kate Over Engineering Services Director, Jerald Woloszynski Environmental Services Director, Irvin Kety Finance Director, Kimball R. Adams Fire Chief, Chad Pittman Human Resources Director, Susan K. Sinz Information Technology Director, Daniel J. Penning Library Director, Casey B. McPhee Performance & Budget Director, Meridy M. Semones Police Chief, Jeffery K. Undestad Public Works Director, Matthew York Recreation, Parks & Arts Director, Krista Pincince (Acting)

CITY OF LARGO (962.81 FTE)







Carr, Riggs & Ingram, LLC 600 Cleveland Street Suite 1000 Clearwater, FL 33755

727.446.0504 727.461.7384 (fax) CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Members of the City Commission, and City Management City of Largo, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Largo, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of the Largo Redevelopment Agency as of and for the year ended September 30, 2021.

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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Largo, Florida, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Local Option Sales Tax Fund, SHIP Fund, HOME Fund and CDBG Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements present fairly, in all material respects, the financial position of the Largo Community Redevelopment Agency as of September 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 2.B.III. to the financial statements, in the current year the City of Largo, Florida adopted new accounting guidance, GASB No. 84, *Fiduciary Activities*. There was no change to Custodial Fund fiduciary net position, beginning of year due to the implementation of the new accounting standard. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements and Largo's Redevelopment Agency. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance and related notes is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the basic financial statements.

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

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

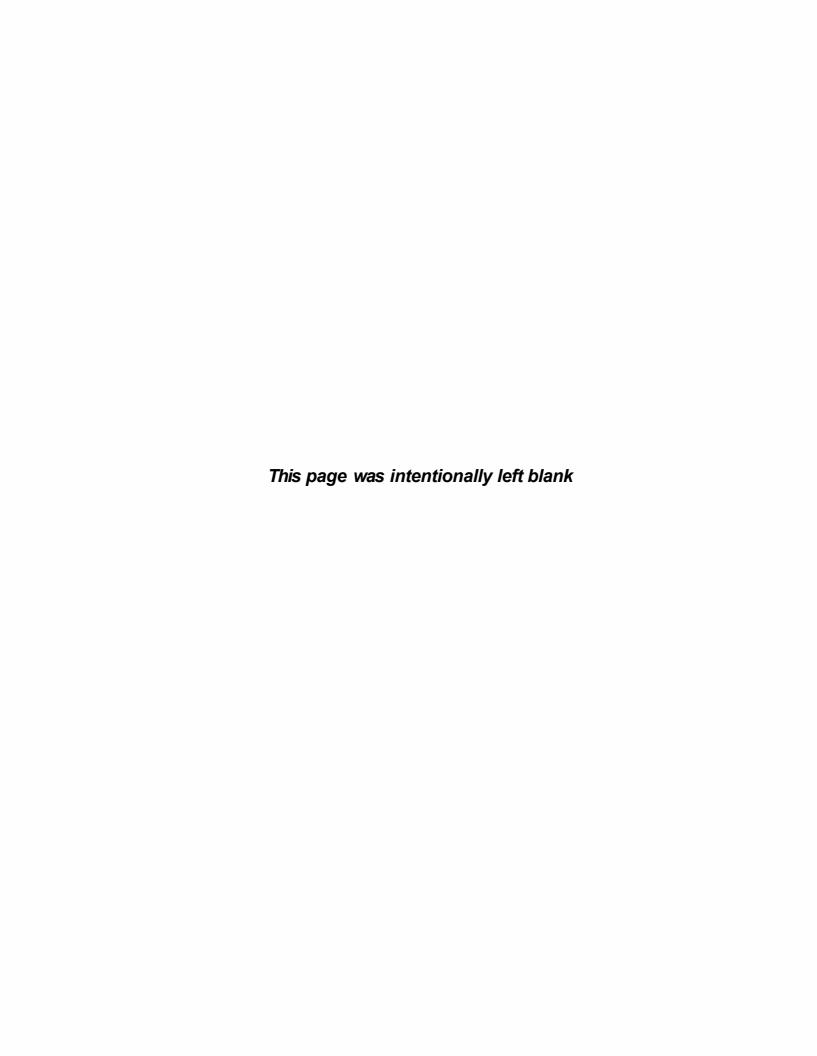
Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida May 2, 2022



MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) INTRODUCTION

Thank you for your interest in the City of Largo. You're in the perfect place to learn about the City's financial condition, financial position, results of operations and multi-year financial trends as of the end of Fiscal Year 2021.

This MD&A summarizes key financial information and is written for non-technical readers who simply want to know, "How's the City doing financially?" As discussed throughout the MD&A, the City is doing well overall.

Traffic lights are inserted in the MD&A to highlight significant items that are positive (green), bear watching (yellow) and less positive (red). A few yellow lights point to areas of concern. It's important to realize that significant financial condition changes are often caused by multiple yellow-light events over time rather than from a one-time red light event.









RENAMING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The acronym for the previously issued Comprehensive Annual Financial Report - *CAFR*, had been pronounced KAFF-ur for over 50 years, which unintentionally sounded like an offensive term used in another country.

After becoming aware of this unintended pronunciation coincidence, the Governmental Accounting Standards Board (GASB) issued Statement No. 98 on October 19, 2021, which changed the report's name to the Annual Comprehensive Financial Report (ACFR), and eliminated usage of the prior report's name and acronym.

No other changes were made to the report's structure or content.

ANNUAL COMPREHENSIVE FINANCIAL REPORT OVERVIEW (ACFR)

The ACFR was prepared in accordance with generally accepted accounting principles (GAAP) applicable to state and local governments, as established by the Governmental Accounting Standards Board (GASB).

The ACFR includes four main sections:

- Introductory: Includes general information about the City, such as:
 - Letter of Transmittal
 - Organizational chart & list of principal officials
 - · Awards and acknowledgments
- Financial: Includes the City's main financial reports:
 - This MD&A
 - Government-wide and Fund level financial statements
 - Notes to the financial statements and other financial schedules
- Statistical: Includes interesting historical information of up to ten years that highlights financial trends
- Compliance: Includes compliance information on grants, debt and other legal or regulatory requirements

CITY OF LARGO, FLORIDA Management's Discussion and Analysis

September 30, 2021

FINANCIAL OVERVIEW (Items below are discussed in greater detail later in the MD&A.)



Fund Balance & Net Position: The accumulation of financial resources for the future.

Fund balance and net position (*equity* in the private sector) represent the financial capacity to respond to unexpected events, such as recessions and disasters or seize unforeseen opportunities.

The General Fund's unassigned fund balance, which is available for appropriation, decreased \$2 million to \$12.6 million; however, total fund balance increased \$2.6 million. The decrease was mostly due to a higher assignment of fund balance for the next fiscal year's budget, from \$8.5 million to \$11.2 million. FY22's projected revenues were down \$1.6 million and expenditures were up \$1 million; therefore, a higher assignment was needed, which reduced the unassigned fund balance.



<u>Unfunded long-term liabilities:</u> Personnel services obligations.

The Police and Fire Pension Plan's unfunded liability of \$41.5 million according to GASB standards (\$45 million using the actuarial funding method calculation) remained the same as last year and is responsible for creating most of the negative unrestricted net position in Governmental Activities (a \$17.4 million deficit). This liability also increases the City's pension contribution about \$3 million annually. Little progress has been made to reduce the amount owed over the past seven years, although the pension plan's funded ratio has increased to 77% from a low of 59% in 2011.

An unfunded liability for Other Post-Employment Benefits (OPEB) of \$18.7 million is also partly responsible for creating the deficit in Governmental Activities. The OPEB liability reflects an *implicit* subsidy for retiree health insurance, which is discussed in the MDA's long-term debt section.

Without these two unfunded liabilities, Governmental Activities' negative net position (deficit) of \$17.4 million would have been a positive net position of \$42.7 million.



Debt: The financial impacts of borrowing.

The City borrows infrequently, repays debt quickly and only borrows for major non-recurring capital items, which is the cornerstone of the City's strong financial condition.

The City borrowed \$2.5 million last year for a new city-wide ERP system, which will be serviced over five years mostly by the General Fund with contributions from other funds that use the system. No other government debt was issued this year, so governmental debt decreased by \$488,000 this year.

\$62 million of governmental bonds were issued in FY22 (see the MD&A's long-term debt section).

The Wastewater Fund is the only other fund reporting a long-term loan, which is serviced by wastewater fees. Wastewater debt increased \$2.8 million (net), due to construction of several major capital projects at the wastewater treatment facility, but remains reasonable and affordable.



<u>Operating Results:</u> The degree to which revenue and expenditures/expenses met expectations.

Sales tax increased significantly and several revenues were slightly under-budget as the result of the pandemic, but most revenues were not significantly affected. All departments were under-budget.



Trends: The degree to which financial conditions are changing.

Several revenues have declined, grown slowly or remained flat for several years, not counting the pandemic's impacts. This is due partly to changes in customer/taxpayer behavior and is similar to many Florida governments' experience. This trend has reduced revenue diversification and placed more reliance on property taxes, because property taxes are the City's largest controllable revenue.

FINANCIAL HIGHLIGHTS (Highlights are discussed in greater detail later in the MD&A.)

Government-wide financial statements (Statement of Net Position and Statement of Activities)

The *Government-wide financial statements* present a "big-picture" view of the City's financial condition, position and operations, which communicates operational efficiency similar to private sector financial reporting. The Government-wide statements do not present any individual fund information; instead, they present highly-aggregated information divided into two types of Activities:

- Governmental Activities (GA) (governmental-type services, such as police, fire, recreation, etc.)
- Business-type Activities (BTA) (fee-based services, like wastewater, garbage and the golf course).

GA *program revenue* (non-tax revenue like fees), increased slightly to \$35.9 million from \$34.2 million in FY20 (5%), due partly to higher Fire/EMS fees that were generated by an increase in the City's budget (the budget is the base for determining fees) and a rebound in Culture and Recreation fees, which were \$2 million below normal in FY20 because of canceled programs and events during the pandemic.

GA program revenue paid 36% of GA expenses (also 36% last year), which means 64% of expenses were paid with general revenue (primarily taxes), which is about normal. Most GA expenses are usually paid with general revenue, because charging for most governmental-type services is impractical.



Total GA Net Position (called *equity* in the private sector) was positive; however, the unfunded pension and OPEB liabilities created a deficit in Unrestricted Net Position. Unfunded pension and OPEB liabilities have caused financial weakness for most state and local governments throughout the nation.

Total BTA *program revenue* (mostly fees) was up \$3.1, because of a 10% sewer rate increase (\$2 million) and Golf revenue was up 35% (\$324,000), due to a partial course closure and lower play in FY20 caused by the pandemic. Enterprise funds comprise all BTA Activities and are discussed later in the Major Funds section.

BTA's total net position increased \$2.2 million, which was about the same as FY20's increase of \$2.4 million.



Question: Is it good to have a higher Net Position?

Answer: It depends.

- All things equal, a higher net position is good as long as a government is meeting the community's needs.
- A higher net position means a government owns more of its assets, has a potentially larger financial cushion for unforeseen events (cash reserves) and did a better job of living within its means.
- A government can have "too much" net position, depending on whether its stakeholders value having a higher net position for use in emergencies or to seize opportunities instead of receiving additional services or paying lower taxes and fees. So, a higher net position can be good or bad depending on someone's perspective.
- A lower net position may mean a government has not lived within its means, as reflected by the negative
 unrestricted net position created by the unfunded pension liability and OPEB liability. Theses liabilities
 indicate that the City has provided services, but has deferred paying a portion of related costs to the future.
- In a perfect world, net position would be zero, because there would be no emergencies or unanticipated opportunities. Until then, determining a "right size" net position will be partly objective and partly subjective.

Major Fund highlights

- Fund-level financial reporting focuses on "major funds", which report the majority of financial activity.
- Local governments may report dozens and even hundreds of funds, so focusing on each individual fund could be confusing and unproductive to most readers; hence the focus on major funds.
- Major funds are discussed in greater detail in the Funds section of the MD&A.

Major Governmental Funds (five funds)

- The General Fund usually reports about half of the City's total revenues and expenditures.
- The General Fund's total fund balance increased \$2.6 million (9.8%) from the prior year.
 - Total revenue was \$5 million higher than the prior year, due partly to the improved economy compared to FY 20, which was affected by the pandemic.
 - Property taxes increased \$2.2 million or 7.9% due to property value increases (6.8%), and new construction/ annexations (1.1%). The millage rate remained the same as FY20.
 - Fire/EMS fees paid by the County and other jurisdictions increased \$1.6 million, due party to an increase in the Fire/EMS budget, which increased the base that is used to calculate the fees.
 - State shared revenue, primarily sales taxes, was up \$1.3 million, due to the improved economy.
 - Expenditures were under-budget and several large capital projects were re-budgeted to FY22.
- The Local Option Sales Tax Fund (LOST) accounts for revenue received from the seventh-cent sales tax collected in Pinellas County referred to as The Penny for Pinellas.
 - LOST revenue was over-budget \$1.9 million (40%) and was \$1.8 million higher than FY2020 (20%), which was not expected in light of the pandemic's impact on the economy in FY20.
 - Pent-up demand from the pandemic was a major reason for the increase. An increase in the revenue allocation formula based on the City's population contributed about \$75,000 of the increase.
- Loans receivable in the three major housing funds (SHIP, HOME and CDBG) totaled \$10.6 million, which was about the same as the prior year. These funds underwrite low interest loans for low income families to help maintain, renovate or purchase homes, sometimes with companion commercial loans.

Major Enterprise Funds (two funds)

- Wastewater rates increased 10%, so revenue was \$2 million higher than FY20. The fund reported a slightly higher operating revenue than FY20, because costs increases were less than the 10% revenue increase.
- Solid Waste (garbage) rates were unchanged, but total revenue was \$700,000 higher than FY20, due mostly
 to increased construction activity, and higher recycled material revenue (up \$165,000). The fund reported
 higher operating income (\$346,500 vs. \$4,855), due to the higher revenues and moderate cost increases.



The Town of Largo was incorporated in 1905. In 1913 it became the first town in Florida (and the second in the nation) to adopt a town manager form of government.

FINANCIAL STATEMENTS OVERVIEW

This section provides an overview of the GASB state and local governmental financial reporting structure and the City's reporting structure, which are required to be presented by the GASB.

Note: Feel free to skip this Overview section if you understand these two reporting structures.



Unlike private sector companies, State and Local governments present **two** sets of financial statements, which provide two different financial perspectives:

- Big picture perspective (government-wide statements) and
- Small picture perspective (individual fund statements)

Government Financial Statements - State & local governments present two sets of financial statements:

- Government-wide financial statements (long-term focus, big picture)
 - Similar to, but not identical to consolidated financial reporting in the private sector
 - Reports Governmental Activities and Business-type Activities, not individual funds
 - Measures the flow of economic resources using the full-accrual basis of accounting similar to, but not identical to the private sector
- Individual fund financial statements (small picture and usually most interesting to readers)
 - Governmental funds Measures the flow of current financial resources (short-term focus), e.g., cash inflows and outflows, using the modified-accrual basis of accounting
 - Proprietary and Fiduciary funds Measures the flow of economic resources (long-term focus) using the full-accrual basis of accounting, similar to, but not identical to the private sector and identical to the Government-wide statements

Fund Accounting – The City uses fund accounting to enhance accountability over public resources and to demonstrate compliance with legal requirements. A fund also helps maintain greater control over resources dedicated to specific activities, e.g., gas tax revenues that are restricted to road project costs.

Each fund maintains a separate, self-balancing set of accounts, which makes each fund a fiscal entity and an accounting entity; however, the City's funds are not separate standalone reporting entities. The City reports all three of the common fund types: Governmental, Proprietary and Fiduciary.

- **a. Governmental funds (five).** Includes: General, Special Revenue, Capital Projects, Debt Service and Permanent funds. The City always reports the first two types and the other three as needed.
 - Governmental fund financial statements focus on short-term inflows and outflows of financial resources (mostly cash) and on available (spendable) financial resources at year end. This information is useful in evaluating the City's short-term financial position and results of operations.
 - i. Major Funds. The reporting focus is on Major Funds (largest funds), which for the City include: the General Fund and four special revenue funds: LOST, SHIP, CDBG and HOME. Information is presented in separate columns for each major fund, while non-major fund information is aggregated into one column. Information on non-major funds is provided after the Notes.

- *ii.* Budgets. Budgets are adopted for all governmental funds. Budget statements are presented for major funds and budget schedules are presented for non-major funds after the Notes.
- b. Proprietary funds (two). The City reports both types of proprietary funds:
 - *i. Enterprise funds.* Enterprise funds report the same information as Business-type Activities in the government-wide financial statements, only in greater detail. The City has three enterprise funds: Wastewater, Solid Waste Collection (both major funds) and the Golf Course.
 - *ii.* Internal Service funds. Internal service funds are used to account for the costs of providing certain services to other City departments. The City uses internal service funds for vehicle repair and maintenance (Fleet Fund) and for risk management operations (Risk Fund).
 - Both internal service funds are combined into a single column and presented with enterprise funds in the proprietary fund financial statements. Individual internal service fund data is provided in the Combining Financial Statements located after the Notes.
 - Internal service funds are combined with Governmental Activities in the government-wide financial statements, because they predominately serve Governmental Activities.
- c. Fiduciary funds (four). The City reports one type of fiduciary fund; a pension trust fund.

Fiduciary fund financial statements report resources held for the benefit of others, such as pension members. Fiduciary fund information is not reported in the government-wide statements, because the resources in fiduciary funds are not available to provide City services or programs.3

Minimum Financial Reporting: Local governments must present the following financial information:

- a. Management Discussion and Analysis (MD&A) An MD&A is required supplementary information.
- **b. Government-wide statements.** Government-wide statements (the City as a whole) include two statements, two Activities and information is reported using the accrual basis of accounting.
 - *i.* Statement of Net Position. Presents assets, liabilities and deferred inflows/outflows with the difference being net position ("equity").
 - *ii.* Statement of Activities. Presents the changes in net position from revenues and expenses, which are reported as soon as an event occurs, regardless of when cash is received or paid.
 - Governmental Activities. These activities are primarily supported by taxes. GA include: general government (administration, etc.), public safety (fire-rescue & police), culture & recreation (library, recreation, parks & arts), public works and economic development.
 - Business-type Activities. These activities are primarily supported by charges for services (user fees). BTA services include: wastewater (collection, treatment and disposal), solid waste collection and an 18-hole par 62 executive golf course.
- **c.** Fund statements. Individual fund financial information is only reported for major funds, while non-major funds' financial information is aggregated into one column by fund-type for governmental and proprietary funds. Fiduciary fund types are reported in aggregated columns. Individual financial statements for each non-major fund are provided immediately following Other RSI after the Notes.
- **d.** Financial statement reconciliation. Governmental Activities and Governmental Fund statements are prepared with different bases of accounting (accrual and modified-accrual, respectively); therefore, a reconciliation of the differences is provided for the position statements and operating statements.

- **e. Notes to the financial statements (the "notes").** The Notes provide information that is essential to gaining a full understanding of the government-wide and individual fund financial statements.
- f. Other Required Supplementary Information (RSI). Other RSI is located after the Notes and includes information on pension funding. "Other" means other than the MD&A, which is also RSI.
- **g. Optional combining and individual fund financial statements or schedules.** Financial statements are provided for each non-major fund immediately following Other RSI after the Notes.

GOVERNMENT-WIDE STATEMENTS SUMMARY (*The City as a whole, "big-picture" focus.*)

This section summarizes information from the government-wide statements (the City as a whole) by focusing on Governmental Activities and Business-type Activities, not on individual funds.

- Governmental Activities includes all governmental funds and internal services funds combined
 and adjusted from the modified accrual basis of accounting (short-term, financial-flow focus) to
 the accrual basis of accounting (long-term, economic-flow focus).
- Business-type Activities includes all enterprise funds combined using the accrual basis of accounting, which is also used at the fund level.

Government-wide Statement of Net Position.

- Similar to a Balance Sheet, this statement reports assets, liabilities and net position ("equity").
- Deferred outflows and inflows represent "timing differences" and are not assets or liabilities.
- Unlike a Balance Sheet, this statement flows downward to arrive at total net position (assets + deferred outflows liabilities deferred inflows = net position).

	Govern	mental	Busines	ss-type	Total Activities		
	2021	2020	2021	2020	2021	2020	
Assets							
Current	\$ 96,085	\$ 86,639	\$ 33,579	\$ 47,585	\$ 129,664	\$ 134,224	
Capital (net)	152,917	147,509	221,275	198,736	374,192	346,245	
Total assets (a)	249,002	234,148	254,854	246,321	503,856	480,469	
D = f = O = + f = (-)	44.000	40.070	4 000	500	45.000	40.000	
Deferred Outflows (b)	14,038	16,073	1,290	596	15,328	16,669	
Liabilities							
Current	18,154	13,056	13,606	8,982	31,760	22,038	
Non-current	67,705	63,483	104,372	102,209	172,077	165,692	
Total liabilities (c)	85,859	76,539	117,978	111,191	203,837	187,730	
Deferred Inflows (d)	1,417	5,138	226	_ _	1,643	5,138	
Net Position							
Invested in cap.							
assets	150,906	145,009	109,824	95,458	260,730	240,467	
Restricted	42,272	40,138	9,025	10,820	51,297	50,958	
Unrestricted	(17,413)	(16,604)	19,091	29,448	1,678	12,844	
Total NP (a+b-c-d)	\$ 175,765	\$ 168,543	\$ 137,940	\$ 135,726	\$ 313,705	\$ 304,269	

Total Net Position was similar to last year for both Activities. The majority of both Activities' Net Position is invested in capital assets; therefore, the majority of Net Position cannot be spent.

- The largest changes for *Governmental Activities* was in cash, non-current liabilities and net position invested in capital assets.
 - Cash increased (current assets), due to an excess of revenue over expenditures in most funds as the economy recovered from the pandemic, which is discussed in the Fund section.
 - Non-current liabilities increased primarily due to an increase in the OPEB liability (\$4.4 million), based on the latest actuarial report, which included higher projected healthcare costs. The OPEB liability is an estimate of retiree healthcare premium costs based on an "implicit" premium subsidy.
 - Retirees are permitted to remain on the City's health plan by state law, but they must pay 100% the active employee premiums. Actuarially, retirees tend to incur higher costs than active employees, which results in an implicit premium subsidy, because the City is prohibited from charging retirees higher premiums than regular employees. The estimated extra retiree premium cost that is not paid by retirees becomes a City liability.
 - Net position invested in capital assets increased primarily due to new capital projects funded by the Local Option Sales Tax fund, which are discussed in the Fund section:



All of the City's previously outstanding general government debt was retired in FY20 for the Community Center and the Highland Recreation Center, which are now debt free.

Both loans were paid-off in less than ten years using proceeds from the *Penny for Pinellas* local option sales tax.

The Police and Fire Pension Plan's unfunded liability of \$41.5 million remained the same, primarily because of positive actuarial experience (actual experience was better than the actuarial assumptions).



GA Unrestricted Net Position has been negative (a deficit) for several years and grew about \$1 million this year. The deficit is created by the unfunded pension liability and the OPEB liability.

The OPEB liability isn't funded, because it is an implicit subsidy and does not require funding or cash payments to be made; however, the unfunded pension liability must be funded by making cash payments into the pension fund.

The largest changes for *Business-type Activities* was a decrease in cash, an increase in capital assets, and an increase in net position invested in capital assets which are related to spending on capital projects.

- Construction continued on the wastewater "middle-plant" project, which will be valued at over \$50 million when completed in FY22 and is responsible for the majority of the capital asset increase.
- The middle-plant project is being funded through a low-interest State loan. The State loan is a reimbursement loan, where capital assets must be paid for by the City and a loan draw requested afterwards; therefore, the cash used to pay capital costs will be replenished by future loan draws.
- Capital assets and related debt are discussed in more detail later in the Fund section.

Government-wide Statement of Activities. This statement summarizes revenues and expenses, which are responsible for the change in total net position reported above.

Comparative Summary - Government-wide Statement of Activities (\$ in thousands)

	Governmental Activities (GA)			Business-type Activities (BTA)		tal ⁄ities
	2021	2020	2021	2020	2021	2020
Program revenue						
Charges for services	\$ 31,584	\$ 29,669	\$ 40,356	\$ 37,243	\$ 71,940	\$ 66,912
Operating grants/contrib.	3,697	3,705	95	204	3,792	3,909
Capital grants/contrib.	661	824	311	273	972	1,097
Total program revenue	35,942	34,198	40,762	37,720	76,704	71,918
General revenue						
Property taxes	29,946	27,593	_	_	29,946	27,593
Other taxes	30,239	28,327	-	_	30,239	28,327
Shared revenue	9,878	8,494	-	-	9,878	8,494
Other (net)	1,979	2,882	518	1,674	2,497	4,556
Total general revenue	72,042	67,296	518	1,674	72,560	68,970
Total revenue	107,984	101,494	41,280	39,394	149,264	140,888
Expenses						
General government	11,855	10,723	-	_	11,855	10,723
Public safety	51,597	50,011	_	_	51,597	50,011
Public works	12,606	11,988	-	-	12,606	11,988
Economic development	6,690	6,194	-	-	6,690	6,194
Culture and recreation	17,989	16,815	_	-	17,989	16,815
Interest and fees	27	3	-	-	27	3
Wastewater	-	-	24,053	22,472	24,053	22,472
Solid waste	-	-	13,875	13,374	13,875	13,374
Golf course			1,138	1,184	1,138	1,184
Total expenses	100,764	95,734	39,066	37,030	139,830	132,764
Change in net position	7,220	5,760	2,214	2,364	9,434	8,124
Net position - Oct 1	168,544	162,784	135,726	133,362	304,270	296,146
Net position - Sept 30	\$ 175,764	\$ 168,544	\$ 137,940	\$ 135,726	\$ 313,704	\$ 304,270
•						

Revenue Summary

GA *program revenue* increased \$1.7 million or 5%, due mostly to Fire/EMS fees paid by the County and other municipalities for Fire/EMS services. Fire/EMS fees are based on a percentage of the City's budget, which increased in FY21. Recreation revenue increased about \$500,000 due to recovery from the pandemic, which had reduced revenue approximately \$2 million in FY20.

GA *general revenue* increased \$4.7 million or 7%, due mostly to property taxes based on higher property valuations and new construction/annexations. The property tax rate was lowered slightly (5.7 to 5.6).

BTA program revenue increased about \$3 million, due mostly to a 10% sewer rate increase (\$2 million).

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2021

GA Program Revenue - The City charges service fees when practical so service users pay a portion of the costs of the services received. Even so, most GA services are paid for with taxes, because fees are impractical or inefficient to assess and collect for many services, such as police, road maintenance, etc.

- Grant revenue was about the same as last year, most of which provides housing assistance.
- Of the \$36.4 million of program revenue in FY21, 66% came from the following sources:
 - Fire/EMS service charges, \$12.4 million
 - Stormwater fees, \$6.1 million
 - Recreation, Parks and Arts fees, \$3.1 million
 - Construction Services fees, \$1.8 million
 - Library County-wide Cooperative fees, \$772,000

GA Charges for Services are presented below by Functions. Most Functions reported increases.

- Total GA Charges for Services increased 8.2%, due mostly to the lower charges received in FY20 because of reduced services provided during the pandemic
- Public Safety fees increased for Fire/EMS services as the City's expenditures increased, because fees are based on a percentage of the Fire/EMS budget.
- Most of the Economic Development decrease is related to lower construction services fees (permits and inspections) because FY20 was a high construction year despite the pandemic.
- The Culture & Recreation increase is related to higher program and event fees compared to lower amounts in FY20 due to program and event cancellations during the pandemic.

Governmental Activities (GA) Charges for Services (\$ in thousands)

			Increase (E	Decrease)
Major Functions	FY21	FY20	\$	%
General Government	\$ 4,120	\$ 3,840	\$ 280	7.3%
Public Safety	13,993	12,493	1,500	12.0%
Public Works	6,039	5,753	286	5.0%
Economic Development	3,411	4,052	(641)	(15.8)%
Culture & Recreation	4,021	3,531	490	13.9%
Total	\$ 31,584	\$ 29,669	\$ 1,915	6.5%

GA General Revenue - GA General Revenue is discussed in more detail in the General Fund section, which is where most of it is recorded. A summary of the five largest GA General Revenues is below.

GA - Major General Revenue			Increase (D	ecrease)
(\$ millions)	FY21	FY20	\$	%
Property Tax	\$ 29.9	\$ 27.6	\$ 2.4	8.5%
Utility and Franchise Tax (mostly electric)	16.3	16.2	0.1	0.3%
Local Option Sales Tax ("Penny for Pinellas")	10.2	8.4	1.8	21.4%
Communications Services Tax	2.7	2.7	-	0.0%
State Shared Revenue (mostly sales tax)	9.9	8.5	1.4	16.3%

\$ 69.0

\$ 63.4

\$ 5.6

8.8%

GA General Revenue (continued)

- GA General Revenue paid approximately 64% of total GA Expenses, compared to 65% in FY20.
- GA General Revenue increased 7%, due mostly to additional property taxes
- The millage stayed at 5.62, but property tax revenue increased \$2.4 million (7.9%), due to a stronger economy that increased values and due to annexations/new construction (1 percentage point).
- A ten-year history of assessments, millage rates and revenues is in the Statistical Section (Sch. H).



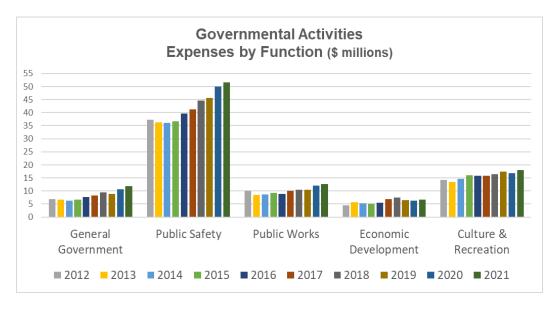
GA Charges for Services exceeded Property Tax revenue in the last two years, which has been true for several years. Many people are surprised that property taxes are not the City's largest revenue.

- Local Option Sales Tax ("Penny for Pinellas") increased, partly due to a 10% increase in the allocation formula, effective January 1, 2020, due to population growth. The formula is adjusted every ten years. Most of the increase was due to a rebounding economy compared to FY20.
- State Shared revenue (mostly sales tax) increased, because of a rebounding economy from FY20.
- CST revenue remained flat, due to industry-wide customer changes, including a shift from cable services toward Internet-based services ("cutting the cord"). Increased competition has also driven-down prices, reducing the tax base. Similar experience was reported state-wide.



Of all taxes, only property tax can be increased, because other tax rates are at the maximum or the City cannot control the tax. This impacts the City's ability to generate new revenue.

GA Expenses - As presented above, Total GA Expenses grew \$5 million from \$96 million to \$101 million, or 5%. The following graph presents GA Expenses by Function for ten years, which helps identify trends.



- A "Function" is a grouping of similar activities, e.g., the Public Safety Function includes police and fire rescue activities and the Culture & Recreation Function includes library and recreation/parks/arts.
- Most expense growth relates to salary and benefit costs, which comprise 75-80% of GA expenses.
- As shown above, most Functions experienced modest growth, except for General Government and Public Safety, which grew faster than average, which is discussed later in the General Fund section.
 - General government grew faster than average, largely due to additional IT expenditures on software, personnel and equipment as more processes were automated.
 - Public safety grew faster, largely because of new positions added over the past five years of the Public Safety Staffing Plan. About 51% of total GA expenses typically relate to Public Safety.

Governmental Activities (GA) "Net" Expenses - The GASB requires a presentation of Net Expenses.

Net Expenses are total expenses minus program revenue (non-tax), which is mostly charges for services; therefore. Net Expenses are paid with general revenue (mostly taxes).

The table below presents GA Net Expenses, which shows that 64% of GA expenses were paid for with general revenue, which means 36% were paid for with program revenue, mostly charges for services.

Governmental Activities (\$ in millions)

Function	Total Expense	Program Revenue	Net Ex	pense
General Government	\$ 11.9	\$ 5.2	\$ 6.7	56%
Public Safety	51.6	15.8	35.8	69%
Public Works	12.6	6.1	6.5	51%
Economic Development	6.7	4.3	2.4	36%
Culture & Recreation	18.0	4.5	13.5	75%
Total	\$ 100.8	\$ 35.9	\$ 64.9	64%

- It's normal to pay most GA expenses with General Revenue, because user charges are impractical to charge and collect for many services such as, police, fire/rescue, and library services.
- Economic Development reported the lowest net expense, primarily because of program revenue generated by construction permits, construction inspections and housing grants.
- Public Works reported the second-lowest net expense, primarily because of charges generated by stormwater fees, which pay for normal stormwater operating costs and smaller capital costs.
- Culture and Recreation (library, recreation, parks and arts) reported the highest net expense, because most recreation, parks and library services are provided free of charge or at nominal charges. Most program revenue is generated by recreation fees.
- Public Safety (police and fire rescue) reported the second-highest net expense, because fees are difficult to assess for most public safety services. The majority of Program Revenue (\$12.4 million) is from Fire/EMS fees for providing fire services outside the City and for county-wide EMS.



Police fines typically generate about \$250,000 of revenue annually, which is less than 1% of police expenses. Fines are used to encourage compliance with laws, and not to generate extra revenue.

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2021

Business-type Activities (BTA) - Three enterprise funds comprise all BTA:

- Wastewater (collection, treatment & reclaimed water)
- Solid Waste collection (garbage, brush, bulk items & recyclables)
- The Largo Golf Course

Key financial BTA metrics include:

- Most charges for services revenue remained flat, because only wastewater rates were increased.
- Wastewater and Solid Waste revenues are not growing significantly, because the City is virtually at build-out and re-development is insignificant relative to the existing customer base.
- Wastewater revenue declines 20% if properties are annexed, because the surcharge is removed.

BTA expenses increased 5.4%, mostly due to normal personnel cost increases.

- All BTA expenses are normally paid with program revenue (mostly user charges).
- Golf Course revenue of \$324,000 was 32% higher than the prior year, due mostly to the partial year course closure and decreased play in FY20 because of the pandemic.

Additional information and further BTA discussion is provided in the Enterprise Fund section of the MD&A.

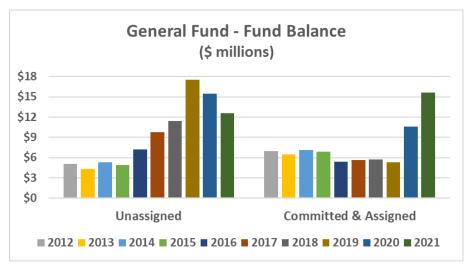
GOVERNMENTAL FUNDS (Focus on individual funds, "small-picture")

The City reported five major funds (largest funds) in the past two years: General, Local Option Sales Tax, SHIP, HOME, and CDBG. These five funds comprise the majority of Governmental Activities.

- Governmental Funds report a "short-term" focus using the modified accrual basis of accounting. A short-term focus is best suited to reporting the results of "tax and spend" decisions.
- All other funds and government-wide activities use full-accrual accounting ("big picture" focus).

General Fund. The General Fund is the City's largest fund and accounts for a majority of Governmental Activities discussed previously. The next several pages highlight the General Fund's financial information.

<u>Fund Balance.</u> The following graph presents ten years of fund balances, including part of the lengthy recovery period from the Great Recession. Examining multi-year data is useful for revealing trends.



- Fund balance is "left over" unexpended revenue from prior years and is similar to "equity".
- The Unassigned Fund Balance is available for appropriation and is often called a rainy-day or emergency reserve, because it can be used when revenues or expenses do not meet projections.
- The Unassigned Fund Balance remained relatively low from FY12 to FY15, due to the lengthy
 recovery from the Great Recession, which was the longest recovery in post WWII history. US
 employment took longer to reach its pre-recession peak than in the previous three recoveries.
- Rebuilding the Unassigned Fund Balance from FY12 to FY15 was hampered due to low revenue growth during the recovery from the Great Recession, despite significant expenditure reductions.
- Additional revenue from economic improvements and continued fiscal discipline lead to growth of the unassigned fund balance beginning in FY16.
- Declines over the past two years are discussed later.

The Committed & Assigned Fund Balance is not available for general use unless the commitment or assignment is removed, which may not be possible. All amounts presented above were Assigned.

A portion of fund balance is always assigned for encumbrances (unfilled purchase orders) and to balance the following year's budget, because estimated revenues are always less than appropriations.

- The assignment for outstanding purchase orders (POs) was \$3.4 million in FY21 and \$1.2 in FY20 and represent a claim against the current year's budget, similar to an expenditure.
- \$9.4 million was assigned for the FY22 budget compared to \$6.8 million for the FY 21 budget, which represented 9.7% % and 7.1% of appropriations, respectively.



The \$9.4 million assignment for the FY22 budget is higher than all years presented, and reflects a larger imbalance between revenues and expenditures. The increase is partly due to a \$6 million reduction in debt proceeds.

\$2.7 million and \$2.3 million were assigned for unused vacation leave in FY22 and FY21, respectively. Unused vacation leave cannot be recorded as a liability in governmental funds; therefore, these assignments reflect the same impact on fund balance as if a liability had been recorded. This amount could be used for additional appropriations if needed in the short-term.

<u>Fund Balance Policy.</u> The City Commission's General Fund fund balance policy establishes a minimum "unrestricted" fund balance of 10% and a target fund balance for 20%.

- An unrestricted fund balance is defined by the Government Finance Officers Association (GFOA) as a combination of the committed, assigned and unassigned fund balances.
- The GFOA recommends a minimum unrestricted fund balance of roughly two months of budgeted expenditures (17%). A maximum is not recommended, because every government is unique.
- The GFOA recommends establishing a "target" fund balance based on unique characteristics, including: economic stability, exposure to disasters, and financial flexibility, among other criteria.

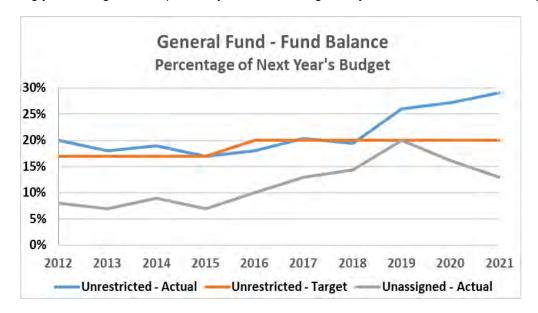
Common methods of determining a target fund balance are:

- As an absolute dollar amount ("pick a number that feels comfortable", like \$1 million)
- As a percentage of the current year's budgeted revenue or expenditures
- As a percentage of the follow year's budgeted revenue or expenditures

Factors that influenced the General Fund's fund balance policy are:

- The local economy and major revenue sources are relatively stable and diversified
- The Property Tax rate could be increased, because it is about half of the legal limit
- Many expenditures are variable or semi-variable and could be reduced
- Elected officials have demonstrated a willingness to increase revenues or reduce expenditures
- Additional debt could be issued
- The City has an average level of risk aversion and maintains adequate insurance coverage

Relative Fund Balance - The graph below presents the General Fund's fund balance as a percentage of the following year's budget for the past ten years. Examining multi-year data is useful for revealing trends.



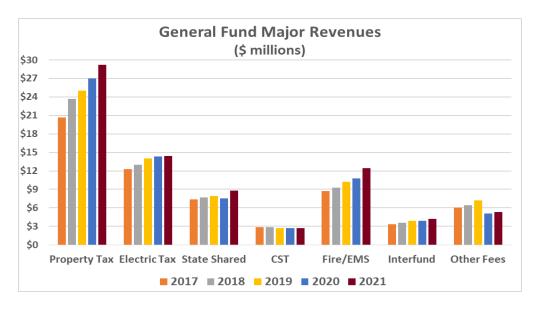
- A higher percentage in the graph above represents a greater ability to make additional appropriations
- Fund balances were relatively low in FY12 through FY15, due to the Great Recession and slow recovery, which required spending a portion of fund balance (these years represented "rainy days")
- The FY21 fund balance provides an adequate cushion for "normal" economic downturns or disasters
- A "normal" fund balance can never compensate for major economic downturns or disasters

- State Statutes set no fund balance guidelines, except that the total fund balance cannot be negative
- Most of the unrestricted fund balance is unavailable to appropriate, because of the assignments: therefore, the unassigned fund balance is a better measure of an emergency reserve.
- The unassigned fund balance declined over the past two years, due to low growth in several revenues and additional costs for personnel and technology to attract and retain staff in a tight job market.



A lower unassigned fund balance the General reduces Fund's financial flexibility. The two year trend is of greater concern than the dollar amount.

General Fund Revenue. The following graph presents the General Fund's Major Revenues for the past five years. Major revenues typically comprise 90% of total General Fund revenue.



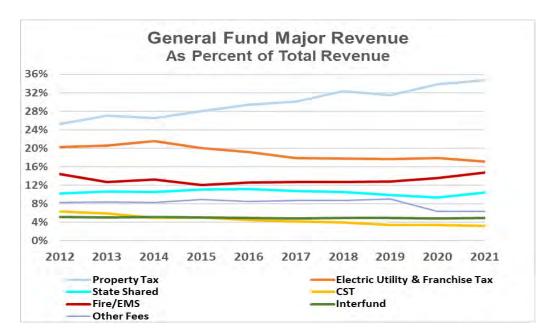
- The above graph depicts low or no growth in Electric Tax, CST, and Other Fees
- If a revenue declines or grows slowly, more reliance is placed on other revenues.
- Property tax revenue grew 7.9%, due mostly to taxable value increases from a strong housing and commercial market throughout the Tampa Bay area. The millage rate remained the same as FY20. Annexations & new construction comprised about 1 percentage point of the increase.
- The property tax millage remained the same as FY20 (5.62).



Only Property Tax and Other Fees can be increased by the City, subject to legal restrictions and market conditions. Most other revenues are uncontrollable, because tax rates are set at the maximum amounts allowed by agreement or law.

- Communications Services Tax (CST) has stabilized, most likely because people were consuming more services during the pandemic. CST growth has been low due to increased competition, bundling of services, and customers moving to other services ("cutting the cord"), which reduces the tax base. Most Florida governments have had similar experience. Five-year projections are flat; however, the state legislature has targeted the CST for reduction as part of so called "tax reform".
- The Electric Tax base had been declining, due mostly to greater consumer conservation efforts, including solar installations and replacements of less efficient electronic equipment, especially HVAC systems. Other factors that can affect the tax base include weather variations (milder or harsher winters and summers). The City cannot increase the tax rate or expend this tax base.
- State Shared revenues increased (mostly sales tax), due to the rebound from the pandemic.

<u>Revenue Diversification.</u> The following graph presents the General Fund's Major Revenues as a percentage of total General Fund revenue, which helps to identify trends. There is less diversification than ten years ago, but major revenues are still fairly diversified.



- Most major revenues cannot be controlled, so greater reliance has been placed on property taxes.
- Property tax reliance has increased from 25% in FY12 to 35% in FY21, mostly due to the affects of the Great Recession on major revenues despite significant expenditure cuts.
- The property tax millage rate increased from 4.5594 in FY12, peaked at 5.7413 in FY18 and is now 5.62. With a ten mill cap and new state restrictions, there is less flexibility to increase the millage rate.
- Placing greater reliance on any revenue means there is a greater impact if a revenue declines. For example, a 20% decline in a revenue that generates 10% of total revenue results in a 2% loss, but a 10% decline in a revenue generating 40% of revenue results in a 4% loss. The trend bears watching.

- The General Fund's reliance on CST revenue has declined roughly a 50% decrease over the past ten years and projections indicate no growth in CST over the next five years, so reliance should decline.
- Electric Utility and Franchise Tax reliance has declined about three percentage points while State Shared Revenue has remained at about 10%. These revenues are not controllable by the City and growth is dependent mainly on consumer behavior and the weather.
- Reliance on Fire/EMS revenue has grown by one percentage point, due to growth in the City's Fire/EMS budget, which is partly funded by the County, and changes to the County contract.
- Interfund Fees are for administrative services provided by the General Fund (purchasing, HR, IT and Finance) and have remained flat, because services and the calculation method have been stable.
- Other Fees dropped, due mostly to the pandemic. Fees declined about \$2 million in both FY20, due to facility closures and program cancellations and there was a slight recovery in FY21.

General Fund Expenditures and Encumbrances.

The table below compares the General Fund's total expenditures plus encumbrances to the final budget.

General Fund - FY 2021
Expenditures & Encumbrances - Actual to Budget

Department	Exp.	Enc.	Total Expended & Encumbered	Final Budget	Į	ariance Jnder Over) \$	Variance Under (Over) %	Rebudget in FY22
Police	\$ 26,839	\$ 476	\$ 27,315	\$ 28,029	\$	714	2.5%	\$ 247
Fire Rescue	21,001	177	21,178	22,478	\$	1,300	5.8%	-
Rec., Parks & Arts	11,056	860	11,916	17,546	\$	5,630	32.1%	3,280
Public Works	4,712	959	5,671	5,896	\$	225	3.8%	-
Information Tech.	4,471	335	4,806	5,864	\$	1,058	18.0%	452
Library	3,765	167	3,932	4,266	\$	334	7.8%	-
Administration	3,481	29	3,510	3,510	\$	-	0.0%	*64
Community Devel.	2,424	69	2,493	2,959	\$	466	15.7%	100
Finance	1,041	3	1,044	1,132	\$	88	7.8%	-
Human Res.	919	9	928	970	\$	42	4.3%	-
Engineering	796	49	845	931	\$	86	9.2%	-
General Operating	695	219	914	1,293	\$	379	29.3%	-
Legislative	347	2	349	398	\$	49	12.3%	-
Total	\$ 81,547	\$ 3,354	\$ 84,901	\$ 95,272	\$	10,371	10.9%	\$ 4,079

Year-end encumbrances are a claim against the budget; therefore, encumbrances are combined with expenditures to determine the total budget variance. Most departments typically under-spend their budgets by 5%, due to savings from personnel vacancies (turnover).

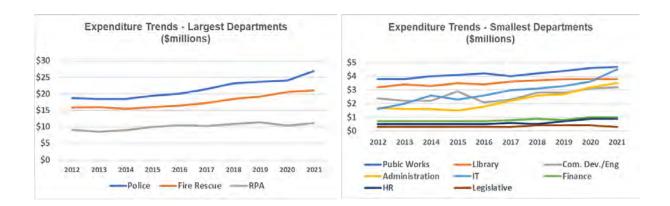
Budget variances greater than 10% are discussed below.

- Amounts rebudgeted in the following year explain a large portion of most variances. The total under-spent/under-encumbered variance was 10.9%; however, \$4.1 million was re-budgeted. So, the net under-spent/under-encumbered variance after deducting amounts rebudgeted was 6.6%.
- Recreation, Parks & Arts: \$3.3 million of projects were rebudgeted in FY23, including \$3 million for the Parks Administration Complex and several parking lot and fencing projects, partly to reevaluate construction costs, which have been rising throughout the region.
 - Personnel savings due to pandemic related facilities' closures and normal staff vacancies was \$672,000. Senior trip expenditures of \$130,000 were not spent and the Performing Arts Center (CPPAC) did not spend approximately \$300,000 on productions, both of which were due to pandemic related cancellations.
- *Administration: The \$64,000 of rebudgeted projects relates to projects that had been encumbered at year-end, but the encumbrances were then canceled after year end, because there was an insufficient remaining budget to encumber. So, these projects were not formerly rebudgeted. These projects will be reevaluated and a budget amendment might be requested in FY22.
 - The encumbrances were canceled after year end when legal fee invoices were received at higher than anticipated amounts. A budget amendment for legal fees had been approved before year-end; however, actual costs were even higher than projections.
- Information Technology: \$400,000 for the data network switch replacement project and several smaller infrastructure replacement projects (\$452,000 total) could not be completed during the year and were rebudgeted in FY22, which comprises 43% of the under budget amount.
 - Salary savings from several extended position vacancies due to a tight job market represent a majority of the remaining unexpended/unencumbered amount.
- Community Development: Salary savings of about \$300,000 from several extended position vacancies due to a tight job market represented the majority of the unexpended/unencumbered amount, including related travel and training costs.
- General Operating: Pre-construction progress payments for the Horizon project (City Hall) Phase I
 were lower than expected. The ground breaking has been delayed three months, due partly to the
 reevaluation of rising construction costs, which are affecting projects throughout the region.
- Legislative: Covid related cancellations of legislative travel, training and City events including the Advisory Board Appreciation Dinner were responsible to the majority of the unexpended amount.

The following two graphs presents the General Fund's expenditure trends over the past ten years.

Departments are divided into the largest group and smallest group to better display information, because of the scale. The Community Development and Engineering departments are combined for all years, because separate data is unavailable for years prior to their separation into two departments FY 2018.

- Police and Fire Rescue expenditures increased over the past five years mainly related to the costs of new positions added based on the five-year Public Safety Staffing Plan.
- Administration expenditures have increased due to new positions and increasing legal expenses.
- IT expenditures increased as more business processes were automated and cyber-security was augmented, including new related positions. Over the past two years, the City implemented a new ERP system and moved to a Microsoft Office Environment, which increased annual licensing costs.



Local Option Sales Tax Fund (LOST). A one-cent Local Option Sales Tax ("Penny for Pinellas") was approved through voter referendum for a ten year period beginning February 1990 and has been extended for three additional ten-year periods. "Penny Four" began on January 1, 2020 for ten years.

This graph presents LOST revenue.

- FY21 revenue was the highest ever recorded. The previous high was \$7.4 million in FY06.
- LOST revenue was \$2.9 million above budget (40%) and \$1.8 million above the prior year (21%).
- A portion of the increase is due to a 10% increase in the allocation formula, which is based on population, effective Jan. 1, 2020.
- The remaining increase was due to an improved statewide economy, as the pandemic subsided.



LOST revenue must be used to finance, design or construct infrastructure (roads, bridges, etc.); acquire land; and purchase public safety vehicles with at least a five year life. An expenditure summary follows.

LOST Fund - FY21 Expenditure Summary

Public safety vehicles (fire and police)	\$ 4,505,000
Downtown urban trail construction	827,000
Playground equipment - Highland Recreation Complex	385,000
Stormwater system construction	271,000
Roadway construction	103,000
Bayhead Action Park planning	50,000
Other expenditures and transfers	57,000
Total expenditures and transfers	\$ 6,198,000

Housing Assistance Funds. The City administers five Housing Assistance Funds, three of which are Major Funds (SHIP, HOME and CDBG).

The City prides itself on leveraging housing resources by partnering with Pinellas County, non-profits and developers. Housing assistance is primarily provided in a Target Area.

The information below highlights the City's housing efforts. Additional housing information is available at:

https://www.largo.com/services/residents/housing_assistance/index.php

	SHIP	HOME	CDBG	NSP2	РСН	TOTAL 2021	TOTAL 2020
Revenues & transfers Expenditures &	<u>\$ 1,235</u>	\$ <u>205</u>	\$ <u>912</u>	<u>\$ -</u>	\$ 8	\$ 2,360	\$ 1,954
transfers Net Revenue	398	205	912	<u>-</u>	1	<u>1,516</u>	1,423
(expenditures) Beginning fund	837	<u>-</u>	<u>-</u>	<u>-</u>	7	844	<u>531</u>
balance	<u>1,316</u>	<u>-</u>	<u>-</u>	<u> </u>	<u>63</u>	<u>1,379</u>	848
Ending fund balance	\$ 2,153			<u> </u>	\$ 70	\$ 2,223	\$ 1,379
Loans outstanding at 9/30	<u>\$ 4,548</u>	<u>\$ 3,495</u>	<u>\$ 1,858</u>	<u>\$ 48</u>	<u>\$ 663</u>	\$ 10,613	\$ 11,509

Housing assistance provided, includes: Eviction Protection, Rental Deposits, Rehabilitation, Down Payment Assistance, Housing Counseling, Legal Assistance, Homeless Services, Chore Services for Seniors, Public Facilities Improvements, AHD for First-Time Homeowners and other assistance programs.

The SHIP Fund's main revenue was originally from a new state documentary stamp tax enacted specifically to provide additional low-income housing assistance; however, the State Legislature redirected all revenue to other state programs during the Great Recession and most of the recovery. The Legislature has restored some of the funding since then and about 12% of FY20 SHIP revenue was from the documentary stamp tax and 87% was from loan repayments (FY20 revenue percentages were 27%/70%).

The CDBG Fund receives revenue from the Federal Government (HUD) and from loan repayments. The HOME Fund receives revenue from Pinellas County and loan repayments. NSP2 and PCH funds have no revenues projected, except principal and interest from loan repayments.

Fund balance is usually zero in HOME, CDBG, PCH and NSP2, because grant revenue is received on a reimbursement basis. Loan repayments can create fund balance if they are not expended by year end.

ENTERPRISE FUNDS (Individual funds, "small-picture" focus)

The City operates three Enterprise Funds, which use the same basis of accounting as Business-type Activities at the Government-wide level (full accrual).

These three funds comprise all Business-type Activities reported at the Government-wide level.

The following table summarizes key Enterprise Fund activity.

•		``		•		
Wastewater		Solid \	Solid Waste		ourse	
2021	2020	2021	2020	2021	2020	
\$ 25.1	\$ 23.0	\$ 14.1	\$ 13.4	\$ 1.2	\$ 0.9	
23.0	21.1	13.7	13.3	1.1	1.2	
2.1	1.9	0.4	0.1	0.1	(0.3)	
\$ 2.0	\$ 2.1	\$ 0.6	\$ 0.7	\$ 0.1	\$-0.2	
\$ 121.7	\$ 119.7	\$ 14.3	\$ 13.8	\$ 2.0	\$ 1.9	
\$ 11.9	\$ 21.4	\$ 6.5	\$ 7.4	\$ 0.5	\$ 0.2	
	\$ 25.1 23.0 2.1 \$ 2.0 \$ 121.7	2021 2020 \$ 25.1 \$ 23.0 23.0 21.1 2.1 1.9 \$ 2.0 \$ 2.1 \$ 121.7 \$ 119.7	2021 2020 \$ 25.1 \$ 23.0 \$ 14.1 23.0 21.1 13.7 2.1 1.9 0.4 \$ 2.0 \$ 2.1 \$ 0.6 \$ 121.7 \$ 119.7 \$ 14.3	2021 2020 2021 2020 \$ 25.1 \$ 23.0 \$ 14.1 \$ 13.4 23.0 21.1 13.7 13.3 2.1 1.9 0.4 0.1 \$ 2.0 \$ 2.1 \$ 0.6 \$ 0.7 \$ 121.7 \$ 119.7 \$ 14.3 \$ 13.8	2021 2020 2021 2020 2021 \$ 25.1 \$ 23.0 \$ 14.1 \$ 13.4 \$ 1.2 23.0 21.1 13.7 13.3 1.1 2.1 1.9 0.4 0.1 0.1 \$ 2.0 \$ 2.1 \$ 0.6 \$ 0.7 \$ 0.1 \$ 121.7 \$ 119.7 \$ 14.3 \$ 13.8 \$ 2.0	



User charges in all three enterprise funds remain competitive throughout the state and service levels remain high.

Many residents who request to be annexed cite the City's exceptional solid waste services as a reason for annexing.

The Golf Course receives consistently high public reviews.

<u>Wastewater Fund.</u> An annual 10% rate increase was approved for FY21, FY22 and FY23, which are the first increases since FY07. Rates have remained low, due to delayed construction of several large projects and collection system improvements that reduced inflows and infiltration and related costs.

As discussed in Note F, the Wastewater Fund continues to borrow from the State low interest loan program for capital improvements. Net debt increased \$2.7 million in FY21 for construction of the middle plant project, which will be completed in FY 22. Total additional borrowing for this project is projected to be \$20 million. This is the only enterprise fund that reports long-term debt.

<u>Solid Waste Fund</u>. Rates have remained low, due to improved route management and no tipping fee (waste disposal fees) increases by the County until FY19.

- Revenue increased by \$700,000 or 5% even though rates remained the same as in FY20, due mostly to increased construction activity as the economy improved.
- Weak recycled material markets over the past two years resulted in lower recycling revenue and higher disposal costs, because most materials could not be sold; however, recycling revenue increased from 38,000 in FY20 to 203,000 in FY21, which also reduced disposal costs.
- The County has indicated that annual tipping fee increases of at least a 6% will be required for the foreseeable future to fund renewal and replacement of the resource recovery facility.
- Tipping fees are 30% of total operating costs, so a 6% increase results in a 1.8% cost increase.
- Tipping fees only increased \$200,000 in FY21 or 5% from FY20, due to normal volume fluctuations in the waste stream, including changes in recycled materials.

<u>Golf Course Fund</u>. The positive net position change of \$158,000 in FY21 compared favorably to the negative change of \$240,000 (a loss) in FY20. The FY20 loss was caused by a partial closure of the course during the pandemic and lower rounds played after the course reopened with safety restrictions.

- Total revenue increased \$300,000 or 33% over the prior year, partly because the course remained open all year in FY21 and more individuals sought outside activities during the pandemic.
- Golf Course staff have remained keenly focused on attracting and retaining customers and controlling operating costs, which remained about the same as last year, despite normal increases in personnel related costs. Rates, promotions and other marketing efforts are continuously reviewed and adjusted to increase revenue, subject to market conditions.
- Rates, promotions and other marketing efforts are continuously reviewed and adjusted to increase revenue, subject to market conditions.
- The General Fund administrative charge to the Golf Course for HR, IT and Finance services is still being waived, due to lower projected revenue and upcoming capital improvements.

The City conducted an extensive community outreach initiative to gather community input, including on-line surveys, social media, virtual-meetings and emails. A significant amount of community input was received and analyzed by City staff and a golf consulting firm. While several options were discussed, the community supported maintaining the golf course for the foreseeable future.



The Golf Course consistently reports a positive cash flow, which is sufficient to pay all normal operating expenses and minor capital costs.

However, when major capital improvements are required, alternative funding will be required, as with the \$2 million Golf Course refurbishment in 2007 that was paid for with the Penny for Pinellas.

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets. The City's capital assets are summarized in the table below.

- Governmental Activities include capital assets for governmental and internal service funds.
- Business-type Activities include capital assets related to the City's three enterprise funds.
- Capital assets are depreciated using the straight-line method over their estimated useful lives.
- At the end of FY21, total Governmental assets were 41% depreciated and Business-type assets were 33% depreciated, which means over half of the assets' useful lives remained.
- Provisions are made to replace capital assets in the City's five-year Capital Improvements Program, which spreads capital costs over multiple years and ensures continuity of services.

Management's Discussion and Analysis

September 30, 2021

The only significant changes are in BTA Construction in Progress and Improvements, which relate to wastewater, including the "middle plant" project. Capital asset information is included in Note IV.C.

Government-wide Activities (\$ millions)

	Governmental		Business-type		Total	
Capital Assets	2021	2020	2021	2020	2021	2020
Land	\$ 28	\$ 25	\$ 3	\$ 3	\$ 31	\$ 28
Construction in progress	22	18	81	62	103	80
Buildings and improvements	82	82	7	7	89	89
Improvements other than buildings	78	76	212	208	290	284
Machinery and equipment	46	44	28	23	74	67
Intangibles	4	1	1	-	5	1
Total capital assets	260	246	332	303	592	549
Less accumulated depreciation	(107)	(98)	(110)	(104)	(217)	(202)
Net capital assets	\$ 153	\$ 148	\$ 222	\$ 199	\$ 375	\$ 347

Long-term Debt. The cornerstone of the City's strong financial condition is its conservative debt policy. Details on long-term debt are included in Note IV.F. The following table summarizes all long-term debt.

Activities (\$ millions)

	Governmental		Business-type		Total	
Long-term Debt	2021	2020	2021	2020	2021	2020
ERP System	2.0	2.5	-	-	2.0	2.5
Wastewater Infrastructure	<u>-</u>		106.1	103.3	106.1	103.3
Total loans	2.0	2.5	106.1	103.3	108.1	105.8
Police & fire pension unfunded liability	41.5	41.5	-	-	41.5	41.5
Compensated absences (vacation)	3.1	3.0	0.6	0.6	3.7	3.6
Other post-employment benefits (health)	18.7	14.3	4.2	3.2	22.9	17.5
Other long-term liabilites (risk claims)	2.5	2.3			2.5	2.3
Total long-term debt	\$ 67.8	\$ 63.6	\$ 110.9	\$ 107.1	\$ 176.7	\$ 168.2

The City uses a pay-as-you-go strategy for most recurring capital purchases and purchases are staggered between years to smooth costs. For example, 25 police cars are purchased annually rather than financing 125 police cars for five years. Exceptions include a 26-passenger recreation van and golf carts, which are leased to enhance customers' experiences and to eliminate repairs and maintenance.

Keys to the City's responsible long-term borrowing include:

- Long-term debt should not be used to pay for short-term costs.
- Financed assets should last at least as long as related debt.
- Some borrowing capacity should be reserved for future unexpected needs, and
- Debt payments should be affordable (serviceable), both currently and in the future.



Question: Is having low debt a good thing?

Answer: It depends.

Management's Discussion and Analysis

September 30, 2021

Debt pros:

- Debt allocates the cost of large, long-lived capital assets among present and future customers/taxpayers who will benefit from their use.
- Debt smooths payments that would otherwise require large one-time revenue/rate increases.
- Not borrowing may jeopardize public health and safety and result in higher future costs.

Debt cons:

- Debt creates fixed payments for future taxpayers and customers that reduces financial flexibility.
- Debt reduces future borrowing capacity for emergencies or to seize opportunities.
- Debt reduces the ability for future taxpayers and customers to spend resources as they see fit.



<u>Fun Fact</u> - If you drive through Largo, every City asset you see is paid for, except wastewater assets, one recreation bus and golf carts, which are leased. Largo has a history of paying it forward, which helps make Largo the Community of Choice in Tampa Bay.

 In January 2022, the City issued \$62 million of 30-year revenue bonds with an average interest rate of 2.6% to fund a new City Hall (\$58 million) and Parks Administration Complex. Annual debt service of \$3 million will be paid mostly by the General Fund, partly by the CRA Fund (\$5 million) and by rental fees from the retail portion of City Hall, which will be called Horizon West Bay.

New Downtown City Hall (largo.com)

- Business-type debt was issued for construction of wastewater projects. The Wastewater system is the only enterprise fund with long-term debt, excluding OPEB and compensated absences.
- Wastewater debt was taken through the Florida Department of Environmental Protection (DEP) for projects that expanded and improved the collection system, disinfection system, head-works and all three treatment trains. Loan draws are taken after payments are made, which reduces interest. The final \$130 million cost of these projects will more than double the system's capital assets.



<u>Fun Fact</u> - The average interest rate on the State DEP wastewater loans is less than 1%, which will produce at least \$25 million of net interest savings over conventional borrowing.

Another indicator of the City's sound debt policy is debt outstanding compared to the depreciated value (book value) of capital assets.

- The table below shows the percentages of capital assets that are financed.
- Less than 2% of Governmental capital assets are financed, which increases debt capacity.
- Business-type capital assets financed (wastewater) is higher than Governmental type, but is still reasonable (approximately 50% in both years) and is fully paid by wastewater user fees.

Management's Discussion and Analysis

September 30, 2021

Capital Assets (\$ millions)

Net capital assets (NCA)
Less related debt
Net Investment in NCA
Portion of NCA financed

Governmental		Busines	ss-type	Total		
2021	2020	2021	2020	2021	2020	
\$ 152.9	\$ 147.5	\$ 221.2	\$ 198.7	\$ 374.1	\$ 346.2	
(2.0)	(2.5)	(106.1)	(103.4)	(108.1)	(105.9)	
\$ 150.9	\$ 145.0	\$ 115.1	\$ 95.3	\$ 266.0	\$ 240.3	
1.3%	1.7%	48%	52%	29%	31%	



Debt History: The former agricultural *Town of Largo* grew rapidly through the 1920s and became well known for its Black Diamond Grapefruit and other citrus, which were shipped worldwide.

The economy was hit hard by a devastating winter freeze at the end of the 1920s, which severely damaged the citrus crops. Largo was hit even harder by the Great Depression, which stopped the rapid population growth.

Due the Depression's affect on revenue, the now City of Largo defaulted on bonded debt that was issued to construct needed infrastructure to serve a rapidly growing population. The City was forced to contract to its 1905 boundaries and return to the former Town of Largo.



According to the 1933 audit report by James R. Dyer, Public Accountant:

"The attached Balance Sheet, in my opinion, correctly reflects the true financial condition of the City of Largo, Florida, as of the day it went out of existence."

Assets were \$403,043 (no cash), liabilites were \$1,030,576 (bonds), and Net Worth (deficit) was \$627,533. The subsequent 1934 Balance Sheet only reported \$52,900 of bonded debt.

Other Long-term Liabilities

Compensated Absences.

- Employees earn vacation leave; therefore, long-term liabilities are recorded for unused vacation leave in the government-wide statements and proprietary fund statements (full accrual).
- Assignments of fund balance are recorded in governmental funds for earned vacation leave, because long-term liabilities cannot be recorded in governmental funds (modified accrual).
- Unused sick leave is not owed at separation; therefore, no liabilities or assignments are recorded.

Other Post-employment Benefit Liabilities (OPEB). The "Other" refers to other than pension liabilities.

The City does not pay any portion of retiree healthcare insurance costs; however, under state law, retirees are allowed to remain on the City's health plan and pay the same premiums charged to current employees, which results in an "implicit" premium cost subsidy to the City under GASB standards.

The OPEB implicit subsidy is an actuarial estimate of the increased costs related to retirees that are above the normal costs for regular employees. The implicit subsidy is recorded as a long-term liability in the government-wide statements and in the proprietary fund statements (full accrual).

Management's Discussion and Analysis

September 30, 2021

The OPEB liability is not funded, because payments are not made into the health plan on behalf of retirees. Most governments only fund "explicit" OPEB liabilities where payments are being made. The OPEB liability increased in FY21, due to increases in healthcare costs, both current and projected.

Risk Claims (Risk Fund).

Risk claim liabilities increased \$200,000 from the prior year, or almost 10% based on outstanding legal cases at year end. Claims liability activity is highly variable because it is based on specific and often unique incidents, which makes projecting liabilities difficult.

The Risk Fund was over-budget by \$172,000 after recording final claims liabilities and legal fees after year end, which were projected to be higher than normal. A budget amendment was approved for the additional projected liabilities; however, actual liabilities were even larger than the projections.

Pension Liabilities.

Most government pension plans have been underfunded since the Great Recession, including Largo's.

- Higher net pension liabilities have been created by lower investment earnings and lower projected earnings, which has been experienced by most pension plans throughout the country.
- A year before the Great Recession, the median pension plan funded ratio was 92% for state plans and 97% for local government plans, according to Wilshire Funding Studies.
- Average funded ratios fell to 68% for states and 72% for local governments by 2016.

As shown in the table below, the funded ratio trend has been essentially flat over the past seven years, which means little progress has been made to reduce the under-funding since 2013.

Actuarial Report Date	Actuarial Funding Method	Surplus (Deficit)	City's A Requi Contrib	ired
October 1	Funded Ratio	\$ millions	\$ millions	% of pay
1999¹	123%	\$(10)	\$ 0	0%
2011 ²	59%	\$(53)	\$ 5.1	37%
	Last T	en Years		
2011 ²	59%	\$(53)	\$ 4.2	37%
2012	67%	\$(44)	\$ 3.8	32%
2013	74%	\$(35)	\$ 3.8	29%
2014	78%	\$(32)	\$ 3.5	27%
2015	74%	\$(39)	\$ 4.1	30%
2016	71%	\$(48)	\$ 5.0	32%
2017	75%	\$(41)	\$ 4.8	29%
2018	79%	\$(37)	\$ 4.9	28%
2019	77%	\$(42)	\$ 5.3	30%
2020	77%	\$(45)	\$ 5.6	31%

- (1) Highest Funded Ratio and Lowest Required City Contribution since 1992
- (2) Lowest Funded Ratio since 1992

Management's Discussion and Analysis

September 30, 2021

Most of the decline in the funded ratio is due to lower actual and projected investment earnings, especially from fixed income investments, which have experienced historically low returns for the past decade.

- Over time, the plan's actuarial investment return assumption was reduced from 8.33% to 7.5% to 6.75% to reflect the most likely average rate of return, which is occurring in all pension plans nationwide. The return assumption will be reduced again next year to 6.5%.
- A lower investment return assumption increases the City's annual contribution to the plan.

Other changes that have increased pension costs include:

- Negotiated benefit reductions in FY13 in response to the Great Recession were reinstated for firefighters in FY19 due to competitive pressures that were affecting recruitment and retention
- The State enacted additional mandatory firefighter "presumption" benefits
- Lengthening retirees' life expectancy in accordance with improved mortality experience has increased the projected number of years benefit payments are received in retirement



Largo's Pension Board has proactively adopted recommended actuarial assumption changes; therefore, the pension Plan's net pension liability is more realistic compared to plans that have been slower to adopt recommended changes.

The funded ratio trend helps to determine if progress is being made toward fully funding the Plan.

- It's normal for an unfunded pension liability or a surplus to fluctuate year-to-year; however, the long-term goal of all pension plans is to reach a 100% funded ratio (assets = liabilities)
- A 100% funded ratio means the pension costs of employee services have been covered by the taxpayers who benefited from receiving the services, which is equitable
- Carrying an unfunded liability long-term means that future taxpayers must pay for past service costs which did not benefit them, unless investment returns are higher than expected

Recording the Plan's unfunded liability in the City's financial statements has created a negative Governmental Activities unrestricted net position since FY 2015 (a deficit).

Since the annual Actuarial Valuation Report is normally issued after the ACFR is issued, the City has elected to report information from the immediately prior Valuation Report, as allowed by the GASB.

Additional pension information is in Note V.C and in Required Supplementary Information after the Notes.



Police officers and firefighters are the only City employees who participate in a defined benefit pension plan.

Management's Discussion and Analysis

September 30, 2021

The unfunded pension liability is highly dependent on the assumed investment return as well as the actual investment return. As shown in the table below, a 1-percentage point change in the investment return in the assumed investment return can change the unfunded liability about 50% (plus or minus).

Sensitivity Analysis - Unfunded Pension Liability GASB #67 Calculation

	Current Rate &	
1% decrease	Liability	1% increase
5.75%	6.75% *	7.75%
\$65 million	\$41 million	\$22 million

^{*} The investment return assumption will be reduced to 6.5% in next year's actuarial report.

A summary of the City's pension assets and pension liability follows.

Note that while the Unfunded Pension Liability increases or decreases annually, the Pension Liability moves consistently upward.

Police Officers & Firefighters Pension Plan Information Based on Plan Funding Method (Non-GASB #67) (\$ millions)

Actuarial Valuation Date October 1	Pension Assets	Pension Liability	Unfunded Pension Liability
2020	\$148	\$193	\$45
2019	\$141	\$183	\$42
2018	\$138	\$176	\$38
2017	\$127	\$168	\$41
2016	\$114	\$162	\$48



If the pension plan was fully funded, the City's pension contribution would decline by about half, or about \$2.5 million a year over the next 25 years, which is the unfunded liability's amortization period.

Management's Discussion and Analysis

September 30, 2021

Pension Myth Busting!

For several reasons, an urban myth began circulating in 2006 that a funded ratio of 80% indicated a pension plan was actuarially healthy.

The myth persisted and became accepted by most lay people, pension boards and investment professionals, so the American Academy of Actuaries issued a statement denouncing the myth.

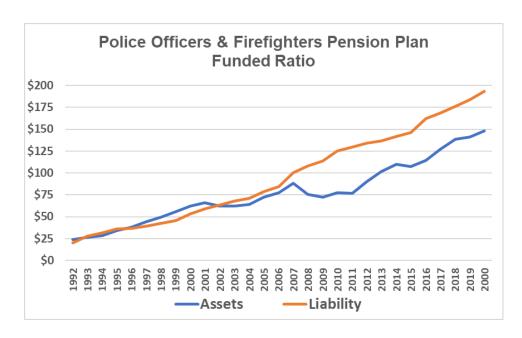


According to the American Academy of Actuaries (AAA):

- No single funding level should be used as a line between financially healthy and unhealthy plans.
- <u>A funded ratio's long-term trend</u> is as important as the actual ratio, e.g., being at an 80% funded level and trending upward is better than being at 80% and trending downward.
- Most actuarial funding methods have a 100% long-term funding target.
- The financial health of pension plans depends on many factors, including how any pension under-funding compares to a plan sponsor's financial resources.
- An 80% funded ratio <u>should not</u> be used to determine a plan's financial health.

80percent Myth Issue Brief.pdf (actuary.org)

As depicted below, the Plan was well funded until 2002, including several years when the plan was over-funded (assets exceeded liabilities). The plan remained slightly underfunded from 2003 until 2007, (liabilities exceeded assets), largely because investment earnings were generally lower for pension plans nationwide. Since 2002, the Plan has never been fully funded for the reasons mentioned previously.



Management's Discussion and Analysis

September 30, 2021

Unfunded Pension Liability Impact

- Using the Actuarial Funding Method liability calculation (not the GASB calculation), a \$45 million under-funding results in the plan forgoing \$3 million annually in interest earnings on average, because the \$45 million is not available for investment in the plan.
- If the pension plan was 100% funded, the City's annual cost (called the normal cost) would be about \$3 million or 17.2% of pay instead of \$5.6 million or 30.6% of pay.
- An unfunded liability transfers pension costs for past services rendered by employees to future taxpayers who do not directly benefit from the services that were provided, which creates what is commonly called inter-generational inequity (dis-equity between taxpayers).

ECONOMIC CONDITIONS, NEXT YEAR'S BUDGET AND NEXT YEAR'S RATES (FEES)

Economic Conditions. The City is cautiously optimistic about future conditions, excluding any impact from the Covid-19 pandemic. The housing market remains strong and unemployment is relatively low.

Next Year's Budget and Rates. Factors above were considered in preparing the FY22 budget.

- The FY22 property tax rate (millage rate) was held at 5.62 for the third consecutive year, which was above the "rolled-back" rate; therefore, the rate generated a "tax increase" according to state law.
- The FY22 millage rate, plus 7.9% growth in taxable values including new construction and annexations, are projected to generate an additional \$2.3 million above FY21.
- The FY22 millage rate remains beneath the statutory cap of 10 mills, as well as being competitive.

Long-term Projections. Most tax rates are at their maximum levies, except property taxes, so growth in most tax revenue is dependent on tax base growth. The Legislature and Governor continue to push for lower taxes and revenue restrictions, even though Florida's tax burden is among the lowest of all states.

Service levels and delivery methods are continually reviewed to determine if services can be provided more efficiently or should be eliminated. The City will be challenged to control salary increases in an tight labor market for the foreseeable future. Most fund balances are projected to remain adequate and the City has maintained or replaced its facilities and infrastructure.

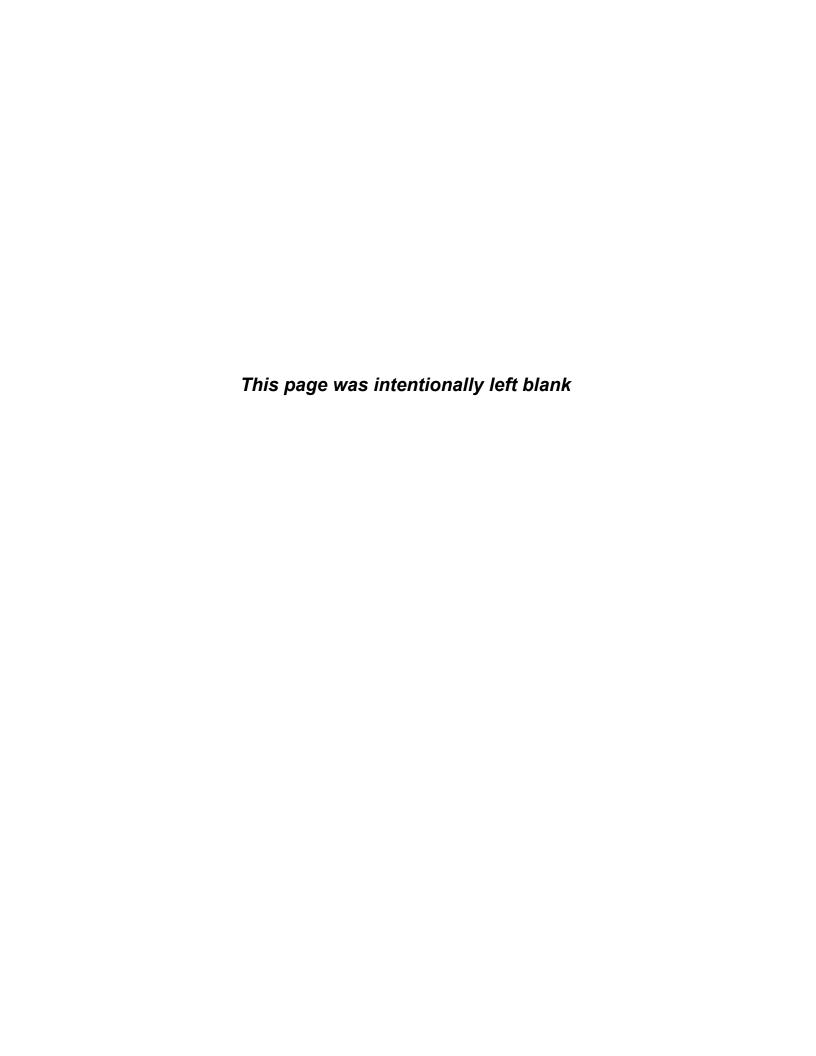
The City's largest assets are it's employees and the City's ongoing High Performance Organization (HPO) initiative seeks to engage employees at every level to develop a culture of excellence that will improve financial and non-financial results by focusing on what matters most to the City organization and the Largo community. HPO is resulting in more streamlined business processes, better decision making, clearer communication, more collaboration and an overall improvement in employee morale.

The City's workforce is well trained and productive and the City was recognized as a US *Top Workplace*, including scoring in the top 5% for supportive managers. With a highly-engaged and motivated workforce, the City will continue to work diligently toward achieving its vision of becoming *The Community of Choice in Tampa Bay, Naturally*.

TOP WORK PLACES 2021

ADDITIONAL INFORMATION

Additional financial information is available on the City's website, at: www.largo.com, including the Annual Budget, Long- term Financial Plan & Capital Improvements Program. Telephone inquiries may be directed to the Finance Director at (727) 587-6747. Written requests for information may be addressed to the Finance Director, PO Box 296, Largo, FL 33779-0296 or may be emailed to: fidirector@largo.com.



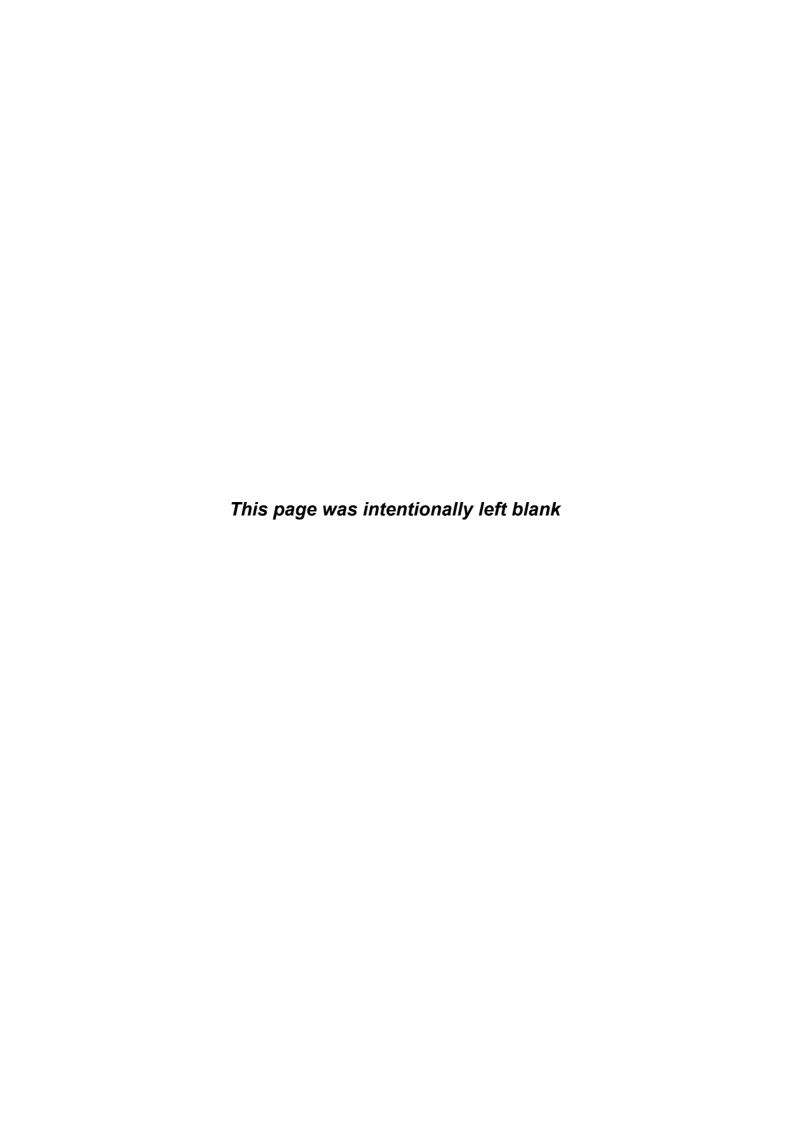


CITY OF LARGO, FLORIDA Statement of Net Position

September 30, 2021

		t	
	Government Activities	Primary Governmen Business-Type Activities	Total
Assets		<u> </u>	
Cash and investments	\$ 75,879,1	55 \$ 17,087,673	\$ 92,966,828
Receivables:			
Taxes	2,780,9		2,780,905
Interest	251,7	· · · · · · · · · · · · · · · · · · ·	412,549
Accounts, net	12,103,7	· · · · · · · · · · · · · · · · · · ·	18,540,980
Intergovernmental	2,669,2	· · · · · · · · · · · · · · · · · · ·	2,712,217
Prepaid items and inventories	965,8	· · · · · · · · · · · · · · · · · · ·	1,801,290
Restricted cash and investments		- 8,977,635	8,977,635
Other assets	1,194,2		1,194,273
Notes and loans receivable	240,0	97 37,320	277,417
Capital assets, net:			
Land	28,247,1		31,071,224
Building and improvements	49,754,2	94 4,475,495	54,229,789
Improvements other than building	37,117,4	37 119,810,293	156,927,730
Machinery and equipment	12,653,5	40 12,718,967	25,372,507
Intangible assets	2,859,4	47 771,990	3,631,437
Construction in progress	22,285,4	89 80,673,966	102,959,455
Total assets	249,002,3	99 254,853,837	503,856,236
Deferred outflows of resources		_	
Pension contributions paid subsequent to the			
measurement date	6,605,6	74 -	6,605,674
Deferred outflows - pension plan	1,689,4	06 -	1,689,406
Deferred outflows - OPEB	5,742,8	01 1,289,437	7,032,238
Total deferred outflows of resources	14,037,8	81 1,289,437	15,327,318
Liabilities			
Accounts and accrued interest payable	2,957,1	69 6,580,789	9,537,958
Accrued payroll and vacation	2,241,1	87 363,816	2,605,003
Due to other governments	525,6	91 -	525,691
Unearned revenue and deposits	12,429,6	55 96,421	12,526,076
Noncurrent liabilities:			
Due within one year	3,214,4	07 6,565,003	9,779,410
Due in more than one year	4,353,5		104,536,990
Net pension liability	41,463,5		41,463,562
OPEB liability	18,673,7		22,862,172
Total liabilities	85,858,9	81 117,977,881	203,836,862
Deferred inflows of resources Business tax collected in advance	361,2	57	361,257
Deferred inflows - pension plan	50,0		50,097
Deferred inflows - Pension plan Deferred inflows - OPEB	1,005,6		1,231,192
Total deferred inflows of resources	1,416,9		1,642,546
	1,410,0		1,072,070
Net position Net investment in capital assets	150 005 6	15 110,189,976	261,095,591
Net investment in capital assets Restricted for:	150,905,6	10,109,976	201,090,591
Wastewater purposes		- 9,024,728	9,024,728
• •	14,869,2		14,869,200
Capital funded by local sales tax Economic development			
· ·	12,451,2		12,451,211
Technology improvement	484,0		484,063
Public works	9,356,4		9,356,434
Recreation, parks, arts, public safety	5,110,9		5,110,942
Unrestricted	(17,413,1	52) 18,725,129	1,311,977
Total net position	\$ 175,764,3	13 \$ 137,939,833	\$ 313,704,146
The notes to the financial statements are an integral part of this statement			

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



CITY OF LARGO, FLORIDA Statement of Activities

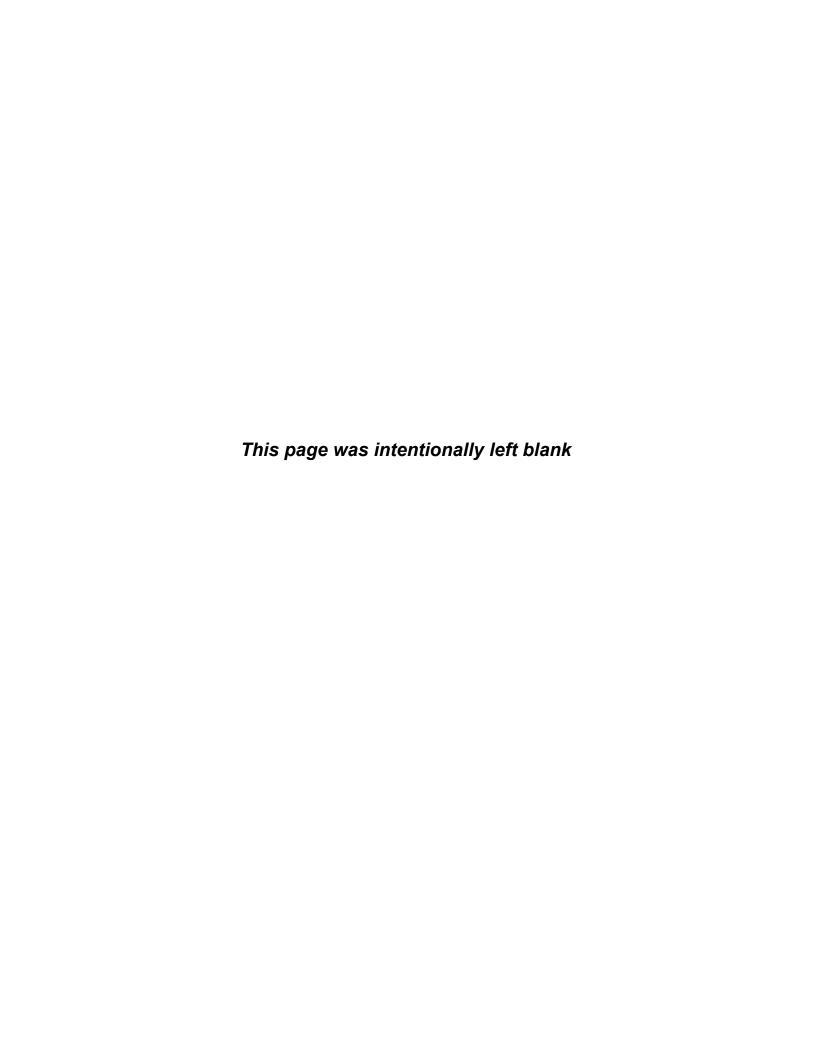
					Pr	ogram Revenue	s			Ch	Net (Expense) Revenue Changes in Net Position Primary Government				
Functions/Programs		Expenses		Charges for Services	_	Operating Grants and Contributions	_	Capital Grants and Contributions		Governmental Activities	E	Business-type Activities	Total		
Governmental activities: General government Public safety Public works Economic development Culture and recreation	\$	11,855,633 51,596,887 12,605,799 6,690,288 17,989,064	\$	4,119,638 13,993,052 6,039,154 3,411,023 4,021,353	\$	1,064,736 1,847,174 78,164 397,718 309,164	\$	- 466,949 194,068	\$	(6,671,259) (35,756,661) (6,488,481) (2,414,598) (13,464,479)	\$	- \$ - - -	(6,671,259) (35,756,661) (6,488,481) (2,414,598) (13,464,479)		
Interest and fees Total governmental activities Business-Type Activities	_	26,919 100,764,590	_	31,584,220	_	3,696,956	_	661,017	_	(26,919) (64,822,397)	_		(26,919) (64,822,397)		
Wastewater Solid Waste Golf Course		24,053,339 13,875,332 1,137,973	_	25,153,977 13,964,877 1,237,181	_	29,867 62,034 3,271		311,056 - -		- - -		1,441,561 151,579 102,479	1,441,561 151,579 102,479		
Total Business-Type Activities Total primary government	\$	39,066,644 139,831,234	\$	40,356,035 71,940,255	\$	95,172 3,792,128	\$	311,056 972,073	_	(64,822,397)	_	1,695,619 1,695,619	1,695,619 (63,126,778)		
	Pr Ut Sa Co Fr St In	neral revenues: roperty tax tility tax ales tax communication ser ranchise taxes tate shared reve vestment earnin iscellaneous	ervi							29,946,285 9,902,785 11,243,238 2,728,251 6,364,804 9,877,883 507,219 1,472,163		- - - - 162,472 355,552	29,946,285 9,902,785 11,243,238 2,728,251 6,364,804 9,877,883 669,691 1,827,715		
		Total general							_	72,042,628 7,220,231	_	518,024	72,560,652		
		Change in net position - beging position - end	inni						\$	168,544,082 175,764,313	\$	2,213,643 135,726,190 137,939,833 \$	9,433,874 304,270,272 313,704,146		

CITY OF LARGO, FLORIDA Balance Sheet Governmental Funds

September 30, 2021

	General			Local Option Sales Tax	SHIP		
Assets							
Cash and investments	\$	24,780,907	\$	12,874,366	\$	2,150,733	
Accrued interest		83,968		38,355		6,263	
Receivables:							
Taxes		1,998,585		691,888		-	
Accounts, billed		314,698		-		-	
Accounts, unbilled		-		-		-	
Special assessments		-		-		-	
Due from other governments		607,386		1,370,787		-	
Grants		27,891		-		-	
Other		199,035		-		-	
Due from other funds		4,461,106		343,000		-	
Property held for resale		-		-		-	
Other assets		331,956		-		-	
Notes and loans receivable		-		-		4,548,401	
Inventories, at cost		3,607		-		-	
Total assets	\$	32,809,139	\$	15,318,396	\$	6,705,397	
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:	•	1 004 550	•	440 404	•	0.707	
Accounts payable	\$	1,081,550	\$	416,481	\$	3,797	
Accrued payroll		2,076,807		-		-	
Due to other governments		181,796		-		512	
Due to other funds		-		-		-	
Deposits		37,054		-		-	
Unearned revenue		116,980		32,715			
Total liabilities		3,494,187		449,196		4,309	
Deferred inflows							
Business tax collected in advance		361,257		-		-	
Unavailable revenue		-				4,548,401	
Total deferred inflows		361,257				4,548,401	
Fund balances:							
Nonspendable		722,103		-		-	
Restricted		-		14,869,200		2,152,687	
Assigned		15,597,705		-		-	
Unassigned		12,633,887		-		-	
Total fund balances		28,953,695		14,869,200		2,152,687	
Total liabilities, deferred inflows and fund balances	\$	32,809,139	\$	15,318,396	\$	6,705,397	

НОМЕ		CDBG		Other Governmental Funds		Total Sovernmental Funds
\$ 128,076 652	\$	- 313	\$	29,942,321 105,452	\$	69,876,403 235,003
- 17,381 - -		- - -		90,432 651,018 501,276 14,604		2,780,905 983,097 501,276 14,604
140,455 - -		213,949 - -		91,024 178,685 - 189,000		2,069,197 560,980 199,035 4,993,106
 3,495,336		1,858,089		979,669 - 711,064	<u></u>	979,669 331,956 10,612,890 3,607
\$ 3,781,900	<u>\$</u>	2,072,351	<u>\$</u>	33,454,545	<u>\$</u>	94,141,728
\$ 29 - 286,535 - - 3,495,336 3,781,900	\$	114,743 9,255 56,848 33,416 - 1,858,089 2,072,351	\$	920,769 108,949 4,959,690 6,482 6,752,649 12,748,539	\$	2,537,369 2,195,011 525,691 4,993,106 43,536 12,255,769 22,550,482
 - - -		- - -		650,325 650,325		361,257 5,198,726 5,559,983
- - - -		- - - -		979,669 23,370,264 258,086 (4,552,338) 20,055,681		1,701,772 40,392,151 15,855,791 8,081,549 66,031,263
\$ 3,781,900	\$	2,072,351	\$	33,454,545	\$	94,141,728



Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position September 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:										
Ending fund balance - governmental funds	\$	66,031,263								
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		152,720,357								
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the funds.		39,056								
Internal service funds are used by management to charge the costs of fleet activity and risk costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		3,543,577								
Deferred outflows of resources from pension expenses subsequent to measurement date of net pension liability.		6,605,674								
Net deferred outflows of resources resulting from net pension liability		1,639,309								
Net deferred outflows of resources resulting from net OPEB liability		4,610,365								
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(2,013,756)								
Long-term liabilities, including compensated absences, other post employment benefits (OPEB) and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.		(62,643,463)								
Special assessment liens receivable are not financial resources in the current period and therefore are reported as deferred revenues in the funds.		33,205								
Unavailable revenue is not a financial resource in the current period and therefore is not reported as such in the funds.		5,198,726								
Net position of governmental activities	\$	175,764,313								

CITY OF LARGO, FLORIDA Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

	 General	 Local Option Sales Tax	SHIP	
Revenues				
Taxes	\$ 42,534,028	\$ 10,196,301	\$	-
Licenses, permits and fees	6,372,779	-		-
Intergovernmental	12,249,978	271,281		144,279
Charges for services	17,694,037	574,930		-
Fines	552,736	-		-
Interfund charges	4,205,934	-		-
Contributions and donations	110,129	-		-
Investment earnings	72,732	22,477		14,903
Other	 276,691	 		1,075,457
Total revenues	 84,069,044	 11,064,989		1,234,639
Expenditures				
Current:	0.046.406			
General government	9,246,486	-		-
Public safety Public works	47,767,916	-		-
	4,660,587	-		200.024
Economic development	4,325,675	-		398,021
Culture and recreation	13,988,608	- 0 400 070		-
Capital outlay Debt service:	1,034,714	6,182,876		-
Principal Interest	-	-		-
	 81,023,986	 6,182,876		398,021
Total expenditures	 01,023,900	 0,102,070		390,021
Excess (deficiency) of revenues over (under) expenditures	3,045,058	4,882,113		836,618
Other Financing Sources/(Uses)				
Transfers in	11,400	_		_
Transfers out	(484,100)	(15,300)		_
Sale of capital assets	27,359	121,277		_
Net other financing sources (uses)	 (445,341)	105,977		-
Net change in fund balances	2,599,717	4,988,090		836,618
Fund balance - beginning	 26,353,978	 9,881,110		1,316,069
Fund balance - ending	\$ 28,953,695	\$ 14,869,200	\$	2,152,687

HOME	CDBG	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 717,388	\$ 53,447,717
-	-	2,183,563	8,556,342
204,666	551,623	2,512,624	15,934,451
-	-	6,102,017	24,370,984
-	-	68,628	621,364
-	-	-	4,205,934
-	-	125,374	235,503
-	9,558	53,926	173,596
	351,137	9,750	1,713,035
204,666	912,318	11,773,270	109,258,926
_	_	15,000	9,261,486
_	-	38,713	47,806,629
_	-	4,778,775	9,439,362
204,666	912,318	2,045,427	7,886,107
-	-	148,785	14,137,393
-	-	7,833,629	15,051,219
-	-	488,221	488,221
		27,428	27,428
204,666	912,318	15,375,978	104,097,845
-	-	(3,602,708)	5,161,081
_	_	583,400	594,800
_	_	(95,400)	(594,800)
-	-	4,701	153,337
	-	492,701	153,337
-	-	(3,110,007)	5,314,418
		23,165,688	60,716,845
\$ -	\$ -	\$ 20,055,681	\$ 66,031,263

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ 5,314,418
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expense exceeds depreciation expense.	5,454,784
In the statement of Activities, only the loss/gain on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.	(27,106)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of revenue accruals may increase or decrease net position.	(439,250)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction is reported on the government-wide financial statements.	488,222
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, such as changes in accrued interest, changes in accrued vacation, other post-employment benefits and changes in net pension liability and any related deferred inflows/outflows.	(2,820,734)
Internal service funds are used by management to charge the costs of fleet management and risk activities to individual funds. The net revenues or loss of certain activities of the internal service funds are reported with governmental activities.	 (750,103)
Change in net position of governmental activities (statement of activities)	\$ 7,220,231

Statement of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual General Fund**

		iginal ıdget		Final Budget		Actual	<u>_</u> F	Variance with Final Budget
REVENUES								
Taxes	\$ 42,	218,800	\$	42,218,800	\$	42,534,028	\$	315,228
Licenses, permits and fees	6,	742,700	-	6,742,700	-	6,372,779		(369,921)
Intergovernmental	9,	700,800		9,700,800		12,249,978		2,549,178
Charges for services	18,	225,200		18,225,200		17,694,037		(531,163)
Fines		788,500		788,500		552,736		(235,764)
Interfund charges	4,	175,300		4,175,300		4,205,934		30,634
Contributions and donations		143,700		143,700		110,129		(33,571)
Investment earnings		250,000		250,000		72,732		(177,268)
Other		608,800		699,100		276,691		(422,409)
Total revenues	82,	853,800		82,944,100		84,069,044		1,124,944
EXPENDITURES								
General government	10	381,800		10,769,678		9,246,486		1,523,192
Public safety		494,100		50,183,213		47,767,916		2,415,297
Public works		006,000		5,066,409		4,660,587		405,822
Economic development		881,300		5,026,582		4,325,675		700,907
Culture and recreation		776,300		17,348,028		13,988,608		3,359,420
Capital outlay		105,400		6,518,005		1,034,714		5,483,291
Total expenditures		644,900	-	94,911,915	-	81,023,986		13,887,929
Excess (deficiency) of revenues								
over (under) expenditures	(12,	791,100)		(11,967,815)		3,045,058		15,012,873
OTHER FINANCING SOURCES (USES)								
Transfers in		11,400		11,400		11,400		_
Transfers out	(;	360,300)		(360,300)		(484,100)		(123,800)
Capital project loan		300,000		6,300,000		-		(6,300,000)
Sale of capital assets	·	75,000		75,000		27,359		(47,641)
Total other financing uses	6,	026,100		6,026,100		(445,341)		(6,471,441)
Net change in fund balance	\$ (6,	765,000)	\$	(5,941,715)		2,599,717	\$	8,541,432
Fund Balance - beginning						26,353,978		
Fund Balance - ending					\$	28,953,695		

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual

Local Option Sales Tax Fund

		Original Budget	 Final Budget	 Actual		Variance with Final Budget
REVENUES Taxes Intergovernmental Charges for services Investment earnings Total revenues	\$	7,326,700 471,300 1,296,000 60,000 9,154,000	\$ 7,326,700 471,300 1,296,000 60,000 9,154,000	\$ 10,196,301 271,281 574,930 22,477 11,064,989	\$	2,869,601 (200,019) (721,070) (37,523) 1,910,989
EXPENDITURES Capital outlay Debt service: Total expenditures Excess (deficiency) of revenues over (under) expenditures		14,086,900 14,086,900 (4,932,900)	 16,323,302 16,323,302 (7,169,302)	 6,182,876 6,182,876 4,882,113		10,140,426 10,140,426 12,051,415
OTHER FINANCING SOURCES (USES) Transfers out Sale of capital assets Net other financing sources (uses)		(15,300) 100,000 84,700	 (15,300) 100,000 84,700	 (15,300) 121,277 105,977	_	21,277 21,277
Net change in fund balance Fund Balance - beginning Fund Balance - ending	<u>\$</u>	(4,848,200)	\$ (7,084,602)	\$ 4,988,090 9,881,110 14,869,200	<u>\$</u>	12,072,692

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual **SHIP Fund**

	 Original Budget		Final Budget		Actual	Variance with Final Budget		
REVENUES Intergovernmental Investment earnings Other	\$ 1,196,000 10,000 240,000 1,446,000	\$	1,196,000 10,000 240,000	\$	144,279 14,903 1,075,457 1,234,639	\$	(1,051,721) 4,903 835,457	
Total revenues EXPENDITURES Current: Economic development Total expenditures	 1,446,000 1,446,000 1,446,000		1,446,000 1,630,803 1,630,803		398,021 398,021		(211,361) 1,232,782 1,232,782	
Net change in fund balance	\$ -	\$	(184,803)		836,618	\$	1,021,421	
Fund Balance - beginning					1,316,069			
Fund Balance - ending				\$	2,152,687			

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual **HOME Fund**

	Original Budget		Final Budget	Actual		Variance with Final Budget	
REVENUES Intergovernmental	\$ 735	,900 \$	735,900	\$ 20	4,666	\$	(531,234)
Total revenues		,900	735,900		4,666		(531,234)
EXPENDITURES Current:							
Economic development Total expenditures		,900 ,900	855,529 855,529		4,666 4,666		650,863 650,863
Net change in fund balance	\$	<u>-</u> \$	(119,629)		-	\$	119,629
Fund Balance - beginning							
Fund Balance - ending				\$			

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual **CDBG** Fund

	Original Budget		Final Budget		Actual		Variance with Final Budget	
REVENUES Intergovernmental Investment earnings Other	\$	958,100 5,000 145,000	\$	1,786,100 5,000 145,000	\$	551,623 9,558 351,137	\$	(1,234,477) 4,558 206,137
Total revenues EXPENDITURES Current: Economic development Capital outlay		711,100 397,000		1,936,100 1,871,790 397,000		912,318		959,472 397,000
Total expenditures Net change in fund balance	\$	1,108,100	\$	2,268,790 (332,690)		912,318	\$	1,356,472 332,690
Fund Balance - beginning								
Fund Balance - ending					\$	-		

CITY OF LARGO, FLORIDA **Statement Net Position Proprietary Funds**

September 30, 2021

	Mastauratau	Callel Masta	Manmalan		Internal Service
	Wastewater Utility	Solid Waste Utility	Nonmajor Golf Course	Total	Funds
Assets	Othity	Culty	Con Course		- I unus
Current assets					
Cash and investments	\$ 10,439,940	\$ 5,976,791	\$ 774,526	\$ 17,191,257	\$ 5,899,167
Restricted-Cash and investments	8,977,635	· · · · · · -	· -	8,977,635	· -
Accrued interest receivable	114,803	17,262	2,311	134,376	16,701
Restricted-Accrued interest receivable	26,468	=	=	26,468	=
Accounts receivable, billed, net	1,994,218	1,401,703	9,744	3,405,665	4,195
Accounts receivable, unbilled, net	2,208,840	822,707	=	3,031,547	-
Other receivables	-	80,301	-	80,301	43,372
Inventories, at cost	828,086	=	5,337	833,423	58,173
Other assets			2,000	2,000	772,129
Total current assets	24,589,990	8,298,764	793,918	33,682,672	6,793,737
Noncurrent assets					
Capital assets:					
Land and improvements	1,573,206	375,000	875,832	2,824,038	-
Buildings and improvements	5,669,428	402,726	1,198,534	7,270,688	=
Improvements other than buildings	209,727,359	60,057	2,019,839	211,807,255	78,291
Machinery and equipment	15,140,889	12,358,109	529,610	28,028,608	494,257
Intangible assets	527,797	321,288	· -	849,085	13,784
Less accumulated depreciation	(99,161,925)	(7,893,351)	(3,123,615)	(110,178,891)	(389,296)
Construction in progress	78,411,012	2,262,954	<u>-</u> _	80,673,966	<u>-</u>
Capital assets, net	211,887,766	7,886,783	1,500,200	221,274,749	197,036
Total noncurrent assets	211,887,766	7,886,783	1,500,200	221,274,749	197,036
Total assets	236,477,756	16,185,547	2,294,118	254,957,421	6,990,773
Deferred outflows					
Deferred outflows Deferred outflow-OPEB	769,423	450,404	69,610	1,289,437	153,609
Total deferred outflows	769,423	450,404	69,610	1,289,437	153,609
Liabilities					
Current liabilities					
Accounts payable	6,066,517	398,121	6,700	6,471,338	393,710
Accrued payroll and vacation	212,359	133,167	18,290	363,816	105,407
Accrued interest payable	109,451	-	-,	109,451	-
Long-term debt, current portion	6,190,516	-	=	6,190,516	-
Other	29,454	-	-	29,454	-
Total current liabilities	12,608,297	531,288	24,990	13,164,575	499,117
Noncurrent liabilities					
Unearned revenue	-	-	66,967	66,967	187,656
Estimated claims and contracts payable	=	-	-	-	2,410,000
Compensated absences	223,098	134,080	17,309	374,487	-
OPEB Liability	2,496,930	1,464,116	227,414	4,188,460	497,741
Long-term debt	100,075,765	81,180	26,447	100,183,392	83,071
Total noncurrent liabilities	102,795,793	1,679,376	338,137	104,813,306	3,178,468
Total liabilities	115,404,090	2,210,664	363,127	117,977,881	3,677,585
Deferred inflows					
Deferred Inflow-OPEB	134,466	78,847	12,247	225,560	26,804
Total deferred inflows	134,466	78,847	12,247	225,560	26,804
Net Position					
Net investment in capital assets	100,802,994	7,886,782	1,500,200	110,189,976	197,037
Restricted for wastewater connection	100,002,001	1,000,102	1,000,200	110,100,070	101,001
purposes	9,024,728	_	_	9,024,728	_
Unrestricted	11,880,901	6,459,658	488,154	18,828,713	3,242,956
Total net position	\$ 121,708,623	\$ 14,346,440	\$ 1,988,354	138,043,417	\$ 3,439,993
Adjustments to reflect the consolidation of	. , ,				
,					
internal service funds activities related to				(103 584)	
•				(103,584)	

CITY OF LARGO, FLORIDA Statement Revenues, Expenses and Changes in Fund Net Position Proprietary Funds

Fiscal Year Ended September 30, 2021

			162 -	Enterprise Fun	ius			
	Wastewater Utility	Solid Waste Utility		Nonmajor Golf Course		Total	5	Internal Service Funds
Operating revenues		 						
Charges for services	\$ 23,698,219	\$ 13,846,561	\$	1,196,488	\$	38,741,268	\$	17,846,983
Charges for effluent water	1,428,685	, , , , <u>-</u>		· · · -		1,428,685		-
Sales of reclaimed materials	13,677	203,583		-		217,260		-
Pro shop sales		 		40,693		40,693		-
Total operating revenues	25,140,581	 14,050,144		1,237,181		40,427,906		17,846,983
Operating expenses								
Personnel services	7,292,540	4,202,101		540,344		12,034,985		1,701,715
Cost of goods sold	-	-		62,721		62,721		353,685
Contractual services	797,949	4,119,928		51,640		4,969,517		257,249
Supplies	1,526,430	373,607		131,606		2,031,643		700,445
Repairs and maintenance	1,636,662	73,688		28,452		1,738,802		251,042
Utilities	2,711,584	44,816		58,934		2,815,334		11,136
Professional services	236,803	16,709		1,240		254,752		535,012
Fuel	80,999	495,467		6,992		583,458		8,362
Charges by the Fleet Services Fund	73,000	1,289,000		700		1,362,700		2,879
Charges by the General Fund	2,267,996	1,261,462		-		3,529,458		168,900
Charges by the Risk Management Fund	421,000	151,900		19,900		592,800		27,300
Depreciation and amortization	5,703,403	1,521,189		150,966		7,375,558		32,532
Claims	591	4,441		, -		5,032		1,852,461
Insurance	-	_		_		-,		13,133,879
Other	265,381	 149,331		70,808		485,520		64,782
Total operating expenses	23,014,338	13,703,639		1,124,303		37,842,280		19,101,379
Operating income or (loss)	2,126,243	346,505		112,878		2,585,626		(1,254,396)
Nonoperating revenues (expenses)		_		_				
Investment earnings	144,109	16,590		1,773		162,472		14,808
Interest expense	(603,877)			,		(603,877)		,
Gain or loss on disposal of capital	(000,011)					(000,011)		
assets	27,073	118,316		-		145,389		368
Grants	29,867	62,034		3,271		95,172		5,222
Debt service costs	(142,869)	· -		· -		(142,869)		· -
Other	84,513	44,122		9,657		138,292		6,277
Net non-operating revenues								
(expenses) Income or (loss) before transfers and	(461,184)	 241,062	_	14,701		(205,421)		26,675
contributions	1,665,059	587,567		127,579		2,380,205		(1,227,721)
Transfers and contributions								
Capital contributions - impact fees	311,056	 	_		_	311,056		-
Total transfers and contributions	311,056	 	_	-	_	311,056		<u>-</u>
Change in net position	1,976,115	587,567		127,579		2,691,261		(1,227,721)
Total net position - beginning	119,732,508	 13,758,873		1,860,775		135,352,156		4,667,714
Total net position - ending	\$ 121,708,623	\$ 14,346,440	\$	1,988,354	\$	138,043,417	\$	3,439,993
Change in Net Position of Proprietary Funds					\$	2,691,184		
Adjustment to reflect the consolidation of								
internal service funds activities related to								
enterprise funds						(477,541)		
CHANGE IN NET POSITION OF					_			
BUSINESS-TYPE ACTIVITIES					T.	2,213,643		

CITY OF LARGO, FLORIDA Statement of Cash Flows Proprietary Funds

Fiscal Year Ended September 30, 2021

	Business-ty	pe Activities-En	terprise Funds		
	Wastewater Utility	Solid Waste Utility	Nonmajor Golf Course	Total	Internal Service Funds
Operating activities Cash received from customers	\$ 25,263,886	\$ 13,886,534	\$ 1,299,106	\$ 40,449,526	\$ 17,777,655
Cash received from internal departments Cash paid to employees Cash paid to vendors Cash paid for internal services	(6,969,673) (4,521,554) (2,688,996)	(4,013,274) (6,534,037) (1,413,362)	(531,438)	(11,494,578) (11,587,029) (4,122,258)	1,624,200 (1,607,450) (19,087,955) (219,700)
Net cash provided by (used in) operating activities	11,083,663	1,925,861	236,137	13,245,661	(1,513,250)
Non-capital financing activities Cash received from granting agencies	29,867	122,218	3,271	155,356	5,222
Net cash provided by (used in) non-capital financing activities	29,867	122,218	3,271	155,356	5,222
Capital and related financing activities Contributed capital and grants	311,056	-	-	311,056	
Loan proceeds Sale of capital assets Acquisition of capital assets	7,143,451 27,073 (26,821,416)	- 188,545 (3,128,216)		7,143,451 215,618 (29,983,979)	2,485 (12,980)
Debt issuance costs Principal repayment on long-term debt Interest payments on long-term debt	(142,869) (4,279,863) (610,690)	- - -	- - -	(142,869) (4,279,863) (610,690)	
Net cash provided by (used in) capital and related financing activities	(24,373,258)	(2,939,671)	(34,347)	(27,347,276)	(10,495)
Investing activities Investment earnings Net cash provided by investing activities	247,924 247,924	31,595 31,595		281,794	32,911 32,911
Net increase (decrease) in cash and					
investments Cash and investments	(13,011,804)	(859,997)	207,336	(13,664,465)	(1,485,612)
Beginning of year	32,429,379	6,836,788		39,833,357	7,384,779
End of year Reconciliation of operating income (loss)	\$ 19,417,575	\$ 5,976,791	\$ 774,526	\$ 26,168,892	\$ 5,899,167
to net cash provided by/(used in) operating activities					
Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	\$ 2,126,243	\$ 346,505	,	\$ 2,585,626	\$ (1,254,396)
Other non operating revenue/(expenses) Depreciation and amortization	84,513 5,703,403	44,122 1,521,189		138,292 7,375,558	4,160 32,532
(Increase) decrease in assets and increase (decrease) in liabilities: Accounts receivable	(195,879)	(258,081)) (4,036)	(457,996)	437
Due from other funds Inventories Prepaid expenses and other assets	141,979	-	, , , , , , , , , , , , , , , , , , ,	141,979	47,009 19,166 9,890
Accounts payable Accrued payroll and vacation	2,901,854 322,867	83,299 188,827	(34,443) 28,713	2,950,710 540,407	(182,353) 112,311
Deposits Unearned revenue Estimated claims payable	(1,317)	-	(27,598)	(1,317) (27,598)	(474,006) 172,000
Total adjustments	8,957,420	1,579,356		10,660,035	(258,854)
Net cash provided by (used in) operating activities	\$ 11,083,663	\$ 1,925,861	\$ 236,137	\$ 13,245,661	\$ (1,513,250)

CITY OF LARGO, FLORIDA Statement of Fiduciary Net Position Fiduciary Funds

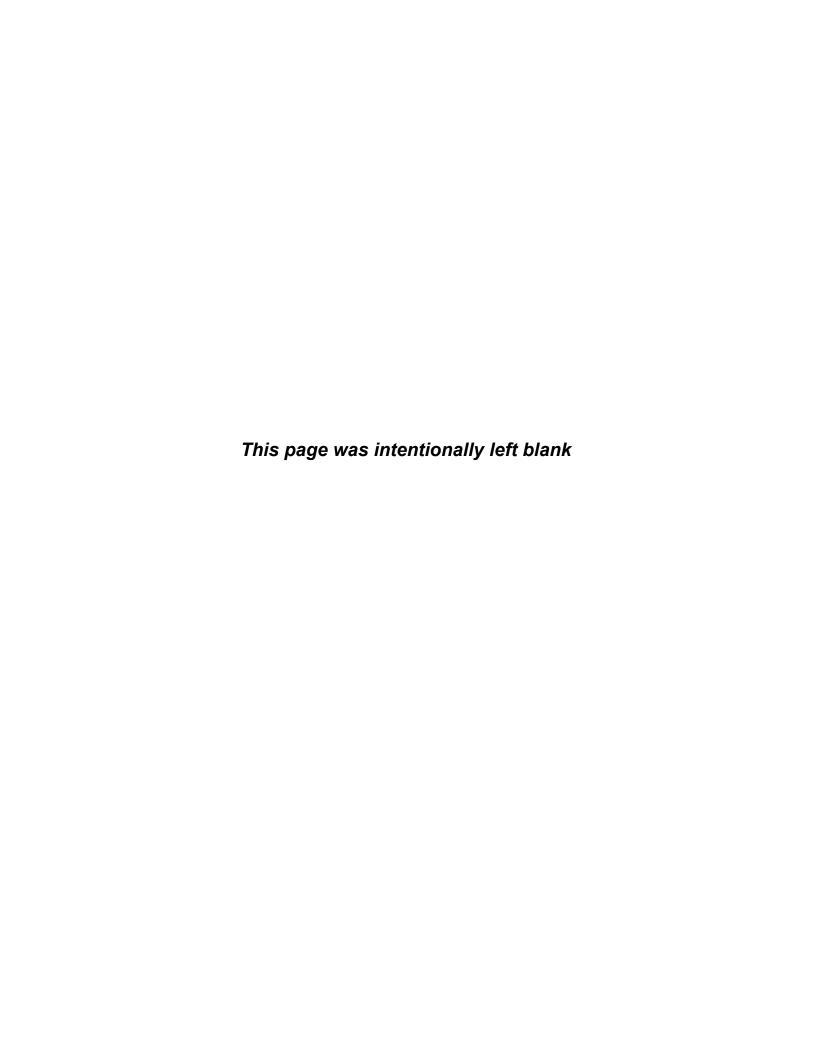
September 30, 2021

	Pension Trust Funds
Assets	
Cash and investments	\$ 18,581,661
Accrued interest receivable	19,871
Due from other funds	46,419
Investments, at fair value:	
Loans receivable	1,205,928
U.S. Treasury & U.S. Agency securities	9,032,961
Corporate bonds	9,799,566
Mutual funds	112,383,008
Common stock	94,501,311
Total assets	245,570,725
Liabilities	
Accounts payable	2,843
Due to employee investment accounts	10,024,385
Due to other funds	46,419
Unearned revenue	171,001
Total liabilities	10,244,648
Net position	
Restricted for:	
Pension benefits	234,093,573
Excess premium taxes	1,232,504
Total net position	\$ 235,326,077

CITY OF LARGO, FLORIDA Statement of Changes in Fiduciary Net Position Fiduciary Funds

Fiscal Year Ended September 30, 2021

	Pension Trust Funds
Additions: Contributions: Employer Plan members State Forfeitures added Service purchase contributions Interest on loans repaid	\$ 6,839,675 2,884,182 1,398,226 95,215 87,871 58,823
Total contributions	11,363,992
Investment earnings: Net increase (decrease) in investment value Interest and dividends Less investment costs	16,733,615 21,559,669 38,293,284 (769,887)
Net investment earnings	37,523,397
Net additions	48,887,389
Deductions: Benefits Refund of contributions Loans transferred out Administrative Forfeitures Insurance Total deductions	12,859,015 431,018 38,369 216,707 100,232 75,297
	<u></u>
Change in net position	35,166,751
Total net position - beginning	200,159,326
Total net position - ending	\$ 235,326,077



Notes to The Financial Statements

City of Largo Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2021



NOTES TO THE FINANCIAL STATEMENTS TABLE OF CONTENTS

NOTES TO FINANCIAL STATEMENTS

l.	Summa	y of Significant Accounting Policies	
	B. C. D.	Reporting entity Generally Accepted Accounting Principles Government-wide and individual fund financial statements Measurement focus, basis of accounting and financial statement presentation Assets, liabilities, and net position (fund equity), deferred inflows and outflows	54 55 55 56 58
II.	Red	conciliation of Government-wide Financial Statements and Fund Financial Statements	
	A. B.	Explanation of certain differences between the governmental funds balance sheets and the government-wide statement of net position (governmental activities column) Explanation of certain differences between the governmental funds statement of revenues,	65
		expenditures, and changes in fund balances and the government-wide statement of activities	65
III.	Steward	ship, Compliance, and Accountability	67
IV.	Detailed	Notes on All Funds	
	B. C. D. E. F. G.	Deposits and Investments Receivables Capital Assets Interfund receivables, payables, and transfers Leases Non-current liabilities Fund equity Encumbrances	70 77 78 80 81 81 84 84
V. (Other Dis	closures	
	В. С.	Risk Management Employee retirement systems and pension plans Contingent liabilities Tax abatements Subsequent events	85 87 103 104 104

September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Largo (the "City") is a political subdivision of the State of Florida, located in Pinellas County on Florida's Suncoast, within the Tampa Bay metropolitan area. The City was incorporated in 1905 and is approximately 18.6 square miles in area. The City is a full-service municipality that offers a variety of high-quality services to City residents and certain unincorporated county residents. Services offered include: general government, public safety, recreation, parks, library, cultural arts and public works. The City also operates a wastewater utility, solid waste utility and golf course and maintains various trust funds in a fiduciary capacity.

The reporting entity is considered the primary government and any component units for which the primary government is financially accountable. In defining the City's reporting entity, management considered all potential component units and determined that one component unit should be included in the reporting entity for FY 2021.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit may be another organization for which the nature, and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include or exclude a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles (GAAP) applicable to governmental entities. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

In conformity with applicable Governmental Accounting Standards Board (GASB) requirements, the financial statements of the Largo Community Redevelopment Agency (CRA) are included as a blended component unit. This component unit has the same governing body as the City. In addition, the management of the primary government has operational responsibility for this entity. A blended component unit, although a legally separate entity is, in substance, part of the primary government's operations; therefore, financial information from this component unit is combined with information of the primary government. The component unit is included in the reporting entity, because of the significance of operational and financial relationships with the City.

September 30, 2021

The CRA was established by Ordinance 1997-34, pursuant to Chapter 163, Part III, Florida Statutes. The purpose of this agency is to organize and direct redevelopment activities of the West Bay Drive downtown area and Clearwater/Largo area of the City of Largo. The seven member City of Largo City Commission acts as the CRA governing board, and as such, establishes the CRA operating plan, operating budget, operating policies and conducts all official business of the CRA. The financial activities of the CRA are reported in a special revenue fund, titled the Downtown Tax Increment Financing Fund, which is included in this report. The CRA also issues a standalone financial report. This report can be obtained on the City's website at: www.largo.com.

B. Generally Accepted Accounting Principles

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

The City uses fund accounting to report its financial position and results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate compliance with financially related legal requirements and to aid in financial management by segregating transactions related to certain activities.

Proprietary funds (enterprise and internal service) distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The wastewater fund also recognizes as operating revenue the portion of impact fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not classified as operating are reported as non-operating.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. Unrestricted amounts include committed, assigned and unassigned amounts which are available and can be used for the intended purpose.

C. Government-wide and individual fund financial statements

1. Government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the City. Most interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely principally on user fees for support.

September 30, 2021

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given City function, 2) operating grants and contributions that pay for operating activities and 3) capital grants and contributions that pay for the acquisition, construction or refurbishment of capital assets. Internally dedicated revenues, taxes and other revenues which are not classified as program revenues are reported as general revenues.

2. Fund financial statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds; however, fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements, while all nonmajor funds are combined into one aggregate column.

3. Reconciliation of Government-wide and governmental fund statements

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of governmental fund accounting to the government-wide presentations.

D. Measurement focus, basis of accounting and financial statement presentation

1. Government-wide, proprietary fund and fiduciary fund financial statements

The government-wide financial statements and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the separate fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

The effects of interfund activity have generally been eliminated from the government-wide financial statements except for interfund charges. Elimination of interfund charges would distort the direct costs and program revenues reported for the various functions.

2. Governmental fund financial statements

Separate governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (within 60 days of the end of the fiscal period). Grant revenues and donations are recognized in the fiscal year in which all eligibility criteria have been satisfied. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures are recorded when payment is due.

Franchise taxes (fees), licenses, most intergovernmental revenues and interest income are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues are considered measurable and available only when cash is received, including property taxes (see note I. E. 14).

3. Major funds and fund types

The City reports the following major governmental funds:

The *General fund* is the City's primary operating fund and accounts for all general government resources, except those required to be accounted for in another fund.

The Local Option Sales Tax fund is a special revenue fund used to account for a county-wide tax, also know as "The Penny for Pinellas" which is legally restricted for major capital improvements and public safety vehicles.

The State Housing Initiative Partnership (SHIP) fund is a special revenue fund used to account for tax revenue received from real estate sales, which is expended on low income housing.

The Home Investment Partnership (HOME) fund is a special revenue fund used to account for revenue allocated to the City under the Home Investment Partnership Act program, which is expended on low income housing.

The Community Development Block Grant Program (CDBG) fund is a special revenue fund used to account for revenue allocated to the City under the Community Development Block Grant program which is expended on low income housing and redevelopment capital improvements.

September 30, 2021

The City reports the following major enterprise funds:

The *Wastewater Utility fund* accounts for the operations of the wastewater treatment plant, wastewater collection system and the reclaimed water distribution system.

The Solid Waste Collection Utility fund accounts for the solid waste collections operation, including residential, commercial, roll-off and recycling collections. The City does not operate a solid waste disposal facility.

The City also reports the following fund types:

Two *internal service funds* account for risk management and fleet repair services provided to other City departments on a cost reimbursement basis.

Four *pension trust funds* account for retirement income and disability income systems for public safety employees, general employees, and executive management employees. These funds accumulate resources to pay for pension benefit payments and disability benefit payments to qualified employees.

E. Assets, liabilities, net position (fund equity), deferred inflow and deferred outflow

1. Deposits and investments

The City utilizes a consolidated bank account (pooled cash and investments), wherein cash and investments of most funds are commingled, excluding certain investments held in a fiduciary capacity or those investments belonging to a specific fund, due to legal or other restrictions. Formal accounting records detail the daily equity of all funds. Interest earned on pooled investments is allocated to funds based on the average equity in pooled balances. All investments are reported at fair value. Each fund's individual equity in the City's investment pool is considered to be a cash equivalent, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. This methodology is also used in the statement of cash flows for the proprietary funds.

Florida Statute 218.261 authorizes the City to invest in negotiable direct obligations of, or guaranteed by, the US Government; interest-bearing time or savings deposits in federal or state chartered banks or savings and loan associations provided that any such deposits are secured by collateral as may be prescribed by law; obligations of certain federal agencies and instrumentalities; and repurchase agreements.

September 30, 2021

The City maintains a buy and hold investment strategy, the objectives of which are safety of principal, liquidity and investment earnings, in that order of priority. The City utilizes a laddered maturity policy, whereby investment purchases are made throughout the year to avoid any form of market timing, and to provide a relatively consistent maturity of investments throughout the year. This policy is intended to enhance liquidity and mitigate volatility in valuation fluctuations. The policy limits interest rate risk by limiting the final maturity for any individual investment to no more than 60 months and by limiting the weighted average maturity for the portfolio to 24 months or less.

The general employees' pension trust fund and the executive employees' pension trust fund investments are divided among mutual funds, money market funds, and fixed income investments. All investments are directed solely by plan members.

The police officers' and firefighters' pension trust fund Board of Trustees has broad investment authority, but is prohibited from investing in private placements, fixed income or interest rate futures, and arbitrage or any other specialized investments. Investment managers have been retained to invest fund assets according to the fund's investment guidelines. A trustee has been retained to purchase, hold and sell all investments, at the direction of the investment managers. A performance manager has been retained to review, analyze and report on each investment manager's performance.

2. Accounts receivable

All receivables are shown net of an allowance for uncollectibles, which is generally insignificant. Un-billed charges for services are accrued in the Wastewater, Solid Waste, and Stormwater Funds by prorating subsequent bills.

3. Due to/due from other funds

During the course of operations, transactions occur between individual funds for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the statement of net position or balance sheet.

4. Inventories and prepaid items

Inventories are stated at cost, which approximates market, using the first-in/first-out (FIFO) method. As inventory items are consumed, expenditures are reported in governmental funds and expenses are reported in proprietary funds.

Certain advance payments to vendors (e.g., insurance premiums) reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and individual fund financial statements.

September 30, 2021

Restricted assets

The Wastewater Utility Fund is required by certain ordinances and resolutions to maintain restricted reserves for debt service, maintenance and repairs, and capital outlays of the system. These reserves can only be used for the purposes specified in the ordinances City of Largo, Chapter 22, Section 22 and resolutions. Amounts equal to the restricted assets, less the liabilities payable from such assets, are reflected in the equity section of the fund's statement of net position as restricted for these purposes.

Capital assets

Capital assets, which include land, property, plant, equipment, intangible and infrastructure assets (e.g., roads, sidewalks, and similar immovable items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000, except for land. All capital assets must have an estimated useful life greater than one year.

Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets, donated works of art or similar items and capital assets received in a service concession arrangement are reported at acquisition value at the date of donation. Costs that add to the value of an asset or materially extend an asset's originally estimated useful life are capitalized as improvement (betterments). Normal maintenance and repair costs that do not add to the value of an asset or materially extend an asset's originally estimated useful life are expended or expensed in the current period.

Major outlays for constructed capital assets and improvements are capitalized as incurred. Interest incurred during the construction phase of capital assets related to business-type activities is no longer included as part of the capitalized value of the assets constructed as the City has early implemented GASB Statement 89. Total construction period interest of \$618,808.98 was recorded during the current fiscal year.

September 30, 2021

Capital assets (except land) are depreciated or amortized using the straight-line method over the following estimated useful lives:

Capital Asset Class	Estimated Useful Lives (years)
Infrastructure	15 - 75
Buildings and building improvements	10 - 40
Improvements other than buildings	10 - 30
Machinery and heavy equipment	8 - 30
Vehicles	3 - 12
Intangible assets	5 - 15
Office and computer equipment	3 - 6

7. Unearned revenue

Unearned revenue is recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as business taxes collected in advance, are recorded as unearned revenue in the government-wide and the fund statements.

8. Compensated absences liability

City employees may accumulate earned, but unpaid, vacation and sick leave benefits. No liability is reported for accumulated sick leave, because the City does not pay any amounts when employees separate from service, except in cases of an employees' death. All accumulated vacation leave is accrued when earned in government-wide, proprietary, and fiduciary fund financial statements. An assignment of fund balance is recorded in governmental fund financial statements for the long-term portion of compensated absences.

9. Long-term obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are reported as deferred charges and amortized over the life of the related debt using the effective interest method. Bonds payable are reported net of bond premiums or discounts.

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

September 30, 2021

10. Fund equity

Fund equity at the governmental fund reporting level is referred to as "fund balance" and is referred to as "net position" for all other reporting levels. Generally, fund balance represents the difference between current assets and current liabilities, while net position represents the difference between all assets and all liabilities.

In governmental funds, the City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of fund balance when expenditures are made. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Restrictions of net position in proprietary funds mostly reflect legal segregations for debt service, debt reserves, or to satisfy debt covenants. Other proprietary fund restrictions segregate revenues that were collected for specific purposes, such as impact fees.

The government-wide statement of net position reports \$51,296,578 of restricted net position, of which \$9,024,728 is restricted by enabling legislation.

11. Nature and purpose of classifications of fund balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation are classified as Restricted fund balances. Committed fund balances can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority (City Commission), which is by Resolution or by an Ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of formal action. Amounts that are constrained by the City's intent to be used for specific purposes but are neither Restricted nor Committed are classified as Assigned fund balances. Assignments are made by the City Manager based on City Commission direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form such as inventory or (b) legally or contractually required to be maintained intact, such as an endowment. Unassigned fund balance represents the spendable fund balance that has not been Restricted, Committed, or Assigned to specific purposes within the General Fund only.

September 30, 2021

12. Fund balance reserve policy

The City will maintain in each fund an adequate balance to accommodate unanticipated expenditures, expenditures of a non-recurring nature, unanticipated revenue declines, and cash flow needs.

The City has a formal Legislative Policy adopted for fund balance in the General Fund. The guidelines within this policy address the General Fund's balance in order to mitigate material risks, which could negatively affect the City's ability to provide public services. The guidelines are intended to comply with state statutes regarding adopting a balanced budget, the requirements of the Governmental Accounting Standards Board (GASB), and will strive to achieve the Governmental Finance Officer's Association (GFOA) best practices.

The annual budget will be prepared including the General Fund's minimum ending fund balance as follows (1) Minimum unrestricted fund balance of no less than 10% of budgeted expenditures (GFOA best practice target is 17%); (2) Target unrestricted fund balance of 20% of budgeted expenditures.

The Policy requires the Proposed Budget to be drafted within the established fund balance levels. The Policy also establishes guidelines for the use and restoration of fund balance (1% per year until balances are restored).

13. Interfund transactions

Exchange transactions between funds are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for payments initially made, but which are applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

The General Fund assesses charges to certain governmental funds and proprietary funds for the proportionate share of the costs of general government operations. The amounts charged to these funds are based on a percentage of operating revenues.

14. Property taxes

Property taxes are levied on November 1 on property values assessed as of January 1 of the same year. Property taxes are payable in arrears beginning in November through the following March 31, a 1% discount for each month paid prior to March (4% maximum discount), after which time the taxes become delinquent. A lien is placed against properties by the County Tax Collector's office if taxes are not paid prior to June 1 and tax certificates are eventually sold if the lien is not paid.

September 30, 2021

15. Property held for resale

In the governmental funds, property held for resale was reported reflecting land intended to be sold for redevelopment purposes in the future. The land is held by the Community Redevelopment Agency.

16. Deferred outflows of resources

A deferred outflow of resources represents a consumption of net assets that applies to future periods; therefore, the amount will not be recognized as an outflow of resources (expense) until that future time.

17. Deferred inflows of resources

A deferred inflow of resources represents an acquisition of net assets that applies to future periods; therefore, the amount will not be recognized as an inflow of resources (revenue) until a future time.

II. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental funds balance sheets and the government-wide statement of net position (governmental activities column)

The governmental funds balance sheet requires a reconciliation between 1) fund balance – total governmental funds and 2) net position – governmental activities as reported in the government-wide statement of net position.

One element of this reconciliation recognizes that; long-term liabilities, (including bonds payable), are not due and payable in the current period and therefore are not reported in the fund financial statements. The details of this difference between these two financial statements are, as follows:

Notes and Loans payable	\$ 2,011,778
Accrued interest payable	1,978
Net adjustment to decrease Fund Balance - total governmental funds to	_
arrive at Net Position - governmental activities	\$ 2,013,756

Another element of this reconciliation recognizes that certain liabilities are not due and payable in the current period and therefore are not reported in the funds. The details of this difference between these to financial statements are as follows:

Net pension liability	\$ 41,463,562
Compensated absences	3,003,928
OPEB liability	18,175,973
Net adjustment to decrease Fund Balance - total governmental funds to	
arrive at Net Position - governmental activities	\$ 62,643,463

B. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (governmental activities column)

The governmental funds statement of revenues, expenditures, and changes in fund balances requires a reconciliation between 1) *net changes in fund balances – total governmental funds* and 2) *changes in net position of governmental activities* as reported in the government-wide statement of activities.

September 30, 2021

One element of this reconciliation recognizes that governmental funds report capital outlays as expenditures; however, in the government-wide statement of activities, the cost of those assets is allocated over the assets' estimated useful lives and is reported as depreciation expense. The details of this difference between the two financial statements are, as follows:

Capital Outlay Per fund statements	\$ 15,051,219
Less: library books which are not capitalized and CIP disposed	(412,387)
Capital asset and CIP additions	14,638,832
Increases in accumulated depreciation	(9,184,048)
Net adjustment to increase Net Changes in Fund Balances - total governmental	_
funds to arrive at Changes in Net Position of Governmental Activities	\$ 5,454,784

Another element of this reconciliation recognizes that the net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position. In the statement of activities, only the gain or loss on the sale of capital assets is reported; however, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. The details of this difference are, as follows:

Remaining undepreciated cost of capital asets sold/retired	\$ 27,106
Net adjustment to decrease Net Changes in Fund Balances - total governmental	
funds to arrive at Changes in Net Position of Governmental Activities	\$ 27,106

Another element of this reconciliation recognizes that certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. The details of these differences are, as follows:

Adjustment for deferred revenues FDOT Grant proceeds that do not provide current resources Change in utility taxes receivable: Change in special assessments receivable	\$ (629,633) 178,685 10,530 1,168
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	\$ (439,250)

Another element of this reconciliation recognizes that the issuance of long-term debt (e.g., bonds, leases, etc.), provides current financial resources to governmental funds and the repayment of principal consumes current financial resources of governmental funds; however, neither transaction

September 30, 2021

affects net position at the government-wide reporting level. Also, governmental funds report issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are, as follows:

Debt principal repayment	\$ 488,222
Net adjustment to increase Net Changes in Fund Balances - total governmental	
funds to arrive at Changes in Net Position of Governmental Activities	\$ 488,222

Another element of this reconciliation states that certain 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. The details of these differences are, as follows:

Adjustment for net pension liability and related deferrals	\$ (463,063)
Adjustment to long-term compensated absences	(93,609)
Change in accrued interest	508
Adjustment for OPEB liability	(2,264,570)
Net adjustment to increase Net Changes in Fund Balances - total governmental	
funds to arrive at Changes in Net Position of Governmental Activities	\$ (2,820,734)

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets. An annual budget is prepared for all governmental funds, with the exception of the Neighborhood Stabilization Program 2 fund in FY 2021. Budgets are prepared on a basis consistent with GAAP. The City Manager is authorized to transfer budgeted amounts between line items within departments, but not between departments or funds. Any transfer that alters the total expenditures/expenses of any department or fund must be approved by the City Commission through a budget amendment. All budget amounts presented in the accompanying financial statements have been adjusted for amendments approved by the City Commission or transfers approved by the City Manager.

Supplemental appropriations were enacted during the year, as follows:

General Fund	\$ 397,200
CDBG	\$ 828,000
LOST	\$ 50,000
Technology Capital Project	\$ 700,000
City Hall Capital Project	\$ 5,900,000
Wastewater	\$ 1,904,000
Solid Waste	\$ 11,000
Golf Course	\$ 4,000
Program Special Revenue	\$ 145,000
Risk	\$ 269,000

City of Largo, Florida Notes to the Financial Statements September 30, 2021

Every appropriation, except a capital expenditure appropriation, lapses at the close of the fiscal year to the extent that the appropriation has not been expended or encumbered. The City Charter stipulates that appropriations for capital expenditure continue in force until the purpose has been accomplished or abandoned, or if three years pass without any disbursement or encumbrance of the appropriation, whichever occurs first; however, it is Management's policy to request the City Commission to re-appropriate unexpended or unencumbered appropriations in the succeeding year's budget.

Deficit Balances. Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. At September 30, 2021 the Transportation Capital Project fund and the City Hall Capital Project fund have deficit balances. The Transportation Capital Project fund involves a joint project agreement with Pinellas County for work being done on Rosery Road. The fund is awaiting billing and reconciliation of the county share. The City Hall Capital Project Fund is awaiting proceeds from Series 2022A and 2022B Bonds which were not issued until January 2022.

New Accounting Pronouncements. For fiscal year 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities", No. 90, "Major Equity Interests - an Amendment of GASB Statements No. 14 and No. 61", No. 91 "Conduit Debt Obligations", No. 93 "Replacement of Interbank Offered Rates", No. 95 "Postponement of the Effective Date of Certain Authoritative Guidance", Implementation Guide No. 2019-1, "Implementation Guidance Update-2019", and Implementation Guide No. 2019-2, "Fiduciary Activities".

GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The changes were incorporated into the City's 2021 financial statements; however, there was no effect on beginning net position.

GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improves the relevance of financial statement information for certain component units. The changes were incorporated into the City's 2021 financial statements; however, there was no effect on beginning net position.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The changes were incorporated into the City's 2021 financial statements; however, there was no effect on beginning net position.

GASB 93 addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate. The changes were incorporated into the City's 2021 financial statements; however, there was no effect on beginning net position.

September 30, 2021

GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Implementation Guide No. 2019-1 provides guidance that clarifies, explains, or elaborates on GASB statements. The changes were incorporated into the City's 2021 financial statements; however, there was no effect on beginning net position.

Implementation Guide No. 2019-2 provides guidance that clarifies, explains, or elaborates on the requirements of Statement No. 84, Fiduciary Activities. The changes were incorporated into the City's 2021 financial statements; however, there was no effect on beginning net position.

Future Accounting Pronouncements. The Governmental Accounting Board has issued statements that will become effective in FY 2022 and FY2023. The statements include:

- GASB Statement No. 87. "Leases"
- Implementation Guide No. 2019-3, "Leases"
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements
- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32
- GASB Statement No. 98, The Annual Comprehensive Financial Report
- Implementation Guide No. 2020-1, "Implementation Guidance Update 2020"
- Implementation Guide No. 2021-1, "Implementation Guidance Update 2021"

The City of Largo is currently evaluating the effects that these statements will have in its future financial statements.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

City of Largo

As of September 30, 2021 the City of Largo held the following investments measured at fair value:

Fair Value (\$000) & Maturities										
Less Than										Fair Value
Investment Type		1 year	1-	2 Years	2 -5 Years To		Total		% Total	Level
US Treasuries	\$	14,150	\$	6,090	\$	7,970	\$	28,210	27.2%	1
US GSE (1)										
FHLB		-		-		14,932		14,932	14.4%	2
FFCB		-		-		10,951		10,951	10.6%	2
FAMCA		-		-		3,980		3,980	3.8%	2
Certificates of Deposit		9,000		9,000		-		18,000	17.4%	N/A
Demand Deposits (2)		14,629		-		-		14,629	14.1%	N/A
Money Market Deposit		9,021		-		-		9,021	8.7%	N/A
LGIT		3,827		-		-		3,827	3.8%	2
	\$	50,627	\$	15,090	\$	37,833	\$	103,550	100.0%	
% of Total		48.9%		14.6%		36.5%		100.0%		

- (1) Governmental Sponsored Enterprises are privately held corporations created by the U.S. Congress
- (2) Total balance reflects actual bank balances at September 30, 2021 including \$1,118,607 in bank to book reconciling items
- (3) The City also maintains petty cash and change balances in the amount of \$19,750 not included in the table above.

Fair Value Measurement. GASB Statement No. 72, Fair Value Measurement and Application, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using consistent definition and accepted valuation techniques. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

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

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability which are typically based on the City's own assumptions. The City's assessment of the significance of particular inputs to these fair

September 30, 2021

value measurements requires judgment and considers factors specific to each asset or liability. The categorization of the investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Certificates of deposit and money market funds are valued using the quoted market prices. U.S. Treasury securities classified as Level 1 of the fair value hierarchy are valued using quoted prices at September 30 (or the most recent market close date if the market are closed on September 30) in active markets from the custodian bank's primary external pricing vendors. U.S. agencies and instrumentalities classified as Level 2 are evaluated prices from the custodian bank's external pricing vendors. The pricing methodology often involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The City investment policy addresses interest rate risk by limiting the final maturity for any individual investment to no more than 60 months. Generally, the City manages exposure to declines in fair value caused by rising interest rates by maintaining an investment portfolio with an average weighted maturity of two years or less and by maintaining a minimum of two months of anticipated recurring disbursements in liquid investments. Investment maturities are also laddered (staggered) throughout the year so that a portion of investments mature monthly, which further reduces exposure to declines in fair value. In addition, it is the City's practice to hold all investments until maturity; therefore, declines in fair value, if any, caused by rising interest rates are recognized for accounting purposes, but are never realized.

Credit Risk. The risk that a debt issuer will not fulfill its obligations. The City's investment objectives are weighted in the following order: safety of principal, liquidity and return on investments; therefore, and in accordance with Florida Statue 218.415 and the City's investment policy, the City only invests in the highest quality securities, such as US Government Treasury Securities and US Government Instrumentality Securities. Time Deposits, including Certificates of Deposit, are collateralized under the State of Florida Qualified Public Depository Program, whereby member institutions are collectively responsible for any individual member's default. The City invests in US Government agencies that are only implicitly guaranteed by the US Government. The Federal Home Loan Banks (FHLB), the Federal Farm Credit Bank (FFCB) and the Federal Agricultural Mortgage Corporation (FAMC) were rated at Aaa/AA+ by Moody's and Standard & Poor's, respectively.

Custodial Credit Risk – Deposits and Investments. The risk that cash and investments held by another party may not be recovered in the event of financial failure. All investments are held in the name of the City of Largo and all time deposits are maintained with Qualified Public Depositories as required in the investment policy. The investment policy states:

1. All securities purchased by the City under this section except public depository investments shall be properly designated as an asset of the City and held in safekeeping by a third party custodial

September 30, 2021

institution, chartered by the United States Government or the State of Florida.

Certificates of deposit purchased under the authority of this policy shall be purchased only from Qualified Public Depositories of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the State Statutes.

As of September 30, 2021, the carrying amount of the City's deposits with financial institutions was \$44,358,507 and the total of the bank balances was \$45,477,114 A portion of the bank balance is covered by the FDIC. These funds were deposited with banks that are members of the Qualified Public Depository Program under which collateral is pledged with the State Chief Financial Officer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

Concentration of Credit Risk. The risk of loss attributed to the magnitude of an investment in a single issuer. Appropriate diversification is maintained between security types and issuers to reduce concentration of credit risk. The City updated the investment policy in FY 2009, which addresses the allocation of investments. The allocation of investments follow the guidelines of the updated investment policy. Broad categories of allowable and actual security concentrations are, as follows:

Security Type	Maximum Concentration Allowed	Actual Concentration at September 30, 2021
U.S. Treasury Obligations	50%	27.2%
U.S. Agencies and Instrumentalities	40%	28.8%
Time Deposits and Savings Accounts		
(Public Depositories)	40%	17.4%
Checking Accounts (Public Depositories)	20%	14.1%
Government Investment Pools	20%	3.8%
Money Market Funds	20%	8.7%
% of Total		100%
U.S. Agencies and Instrumentalities Time Deposits and Savings Accounts (Public Depositories) Checking Accounts (Public Depositories) Government Investment Pools Money Market Funds	40% 40% 20% 20%	28.8% 17.4% 14.1% 3.8% 8.7%

September 30, 2021

General 401(a) and Executive Management 401(a) Plans

At September 30, 2021, the General and Executive Management 401(a) Plans invested in the following cash and investments:

	Balance at	O	0	F	Concentration	Fair Value
- 	09/30/21	Credit Rating	General	Executive	Total	Level
Investments Measured at Net Asset Value						
(NAV)						
Mutual Funds						
Domestic Common Stock Funds	\$ 22,299,555	Not Reported	36.1%	56.5%	37.7%	N/A
International Common Stock Funds	3,877,290		6.7%	5.3%	6.6%	N/A
Fixed Income Fund (Bonds)	4,013,857	Not Reported	7.3%	1.0%	6.8%	N/A
Asset Allocation (Stocks & Fixed Inc.)	18,831,773		32.3%	25.8%	31.8%	N/A
Other	579,841		1.1%	0.1%	1.0%	N/A
Total Investments Measured at NAV	49,602,316					
Investments at Amortized Cost						
Cash and Cash Equivalents	9,587,422	Not Reported	16.5%	11.2%	16.2%	N/A
Total Investments Measured at Amortized						
Cost	9,587,422					
Total Cash & Investments	\$ 59,189,738		100%	100%	100%	
Per Fiduciary Statement of Net Position:						
Executive Employees' Retirement	\$ 4,648,149					
General Employees' Retirement	54,541,589					
Total Cash & Investments	\$ 59,189,738					

The City sponsors separate defined contribution retirement plans for general employees and executive-management employees, which requires mandatory participation by all eligible employees. The City and the City's Retirement Board (the Board), which is responsible for administering the Pans, intend for the Plans to comply with ERISA Section 404(c) and the regulations thereunder.

The Plans' participants are expected to have different investment objectives, time horizons and risk tolerances; therefore, to meet these varying investment needs, participants are able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. The Board selects the Plans' investment options based on relevant criteria, including: maximization of return within reasonable and prudent levels of risk, provision of returns comparable to returns for similar investment options, provision of exposure to a wide range of investment opportunities in various asset classes and vehicles, control of administrative and management costs, provision of appropriate diversification and each investment manager's adherence to stated investment objectives.

Service providers and investment options are monitored by the Board on a quarterly basis to ensure that total costs and services are competitive and reasonable. A service provider may be removed if the Board determines that their service quality and/or value has become uncompetitive. An investment option may be removed if the Board has lost confidence in the related manager's ability to: achieve competitive

September 30, 2021

performance results, remain true to the fund's stated investment style, maintain an appropriate asset allocation, meet risk/return objectives and/or maintain acceptable qualitative standards (e.g., stable organization, compliance guidelines, relative returns, etc.). A "score card" is prepared on each investment option every quarter and options that do nto meet acceptable criteria are placed on a watch list for monitoring. One or two investment options are usually replaced every year by the Board based on sub-par performance of other factors.

Interest Rate Risk. The risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The Plans have provided investment options with varying investment maturities to match participants' anticipated risk tolerances and cash-flow requirements.

Credit Risk. The risk that a debt issuer will not fulfill its obligations. The Plans provide adequate portfolio diversification so participants can limit investments to the highest rated securities as rated by nationally recognized rating agencies. The Plans do provide a high yield fixed income securities investment option.

Concentration of Credit Risk. The risk of loss attributed to the magnitude of an investment in a single issuer. The Plans provide a wide variety of mutual fund options, each of which holds securities and/or investments from many different issuers, which helps to manage this risk.

Custodial Credit Risk. The risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited, because investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk. The risk that changes in exchange rates will adversely affect the fair value of an investment. The Plans provide a wide variety of mutual fund options, each of which holds securities and/or investments from many different countries, which helps to manage this risk.

September 30, 2021

Police Officers' and Firefighters' Retirement

At September 30, 2021, the Police Officers' and Firefighter's Retirement System invested in the following cash and investments:

		Balance at 09/30/21	Credit Rating (Moody's)	Weighted Average Maturity (Years)	Concentration	Fair Value Level
Investments at Fair Value Level						
U.S. Treasury Securities				8.16		
U.S. Treasury Bonds	\$	498,969	Aaa	0.10	0.27%	1
U.S. Treasury Notes	Ψ	990,849	Aaa		0.54%	1
U.S. Treasury Bonds		692,454	Aaa		0.38%	2
U.S. Treasury Notes		4,058,880	Aaa		2.20%	2
U.S. Government Sponsored Agencies		1,000,000	, laa	23.07	2.2070	_
Federal Home Loan Mortgage Corp.		326,751	Aaa	20.01	0.18%	2
Federal National Mortgage Assoc.		956,447	Aaa		0.52%	2
Government National Mortgage Assoc.		427,466	Aaa		0.23%	2
Municipal Obligations		64,287	Aaa		0.03%	2
Collatralized Mortgage Obligations		996,523	Aaa		0.54%	2
Collatralized Mortgage Obligations		20,336	A3		0.01%	2
Corporate Obligations		20,000	Ao	9.44	0.0170	_
Bonds		322,105	Aa2	0.11	0.17%	1
Bonds		217,228	Aa2 Aa3		0.12%	1
Bonds		953,452	Aas A1		0.52%	1
Bonds		2,555,216	A2		1.38%	1
Bonds		2,335,210	A3		1.18%	1
Bonds		91,632	AA1		0.05%	1
Bonds		2,189,935	Baa1		1.19%	1
Bonds			Ваа1		0.43%	1
Bonds		790,453	Ваа2		0.43%	1
Foreign Bonds		52,575	Daas		0.03%	1
Domestic Common Stock		451,432			48.36%	1
Foreign Common Stock		89,277,714 5,223,596			2.83%	1
Real Estate Investment Trusts		76,800			0.04%	1
Total Investments at Fair Value Level	_	113,410,640			0.0470	'
Total investments at I all value Level		113,410,040				
Investments at Net Asset Value (NAV)						
Real Estate Investment Trusts		14,692,349			7.96%	N/A
Mutual Funds						
Domestic Common Stock Funds		14,208,459			7.70%	N/A
Foreign Common Stock Funds		108,844			0.06%	N/A
Fixed Income Funds		5,048,808			2.73%	N/A
Balanced Funds (Stocks & Fixed)		28,645,432			15.52%	N/A
Total Investments at NAV		62,703,892				
Investments at Amortized Cost						
Stable Value Fund		6,559,479			3.55%	N/A
Goverment Money Market		1,927,947			1.04%	N/A
Total Investments at Amortized Cost	_	8,487,426			1.5170	, , ,
		5, .5., .25				
Total Cash & Investments	\$	184,601,958			100.00%	

September 30, 2021

Interest Rate Risk. The risk that changes in interest rates will adversely affect the fair value of a debt security. Generally, the longer the time to maturity, the greater the exposure there is to interest-rate risk.

The Plan manages investment maturities to anticipated cash-flow requirements so that all obligations are paid when due. The duration of the fixed income portfolio must also be less than 135% of the duration of the related market index, which is defined as the Barclay's Aggregate Bond Index. At September 30, 2021, the weighted average maturity in years for each investment type is included in the preceding table.

Credit Risk. The risk that a debt issuer will not fulfill its obligations. To reduce credit risk, all fixed income securities must be issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.

The policy further limits credit risk by limiting investments to the highest rated securities as rated by nationally recognized rating agencies, in accordance with the Plan's fixed income investment objectives. Fixed income securities must maintain a weighted average credit quality rating of "A" or higher. Investments in all corporate fixed income securities are further limited to those securities considered investment grade or higher by Moody's, Standard & Poor's and Fitch rating services. At September 30, 2021, for those where ratings are available, the portfolio met the credit rating limitations of the policy.

Concentration of Credit Risk. The risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk.

The policy uses portfolio diversification to reduce concentration of credit risk and states that no more than 10% of corporate securities (at fair value) of an investment manager's total fixed income portfolio may be invested in the securities of any single corporate issuer. Fixed income securities are also limited to no more than 30% of the portfolio. At September 30, 2021, the portfolio met the corporate single issuer limitation and overall asset allocation requirements of the policy.

Custodial Credit Risk . The risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited, since investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk. The risk that changes in exchange rates will adversely affect the fair value of an investment. To reduce this risk, investments in stocks of foreign companies are limited to 25% of the value of the total investment portfolio.

September 30, 2021

General Employees' Disability Fund

The General Employees' Disability Fund cash and investments were a part of the City's pooled cash as defined in Note I.E.1. At September 30, 2021, the cash balance in the fund was \$506,811.

B. Receivables

Uncollected accounts receivable at year-end are recorded, with an appropriate allowance for estimated uncollectible accounts in the Stormwater Fund, Wastewater Fund, and Solid Waste Fund.

Taxes receivable. By fiscal year end, virtually all property taxes were collected either directly or through tax certificate sales. The Pinellas County Tax Collector advertises sales of tax certificates at public auctions for unpaid taxes on all real property. All sales proceeds are remitted to taxing authorities. Certificates not purchased are issued to Pinellas County.

Notes receivable. Notes are collateralized by first or second mortgages on rehabilitated low income properties. As payments are received, revenue is recognized and the deferred revenue account is reduced, which reflects available resources for future rehabilitation projects. There are three types of Notes Receivable, as follows:

- 1. State Housing Initiative Partnership (SHIP) notes receivable represent loans to first-time homeowners to assist with down payments and closing costs. Notes bear interest at up to 4% and are collateralized by second mortgages on the property. Outstanding loan balances are considered unavailable revenue in the fund.
- 2. Home Investment Partnership (HOME) notes receivable represent loans to first-time homeowners to assist with down payments and closing costs and also the rehabilitation of properties. Notes bear interest at up to 3% and are collateralized by second mortgages on the property. Notes receivable are offset by a unearned revenue account in the individual fund financial statements, due to the length of time until collection.
- 3. Community Development Block Grant (CDBG) notes receivables represent loans to property owners for rehabilitation of properties and bear interest from 5% to prime less 5%. Loans are made for up to 95% (49% prior to 1993) of the property value after rehabilitation for periods up to 20 years. Notes receivable are offset by a unearned revenue account in the individual fund financial statements, due to the length of time until collection. Federal requirements stipulate that loan proceeds must be returned to the federal government unless they are used for rehabilitation purposes; therefore, the loan amounts represent a perpetual loan pool that can fund future rehabilitation.

September 30, 2021

C. Capital Assets

1. Capital asset activity

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 25,257,552	\$ 2,989,634	\$ -	\$ 28,247,186
Construction in progress	17,561,519	10,798,839	6,074,869	22,285,489
Total non-depreciable capital assets	42,819,071	13,788,473	6,074,869	50,532,675
Depreciable/Amortizable capital assets:				
Building	81,978,683	29,900	-	82,008,583
Improvements other than buildings	75,771,051	1,885,647	-	77,656,698
Machinery and equipment	43,863,158	2,468,061	721,279	45,609,940
Intangible	1,191,997	2,554,602	-	3,746,599
Total depreciable/amortizable capital assets	202,804,889	6,938,210	721,279	209,021,820
Less accumulated depreciation/amortization for:				
Building	29,892,461	2,361,828	-	32,254,289
Improvements other than buildings	37,309,073	3,230,188	-	40,539,261
Machinery and equipment	30,309,412	3,341,161	694,173	32,956,400
Intangible	603,749	283,403		887,152
Total accumulated depreciation/amortization	98,114,695	9,216,580	694,173	106,637,102
Net depreciable/amortizable capital assets	104,690,194	(2,278,370)	27,106	102,384,718
Net governmental activities capital assets	\$ 147,509,265	\$ 11,510,103	\$ 6,101,975	\$ 152,917,393

September 30, 2021

Business-type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable capital assets: Land Construction in progress Total non depreciable capital assets	\$ 2,824,038	\$ -	\$ -	\$ 2,824,038
	61,525,192	29,926,879	10,778,105	80,673,966
	64,349,230	29,926,879	10,778,105	83,498,004
Depreciable/amortizable capital assets Building and improvements Improvements other than buildings Machinery and equipment Intangible Total depreciable/amortizable capital assets	7,270,688 207,861,585 22,827,047 239,549 238,198,869	3,945,672 6,279,890 609,536 10,835,098	1,078,331 - 1,078,331	7,270,688 211,807,257 28,028,606 849,085 247,955,636
Less accumulated depreciation/amortization for: Building and improvements Improvements other than building Machinery and equipment Intangible Total accumulated depreciation/amortization Net depreciable/amortizable capital assets Net business type activities capital assets	2,631,668	163,525	1,008,207	2,795,193
	87,365,439	4,631,525	-	91,996,964
	13,781,576	2,536,270	1,008,207	15,309,639
	32,857	44,238	-	77,095
	103,811,540	7,375,558	70,124	110,178,891
	134,387,329	3,459,540	-	137,776,745
	198,736,559	33,386,419	10,848,229	221,274,749

2. Depreciation and amortization expense

Depreciation and amortization expense was charged to functions and programs, as follows:

Governmental activities	Business-ty	ype activities	
General government	\$ 1,187,030	Wastewater	\$ 5,703,402
Economic development	305,142	Solid waste	1,521,190
Public safety	2,026,390	Golf course	150,966
Public works	2,798,246		-
Culture and recreation	2,867,240		-
Internal service funds charged			
to various functions	32,532		-
Total depreciation/amortization expense	\$ 9,216,580		\$ 7,375,558

September 30, 2021

3. Construction commitments

The City has active construction projects as of September 30, 2021. The projects include various street, wastewater and drainage projects. In addition, the City has outstanding purchase commitments for engineering and design services. At year end, the City's significant commitments with contractors are as follows:

		I	Remaining
	Incurred	С	ommitment
WWRF Biological treatment improvements	\$ 51,979,795	\$	17,432,220
WWRF New Operations building wastewater treatment facility plant	9,029,169		1,416,588
Sanitary sewer – Lift station sub basin 2	3,801,613		4,026,132
Sanitary sewer overflow prevention – Lift station basin 28	4,154,937		798,673
Sanitary sewer overflow prevention – Lift station basin 12	2,634,714		1,104,885
Sanitary sewer overflow prevention – Lift station basin 16	1,832,079		1,120,013
WWRF Biosolids process improvements and building hardening	227,077		1,615,639
Rosery Rd phase 1 – Missouri Ave to Eagle Lake Park	8,827,277		1,416,310
Horizon Complex - City Hall Building and Parking Garage	 4,407,836		199,227
Total	\$ 86,894,497	\$	29,129,687

The commitments shown above are financed from existing City resources and future proceeds of the State Revolving Fund Loan through the Florida Department of Environmental Protection as well as Series 2022 Bonds issued in January 2022.

D. Interfund receivables, payables and transfers

1. Interfund transactions

Receivable Fund	Payable Fund	Total An	nount	Purpose
General (major)	Transportation Capital Projects (non-major)	\$ 1	2,586	Awaiting receipt and billing of Rosery Road Joint Project with Pinellas County receivable
General (major) General (major) LOST (major)	City Hall Capital Project (non-major) CDBG (major) Non-Major (CRA)	3	5,104 33,416 3,000	Awaiting receipt of Series 2022 Bond proceeds Awaiting receipt of housing related receivable Financing for redevelopment property to be sold
Non-Major (Parkland Dedication)	Non-Major (CRA)		39,000 93,106	Financing for redevelopment property to be sold

September 30, 2021

2. Interfund transfers

Transfer from	Transfer to	Total	Amount	Purpose
General	Debt Service	\$	484,100	For ERP Debt Service Payments
Stormwater	Debt Service		34,600	For ERP Debt Service Payments
Construction Services	Debt Service		34,600	For ERP Debt Service Payments
Stormwater	Transportation Capital Projects		14,800	For Rosery Road improvement project
LOST	Transportation Capital Projects		15,300	For Rosery Road improvement project
Program Special Revenue	General		11,400	For cost of school resource officers
	Total	\$	594,800	

E. Leases

The City leases office and other equipment under non-cancelable operating leases. Total costs for such leases were \$188,692 for the year ended September 30, 2021. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30	,	Amount		
2022	\$	177,166		
2023 and thereafter		-		
Total	\$	177,166		

F. Non-current liabilities

Interest cost is expensed in the proprietary funds on construction projects financed with long-term debt. Interest cost is not capitalized on projects financed by government grants or third-party donations.

Pledged Revenues Disclosures. The City has pledged the net revenues of the wastewater utility system to repay the State Revolving Loan Fund #3 and #4 loans (SRL#3 and SRL#4) issued in May, 2016 and December 2019, respectively. The bonds are paid solely from the net revenues of the wastewater utility system and are payable through June 2036, and September 2041, respectively. Net revenues for the current year were \$9,032,210.

The SRL#3 loan agreement is for drawdowns totaling \$78,094,524 and were used to provide financing for the wet weather system expansion and upgrades. The total amount borrowed was \$80,795,431 including capitalized interest and a 2% loan service cost. Repayments on the loan began in December 2018.

The SRL #4 loan agreement is for drawdowns totaling \$33,544,723 and is for biological treatment plant upgrades. The total amount borrowed as of September 30, 2021 is \$34,314,336 including capitalized interest and a 2% loan service cost. Repayments on the loan are to begin in May 2022.

September 30, 2021

The City has pledged a portion of half-cent sales tax revenues to repay the \$2,500,000 Regions loan issued in July 2020. Proceeds for the Regions loan were used to pay for the ERP (Enterprise Resource Planning) Software implementation. This loan is payable through May 2025. For the current year, principal and interest paid were \$515,649 and total half-cent sales tax revenues were \$6,076,740.

For governmental activities, compensated absences are paid by the fund where related salaries are incurred, including General, Building, Stormwater and SHIP funds. The Risk Fund (an internal service fund) pays estimated claims payable and City Commission and Police Chief annuity payable related to retirement payments not covered by pension plans.

The following summarizes changes in non-current liabilities during the fiscal year (\$ in thousands):

	Balance Oct. 1		Additions/ Adjustment		Reductions/ Adjustment		Balance Sept. 30		Amounts due within one year	
Governmental Activities: Regions Bank (Debt Service and Technology Capital Projects Fund)										
Interest rate 1.18%. Balance Due July 30, 2025	\$	2,500	\$	-	\$	488	\$	2,012	\$	494
Net pension liability Compensated absences Total OPEB liability Property/Liability and Workers Compensation City Commissioner/ Police Chief annuity payable		41,469 2,971 14,265 2,190 88		17,757 2,342 4,409 1,036		17,762 2,226 - 816		41,464 3,087 18,674 2,410 88		2,226 - 482 12
Total Governmental activities debt	\$	63,483	\$	25,544	\$	21,292	\$	67,735	\$	3,214
Business-type Activities: State revolving loan #3; Interest rates 1.07%, 0.46% and 0.43% Collateralized by sewer net revenue (Includes 2% loan service fee) Balance due June 15, 2036		76,312		-		4,514		71,798		4,546
State revolving loan #4; Interest rates 1.24%, 0% and 0.69% Collateralized by sewer net revenue (Includes 2% loan service fee)										
Balance due September 15, 2041		26,967		7,286		-		34,253		1,644
Compensated absences Total OPEB liability Net business-type activities debt	\$	599 3,206 107,084	\$	412 982 8,680	\$	374 - 4.888	\$	637 4,188 110,876	\$	374 - 6,564
71	<u> </u>	,		5,550		.,000	=	,		0,00.

Other long-term liabilities, such as net pension liability and other post employment benefits payable, are typically liquidated by the individual fund to which the liability is directly associated based on the employees fund and department of employment, primarily the General Fund.

September 30, 2021

The following tables indicate future debt service requirements for both Governmental and Business-Type activities.

Governmental Activities Debt Service Requirements

Year Ending		Total		Total	Total Debt			
September 30	Р	rincipal		Interest		Service		
2022		494,091		21,558		515,649		
2023		499,947		15,702		515,649		
2024		505,872		9,776		515,648		
2025		511,868		3,781		515,649		
		_		_				
Total	\$	2,011,778	\$	50,817	\$	2,062,595		

Business-type Activities Debt Service Requirements

	SRL	#3			SRL #4 Totals			Totals				
FY	Principal		Interest		Principal		Interest	Principal		Interest	D	ebt Service
2022	\$ 4,546,398	\$	517,135	\$	1,644,118	\$	79,758	\$ 6,190,516	\$	596,893	\$	6,787,409
2023	4,579,449		484,084		1,648,066		75,810	6,227,515		559,894		6,787,409
2024	4,612,780		450,753		1,652,024		71,852	6,264,804		522,605		6,787,409
2026	4,646,395		417,138		1,655,991		67,885	6,302,386		485,023		6,787,409
2026	4,680,296		383,237		1,659,968		63,908	6,340,264		447,145		6,787,409
2027-2031	23,920,200		1,048,418		8,359,825		259,556	32,280,025		1,307,974		33,587,999
2032-2036	24,812,222		505,443		8,460,686		491,102	33,272,908		996,545		34,269,453
2037-2041	 		-	_	8,562,765		56,616	 8,562,765		56,616		8,619,381
Total	\$ 71,797,740	\$	3,806,208	\$	33,643,443	\$	1,166,487	\$ 105,441,183	\$	4,972,695	\$ 1	110,413,878

Note: The above table does not include the 2% loan service fee on SRL #4 which amounts to \$670,894 ad of September 30, 2021.

September 30, 2021

G. Fund equity

Governmental fund balances reported on the fund financial statements at September 30, 2021 include the following:

						Nonmajor	
	General	LOST	SHIP	HOME	CDBG	Funds	Total
Nonspendable:							
Deposits andf Prepaids	\$ 247,911	\$ -	\$ -	\$ -	. \$	- \$ -	\$ 247,911
Receivables	474,192						474,192
Property Held for Resale	-	-	-	-		- 979,669	979,669
Restricted:							
Capital improvements							
and public works	-	14,869,200	-	-		- 16,393,951	31,263,151
Economic development	-	-	2,152,687	-		- 2,139,676	4,292,363
Public safety programs	-	-	-	-		- 664,041	664,041
Youth and adult library/							
recreation programs	-	-	-	-		- 328,536	328,536
Parkland dedication	-	-	-	-		- 3,806,407	3,806,407
Debt Service						37,651	37,651
Committed:							
Youth and adult library/							
recreation programs						-	-
Assigned:							
Subsequent year's							
operations incl. encumbrances	12,823,073	-	-	-			12,823,073
Accrued employee							
benefits	2,774,632	-		-		-	2,774,632
Other purposes	-	-	-	-		- 258,086	258,086
Unassigned	12,633,887	-	-	-		(4,552,336)	8,081,551
	\$ 28,953,695	\$ 14,869,200	\$ 2,152,687	\$ -	. \$	- \$ 20,055,681	\$ 66,031,263

H. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the funds. Significant encumbrances in governmental funds as of September 30, 2021 are as follows:

Major governmental funds:	
General	\$ 3,354,473
Local Option Sales Tax	3,534,214
SHIP	531,140
Total Major Funds	7,419,827
Non-major governmental funds	3,790,386
Total Encumbrances	\$ 11,210,213

September 30, 2021

V. OTHER DISCLOSURES

A. Risk management

The City's Risk Management Fund (Internal Service Fund) is involved with two main elements of risk management: risk control and risk financing. Risk control techniques are used to prevent/avoid potential losses, minimize the consequences of incurred losses, and segregate certain types of exposures. Risk financing techniques are used to obtain funds to restore the economic damages of losses including risk retention, risk transfer to insurers, and risk transfer to non-insurers (e.g., through indemnity clauses in contracts that transfer financial responsibility to the other contractual party).

Main activities of the Fund consist of: (1) initiating and monitoring risk control policies and procedures; (2) disbursing premium payments for insurance coverage; (3) processing and paying claims under the Workers' Compensation Act; and (4) processing and paying claims arising from property, vehicle and general liability cases.

Fund revenue primarily includes contributions from other City funds and is planned to match expenses of insurance premiums, anticipated "self-insured" losses and operating expenses. Premiums are paid into the risk management fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the various risk programs. As of September 30, 2021, such interfund premiums did not exceed reimbursable expenditures.

The City recognizes insurance claim expenses based upon claims paid, claims reported, and estimates of claims incurred but not reported (IBNR). Claims liabilities are recorded based upon the City's best estimates of potential losses after considering all available facts. The claims estimation process involves substantial uncertainties, including the ultimate outcome of certain legal actions that may affect the adequacy of amounts provided; however, management believes all claims liabilities recorded are appropriate.

Estimates of claims liabilities of the risk fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The actual result of this claims liability estimation process depends on many complex factors, such as investigations and discovery of facts, extent of the recovery of injured parties, inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of new information, claim settlement trends (including frequency and amount of pay-outs), and other factors. Due to the uncertain nature of the claims estimate, the City decided that recording 20% of the total balance is a practical portion to recognize as "due with in one year" on the statement of net position.

September 30, 2021

The estimated claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Excess coverage insurance policies cover individual claims in excess of certain amounts.

The City is partially "self-insured" (partial risk retention) for Workers Compensation claims on a per occurrence basis up to \$500,000. The City carries insurance coverage for claims in excess of the Self-Insured Retention (SIR). The City has several ongoing claims that have exceeded SIR levels, which were lower in previous years (mostly \$400,000 SIR).

The City carries insurance policies for full coverage of employee health claims, EMS liability claims and general employee disability claims. Public safety employee disability claims (sworn police and fire employees) are covered through the pension plan.

The City carries property insurance with a \$25,000 deductible per occurrence, and per occurrence coverage of approximately \$25M for \$181 million of insurable values. There have been no settlements which exceeded insurance coverage.

The City is fully "self-insured" (total risk retention) for motor vehicle and general liability claims. The City is relying on state statutes of sovereign immunity, which limit damage awards against local governments to \$200,000 per claim and \$300,000 per occurrence. There have been instances where the State Legislature has overridden the statutes and removed these limitations; however, these instances are infrequent and the City of Largo has never been a party to a state legislative override. Sovereign immunity limits are not applicable in certain types of actions, such as breach of contract and federal civil rights actions.

The following is a roll-forward of claims reserves for the last two fiscal years:

	Col
Claims reserve, September 30, 2019	
Plus: Incurred claims and reserve adjustments	
Less: Paid claims and reserve adjustments	
Claims reserve, September 30, 2020	\$
Plus: Incurred claims and reserve adjustments	
Less: Paid claims and reserve adjustments	
Claims reserve, September 30, 2021	\$

Workers Compensation	aı	Property nd Liability		Total
1,150,000		410,000		1,560,000
725,000		235,000		960,000
(150,000)	(180,000)		(330,000)
\$ 1,725,000	\$	465,000	\$	2,190,000
671,000		365,000		1,036,000
(466,000)	(350,000)		(816,000)
\$ 1,930,000	\$	480,000	\$	2,410,000
	Compensation 1,150,000 725,000 (150,000 \$ 1,725,000 671,000 (466,000	Compensation al 1,150,000 725,000 (150,000) \$ 1,725,000 \$ 671,000 (466,000)	Compensation and Liability 1,150,000 410,000 725,000 235,000 (150,000) (180,000) \$ 1,725,000 \$ 465,000 671,000 365,000 (466,000) (350,000)	Compensation and Liability 1,150,000 410,000 725,000 235,000 (150,000) (180,000) \$ 1,725,000 \$ 465,000 671,000 365,000 (466,000) (350,000)

September 30, 2021

B. Employee retirement systems and pension plans

Substantially all of the City's full-time employees participate in three separate retirement plans: a single-employer defined benefit pension plan (including disability pension) for police officers and firefighters, a single-employer defined contribution retirement plan for most general employees, and a single-employer defined contribution retirement plan for Executive Management employees. The City also has a single-employer defined benefit disability income plan for general employees.

Summary of significant accounting policies – basis of accounting and valuation of investments (all pension funds). The City accounts for all four plans as pension trust funds; therefore they are accounted for in substantially the same manner as proprietary funds with an "economic resources" measurement focus and employment of the accrual basis of accounting. Financial statements are prepared using the accrual basis of accounting.

Plan assets are valued at fair value for financial statement purposes. Securities are traded on a national exchange and are valued at the last reported sales price on September 30. Plan member contributions, employer contributions, and contributions from other entities are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan member contributions are recognized in the period contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contribution has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Since separate financial reports are not issued for any individual plan, GAAP requires inclusion of each plan's financial information in the notes, even though this information is already presented in combining and individual fund statements. The following information is presented in compliance with GAAP requirements.

September 30, 2021

Statement of Fiduciary Net Position Pension Trust Funds September 30, 2021

	E	Executive mployees' Retirement		General Employees' Retirement		Police Officers' and Firefighters' Retirement		General mployees' Disability		Total
Assets	_		_				_		_	
Cash and Investments	\$	519,154	\$	9,068,268	\$	8,487,428	\$	506,811	\$	18,581,661
Accrued interest receivable		-		18,375		-		1,496		19,871
Due from other funds		-				-		46,419		46,419
Loans receivable		-		1,205,928		-		-		1,205,928
U.S. Treasury securities & agencies		-		-		9,032,961		-		9,032,961
Corporate bonds		-		-		9,799,566		-		9,799,566
Mutual funds		4,128,995		45,473,321		62,780,692		-		112,383,008
Common stock		-		=		94,501,311		-		94,501,311
Total Assets		4,648,149	_	55,765,892	_	184,601,958		554,726	_	245,570,725
Liabilities										
Due to employee investment accounts	;	_		46,419		9,977,966		_		10,024,385
Due to other funds		_		46,419		-		_		46,419
Accounts payable		_		-		_		2,843		2,843
Unearned revenue		_		_		171,001		_,0.0		171,001
Total liabilities		-		92,838	_	10,148,967		2,843		10,244,648
Net position Restricted for:										
Participant benefits		4,648,149		55,673,054		173,220,487		551,883		234,093,573
Excess premium taxes		-		-		1,232,504		-		1,232,504
Total net position	\$	4,648,149	\$	55,673,054	\$	174,452,991	\$	551,883	\$	235,326,077

September 30, 2021

Statement of Changes in Fiduciary Net Position Pension Trust Funds Year Ended September 30, 2021

	Е	Executive mployees' letirement	General Employees' Retirement	ı	Police Officers' and Firefighters' Retirement	Em	General ployees' isability	Total
Additions								
Contributions:								
Employer	\$	135,256	\$ 1,496,971	\$	5,207,448	\$	-	\$ 6,839,675
Plan members		90,171	1,247,660		1,546,351		-	2,884,182
Other contributions		-	-		1,398,226		-	1,398,226
Forfeitures		-	48,796		-		46,419	95,215
Service purchase contributions		-	-		87,871		-	87,871
Rollover contributions					-			-
Interest on loans repaid		-	 58,823				-	 58,823
Total contributions		225,427	2,852,250		8,239,896		46,419	 11,363,992
Investment earnings:								
Net increase/(decrease) in investment value		810,171	8,276,026		7,650,287		(2,869)	16,733,615
Interest and dividends		-	 97,325		21,458,156		4,188	 21,559,669
		810,171	8,373,351		29,108,443		1,319	38,293,284
Less investment expense		-	 (131,356)		(638,531)		-	 (769,887)
Net investment earnings		810,171	8,241,995		28,469,912		1,319	37,523,397
Net additions		1,035,598	11,094,245		36,709,808		47,738	48,887,389
Deductions								
Benefits		505,257	2,208,439		10,145,319		-	12,859,015
Refund of contributions		-	-		431,018		-	431,018
Loans transferred out		-	38,369		-		-	38,369
Administrative		-	-		216,707		-	216,707
Forfeitures deduction		-	100,232		-		-	100,232
Insurance		-	 -		-		75,297	 75,297
Total deductions		505,257	 2,347,040		10,793,044		75,297	 13,720,638
Change in net position		530,341	8,747,205		25,916,764		(27,559)	35,166,751
Total net position – beginning		4,117,808	 46,925,849		148,536,227		579,442	 200,159,326
Total net position - ending	\$	4,648,149	\$ 55,673,054	\$	174,452,991	\$	551,883	\$ 235,326,077

1. Police Officers and Firefighters Defined Benefit Pension Plan

Plan Description. The Police Officers and Firefighters Pension Plan is a single-employer defined benefit pension plan that provides retirement benefits for all sworn police and fire personnel. The plan also provides disability and survivors' benefits as well as a DROP (Deferred Retirement Option Plan) provision. All plan provisions, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance No. 2019-73. The plan Ordinance may be amended by the City Commission after public notice has been made, two public readings are conducted, and one public hearing is held. The plan does not issue a stand-alone financial report and is not included in any other retirement system's or entity's financial report.

Note: Information is reported from the actuarial report prepared at the beginning of each fiscal year (October 1st), which is permitted by GASB Standards.

Membership:

	Octo	DCI I
	2018	2019
Active employees	260	254
Retirees and beneficiaries currently receiving normal & disability benefits	212	221
Terminated employee's entitled to benefits, but not yet receiving benefits	20	20
DROP participants receiving benefits into their DROP accounts	19	18
Total plan membership	511	513

Benefits. Benefits are determined by applicable retirement category, average salary, benefit factor and length of service.

For Police members normal retirement is defined as:

- For members hired before October 1, 2013:
 - Age 55 with ten years of credited service, or
 - 23 years of credited service regardless of age, or
 - Age 62 regardless of credited service
- For members who were hired on or after October 1, 2013:
 - Age 55 with ten years of credited service, or
 - 25 years of credited service regardless of age, or
 - Age 62 regardless of credited service

Police Benefits are defined as follows:

- For members hired before October 1, 2013:
 - 3.25% of average final compensation (AFC) times the number of years of service (subject to a maximum of 95% of AFC)
 - AFC is the three highest earning years out of the last ten years of employment

October 1

September 30, 2021

- For members who were hired on or after October 1, 2013:
 - 2.75% of (AFC) times the number of years of service (subject to a maximum of 95% of AFC)
 - AFC is the five highest earning years out of the last ten years of employment

For Fire members normal retirement is defined as:

- · For all members:
 - · Age 55 with ten years of credited service, or
 - · 23 years of credited service regardless of age, or
 - · Age 62 regardless of credited service

Fire Benefits are defined as follows:

- For all Fire members:
 - 3.25% of average final compensation (AFC) times the number of years of service (subject to a maximum of 95% of AFC)
 - · AFC is the three highest earning years out of the last ten years of employment

A service incurred disability benefit and a non-service incurred disability benefit is available at 60% of AFC and 50% of AFC, respectively, for continuous and permanent incapacity as defined by state statutes. Vesting is 100% after ten years of creditable service; 0% prior to ten years, except for disability benefits. The Plan does not provide for any post-retirement benefit increases.

Contributions. Employees contribute a fixed percentage of elligible compensation (currently 8%) on a pre-tax basis which may be amended by ordinance after collective bargaining.

Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the plan actuary, are recognized as revenue when due and the City has made a formal commitment to provide contributions. The City and employees' contributions for the fiscal year ended September 30, 2021 were \$5,207,448 and \$1,546,351, respectively. The City's contribution was made in accordance with actuarially determined contribution requirements ascertained through an actuarial valuation performed at October 1, 2019 (one year in arrears).

The State of Florida has levied a tax on property, casualty, and auto insurance premiums, the proceeds of which are distributed to local governmental entities that maintain qualified Police Officers and Firefighters pension plans. State contributions are an integral part of the plan's funding sources. The state has previously altered the amount or the usage of this tax and may do so again unilaterally at any time. The amount of state contributions for this fiscal year was \$1,398,226. This amount was recorded as an intergovernmental revenue and an expenditure in the General Fund.

September 30, 2021

Net Pension Liability. The net pension liability was measured as of October 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019.

The schedules of net pension liability, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the plan net positions are increasing or decreasing over time relative to the total pension liabilities for benefits.

The City is required by state statutes to make annual contributions that fluctuate according to the most recent actuarial valuation report, after deducting estimated contributions by members, contributions received from premium taxes, investment earnings, and all plan expenses. Significant actuarial assumptions used to compute actuarially determined contribution requirements are not the same as those used to compute the total pension liability.

The following information and assumptions were used in the actuarial valuation for the net pension liability.

Valuation Date

Actuarial Cost Method (Funding) Amortization Method Retirement Age

Mortality Rates

October 1, 2019

Entry Age Normal Level Percent of Payroll, Closed Experience- based table of rates that are specific to the type of eligibility condition. RP-2000 Combined Healthy participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS) in the actuarial valuation as of July 1, 2018 in compliance with Florida Statute **Chapter 112.63**

Actuarial assumptions:

Investment rate of return Projected salary increases Inflation

Cost-of-living adjustments

6.75%

3.75% to 5.75% depending on Member Age

2.5%

Not Applicable

Deferred Retirement Option Plan (DROP). When a plan member reaches retirement eligibility, the member may elect to participate in a deferred retirement option plan (DROP). Members who elect to enter the DROP continue working, but all pension contributions stop and the pension benefit earned is deposited for that member in a separate account within the pension plan. DROP assets are segregated from other plan assets and invested separately. At termination of employment (which cannot exceed seven years from the date of election into the DROP), DROP members have an option of receiving a lump sum payment or rolling over the account balance into a tax deferred account with all future pension benefit payments going directly to the member.

Share Plan. The Plan provides an individual share account for all active firefighters and for firefighters who are DROP members, retirees, and terminated vested members on October 1, 2009. The Plan also provides an individual share account for all active police officers and for police officers employed on September 1, 2011. The Share Plan allocation is derived from any non-dedicated Chapter 175 (fire) or 185 (police) revenue that exceeds the base amount. The excess revenue, net of administrative expenses, is allocated annually to individual accounts which earn interest at the rate of investment return realized by the individual share plan account. Effective October 1, 2013, a portion of excess annual revenue is allocated to individual accounts if the plan's funding level determined in the most recent valuation report is 80% and all excess revenue is allocated to individual accounts once the plan's funding level reaches 100%.

Investment policy. The plan's policy in regard to the allocation of invested assets is established by the pension board and may be amended by the pension board by a majority vote of its members. It is the policy of the board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Board's adopted Investment Policy is 50.0% equity, 30.0% bonds, 12.5% international equity and 7.5% real estate. The following is the board's target and actual asset allocation as of September 30, 2020:

Asset Class	Target Allocation	Actual Allocation
Domestic equities		
Small Cap Blend	10.0%	8.6%
Large Cap Growth	20.0%	27.2%
Large Cap Value	20.0%	15.4%
International equities		
Developed markets	5.0%	3.4%
Emerging markets	7.5%	8.8%
Fixed income	30.0%	25.6%
Real estate	7.5%	11.0%
	100.0%	100.0%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

September 30, 2021

major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Weighted Average
Domestic equities		
Small Cap Blend	7.25%	(0.16)%
Small Cap Growth	7.50%	4.37%
Small Cap Value	7.50%	(1.33)%
International equities		, ,
Developed markets	7.25%	0.75%
Emerging markets	8.00%	0.80%
Fixed income	4.25%	3.67%
Real estate	6.25%	0.16%
Total		8.26%

Rate of return. For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Method used to value investments. Investments are reported at fair value. Securities and funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Discount rate. A single discount rate of 6.75% was used to measure the total pension liability. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Total Pension Liability and the Net Pension Liability are as follows:

	Total Pension Liability (a)		Plan Fiduciary Net Position (b)		N	let Pension Liability (a)-(b)
Balance at of September 30, 2019	\$	192,402,104	\$	150,932,619	\$	41,469,485
Changes for the year:						
Service cost		3,913,474		-		3,913,474
Interest		12,902,248		-		12,902,248
Benefit changes		(598)		-		(598)
Difference between actual & expected						
experience		941,671		-		941,671
Assumption changes		-		-		-
Contributions - employer		-		4,828,797		(4,828,797)
Contributions - employer (through						
state)		-		1,372,907		(1,372,907)
Contributions - member		-		1,467,817		(1,467,817)
Net investment income		-		10,335,994		(10,335,994)
Benefit payments		(10,141,841)		(10,141,841)		-
Refunds		(200,495)		(200,495)		-
Administrative expense		-		(242,797)		242,797
Other						
Net changes		7,414,459		7,420,382		(5,923)
Balance at of September 30, 2020	\$	199,816,563	\$	158,353,001	\$	41,463,562

Amounts reported in the table above include liabilities reported in the Statement of Fiduciary Net Position. The plans fiduciary net position as a percentage of total pension liability is 79.25%.

Sensitivity of the Net Pension Liability to changes in discount rate. The following table presents the plan's net pension liability calculated using a single discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (sensitivity range):

		Cı	urrent Single		
		Di	iscount Rate		
1% Decrease		Assumption		1% Increase	
5.75%			6.75%		7.75%
\$	64,593,811	\$	41,463,562	\$	22,276,860

Pension expense, Deferred Outflows of Resources and Deferrred Inflows of Resources. For the year ended September 30, 2021 the City recognized pension expense of \$7,068,737. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

			erred Inflows Resources
_			
\$	1,282,860		
	406,546		-
	2,772,170		2,822,267
	, ,		, ,
	6,605,674		-
\$	11,067,250	\$	2,822,267
		406,546 2,772,170 6,605,674	of Resources or \$ 1,282,860

Deferred outflows of resources related to the Plan, including \$6,505,674 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

Year ended September 30:	
2022	\$ (119,401)
2023	522,076
2024	1,200,315
2025	36,319
2026 and thereafter	-
	\$ 1,639,309

2. General employees defined benefit disability income plan

Plan Description. The general employee disability income plan is a single-employer defined benefit disability income plan (Disability Income Plan) for all general employees. The Plan is non-contributory for employees and the City. Only employees eligible to participate in the City's General Employees Defined Contribution Retirement Plan are eligible for disability income under this Plan.

All Retirement Plan provisions, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance 96-29. The Plan Ordinance may be amended by the City Commission after public notice has been made, two public readings are conducted, and one public hearing is held. The Plan does not issue a stand-alone financial report and is not included in

any other retirement system's or entity's financial report. Full-coverage disability insurance was purchased for all claims incurred after October 1, 2002; however, the Plan was continued in order to provide future funding for all insurance expense and to pay previous claims outstanding.

Membership. General employees disability plan membership is, as follows:

	FY2020	FY2021
Active employees (vested and non-vested)	512	562
Disabled participants currently receiving benefits	17	22
Total	529	584

Benefits. Disability income benefits are based on the following schedule:

	Class I	Class II	Class III
Eligibility	More than 1 and less than 3 years employment	More than 3 and less than 5 years employment	5 or more years employment
Monthly Benefit	40% of monthly earnings	50% of monthly earnings	60% of monthly earnings
Maximum Benefit	\$4,000 per month*	\$5,000 per month*	\$5,000 per month*

^{*}Subject to reduction by deductible sources of income or other disability earnings.

Other sources of income may affect the disability benefits payable under the plan. A Work Incentive Benefit will be provided if the employee is disabled and gainfully employed after the end of the elimination period, or after a period during which the employee received long-term disability (LTD) monthly benefits.

Compensation includes regular pay for normal hours worked (including normal leave time) and excludes extraordinary compensation, such as overtime, bonuses, severance pay, etc. The Plan only provides benefits during disability. Benefits also cease upon the death of the participant, or when a participant who is 61 years of age or younger reaches the normal retirement age (age 65). Participants who are 62 years of age or older at the time of disability receive benefit periods of 42 months to 12 months, depending on age.

Funding Policy. The Plan is primarily funded through a surplus of net Plan assets available upon conversion of the City's General Employees Defined Benefit Pension Plan to the General Employees Defined Contribution Pension Plan in 1996. The Plan also receives one-half of all account forfeitures from the General Employees Defined Contribution Retirement Plan and investment earnings on plan assets.

3. General employees defined contribution retirement plan

Plan Description. The General Employees Defined Contribution Retirement Plan was established to provide supplemental income to employees upon retirement. All employees are eligible to participate in the Plan, except Police Officers, Firefighters, and Executive Management employees., elected officials and employees whose customary employment is for less than 30 hours in any one week, or less than five months in any calendar year.

All Plan provisions, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance 96-09. The Plan Ordinance may be amended by the City Commission after public notice has been made, two public readings are conducted, and one public hearing is held. The Plan does not issue a stand-alone financial report and is not included in any other retirement system's or entity's financial report.

All investments are directed by Plan members, including the non-vested portion of the City's contributions, if any. Plan members may elect to allocate investments among stock mutual funds, money market funds, and fixed income mutual funds.

Membership. General employees defined contribution plan membership is, as follows:

	1 1 2020	1 1 202 1
Active employees (vested and non-vested)	512	534
Retired and terminated members maintaining balances	270	301
Total	782	835

Benefits. Member contributions are 100% vested at all times. Employer contributions become vested on a graduated basis at the rate of 25% per year after the second year of employment, with 100% vesting after five years of employment. Actual benefits received are completely dependent on the amount of contributions made plus investment earnings.

Funding Policy. For fiscal year 2021 Members are required to contribute 5% of covered salary (regular pay only) to the Plan, and the City is required to contribute 6% of covered salary. During FY 2021, actual contributions were \$1,247,660 from employees and \$1,496,971 from the City, excluding roll-over dollars from other plans, if any.

Loans. Employee loans are permitted up to 50% if the vested portion of account balance of at least \$4,000 with a minimum of \$2,000 and a maximum of \$50,000. Loans must be repaid within 5 years with interest determined at the time of the loan.

EV2020

EV2024

September 30, 2021

4. Executive management defined contribution retirement plan

Plan Description and membership. The Executive Management 401(a) Plan operates similarly to the General Employees' 401(a) Plan. There is no minimum number of participants required, which is well suited to the City's relatively small group of Executive Management personnel. The plan has 10 active members.

Funding Policy. For fiscal year 2021 the City contribution is 7.5% of covered pay and member contributions are 5% of covered pay. Actual contributions were \$90,171 from employees and \$135,256 from the City.

Benefits. The vesting schedule is 100% at the date of hire. All investments are reported at fair value. All investments are directed by Plan members. Plan members may elect to allocate investments among stock mutual funds, money market funds, and fixed income mutual funds. Actual benefits received are completely dependent on the amount of contributions made plus investment earnings.

All Retirement Plan provisions, including benefits, eligibility, vesting, etc., are established by City Resolution, the most recent of which is Resolution No. 1740. The Plan does not issue a stand-alone financial report and is not included in any other retirement system's or entity's financial report.

5. Deferred compensation retirement savings plan

In addition to the four pension plans described above, the City offers all employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code (IRS) Section 457(b). The plan is voluntary and permits employees to defer taxes on a portion of their salary until future years. Deferred compensation can be withdrawn upon termination, retirement, death, or unforeseeable emergency. All amounts of deferred compensation, all property, all rights, and all income are held in trust for employees and are subject only to the claims of the employee or other beneficiary. The City contributes to the account of the City Manager, as stipulated in the City Manager employment contract. Although these contributions are employer contributions, the contributions are for the direct benefit of the employee.

It is the opinion of the City that the City has no liability for losses under the IRS Section 457(b) plan, the City does have the duty of due care that would be required of any prudent administrator. Since the City has no liability for losses and exercises no significant administrative control over assets, the Deferred Compensation Fund has been removed from the City's financial statements in accordance with GAAP.

September 30, 2021

Loans. Employee loans are permitted up to 50% if the vested portion of account balance of at least \$4,000 with a minimum of \$2,000 and a maximum of \$50,000. Loans must be repaid within 5 years with interest determined at the time of the loan.

Changes in total plan assets during the year were as follows:

	Fair Value
Net plan assets, October 1, 2020	\$ 36,406,052
Employee contributions	1,566,143
Employer contributions	8,464
Rollover contributions	318,100
Loan repayment interest	16,300
Earnings (losses)	6,423,012
Distributions	(3,118,496)
Loans redeemed	(587)
Net plan assets, September 30, 2021	\$ 41,618,988

6. Voluntary Post-employment Health Savings Plan

Prior to FY 2008, the City offered all employees a voluntary Post-employment health savings plan. The Plan was discontinued in FY 2008 for all employees except members of the Police Benevolent Association (PBA) bargaining unit which were discontinued as of FY 2008, due to changes in U.S. Treasury regulations. Existing employee contributions may remain in the Plan.

It is the opinion of the City that the City has no liability for losses under this plan, but does have the duty of care that would be required of any ordinary prudent administrator. Since the City has no liability for losses and exercises no significant administrative control over assets, the Voluntary Post-employment Health Savings Plan has not been included in the City's financial statements in accordance with GAAP.

Net Plan Assets, October 1, 2020	\$ 55,920
Employee Contributions	-
Earnings/(Loss)	(156)
Distributions	(9,892)
Net Plan Assets, September 30, 2021	\$ 45,872

7. Other Post-employment Benefits Payable (OPEB)

In 2018, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions. The City engaged an actuary to determine the City's liability for post-employment healthcare benefits other than pensions as of September 30, 2021.

September 30, 2021

Plan Description. The City participates in a multi-employer retiree health plan ("the Plan") that provides health and dental insurance to eligible employees and their spouses. Pursuant to the provisions of section 112.0801, Florida Statutes, former employees and eligible dependents may continue to participate in the City's fully insured health plan for medical and prescription drug coverage. Retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. However, the City is presumed to be subsidizing the premium rates paid by retirees by allowing them to participate in the plans at blended group premium rates (implicitly subsidized) for both active and retired employees. The Plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Membership. There are 32 retired participants and dependents receiving health benefits and 665 individuals covered by the Plan.

Total OPEB Liability and Changes in Total OPEB Liability. The measurement date for the City's total/net OPEB liability was September 30, 2021. The measurement period for the OPEB cost was October 1, 2020 to September 30, 2021. The City's total OPEB liability is \$22,862,172.

Changes in the Total Net OPEB Liability is as follows:

		Fiscal Year ending
	=	September 30, 2021
Total OPEB Liability		
Service cost	\$	2,190,225
Expected interest growth		472,071
Demographic experience		(1,360,383)
Benefit payments and refunds		(471,823)
Assumption changes	_	4,561,030
Total change in net OPEB liability		5,391,120
Total OPEB liability, beginning	_	17,471,052
Total OPEB liability, ending	\$	22,862,172
	-	

Sensitivity of the OPEB Liability to changes in discount rate. The following table presents the total OPEB liability of the City calculated using a single discount rate of 2.43%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (sensitivity range):

	Current Single	
1% Decrease	Discount Rate	1% Increase
1.43%	2.43%	3.43%
\$ 25,527,375	\$ 22,862,172	\$ 20,555,394

September 30, 2021

Sensitivity of the OPEB Liability to changes in healthcare cost trend rates. The following table presents the total OPEB liability of the City calculated using a healthcare cost trend rate of 7% graded down to 5%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (sensitivity range):

Current Healthcare				
Trend rates	Cost Trend Rate	Trend rates		
minus 1%	8.5% graded down to 5%	plus 1%		
\$ 19,896,773	\$ 22,862,172	\$ 26,435,826		

OPEB expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended September 30, 2021 the City recognized OPEB expense of \$3,309,594. At September 30, 2021, the City reported \$7,032,238 in deferred outflows and \$1,231,192 in deferred inflows of resources related to OPEB due to changes in assumptions and amortization payments. These amounts will be recognized in OPEB expense as follows:

Year ended September 30:	Deferred Outflows	Deferred Inflows	
2021 3	\$ 776,489	\$ 129,191	
2022	776,489	129,191	
2023	776,489	129,191	
2024	776,489	129,191	
2025 and thereafter	3,926,282	 714,428	
-	\$ 7,032,238	\$ 1,231,192	

September 30, 2021

The following information and assumptions were used in the actuarial valuation for the net OPEB liability.

October 1, 2020 Valuation Date 2.43% per annum Discount rate 3.00% per annum Salary increases

Healthcare cost trend rates Increases in healthcare costs are assumed to be 8.5% for the 2020/2021

fiscal year graded down by 0.50% per year to 5.0% for the 2027/2028 and

later fiscal years.

Age-related morbidity Healthcare costs are assumed to increase at the rate of 3.5% for each

year of age.

Implied subsidy For the 2020/2021 fiscal year at age 62, the assumed monthly subsidy is

\$625 for the retiree and \$475 for the retiree's spouse under the core plan,

\$750 for the retiree and \$575 for the retiree's spouse under the

high-deductible plan and \$475 for the retiree and \$350 for the retiree's spouse under the minimum coverage plan; at other ages, the implied subsidy was developed based on the age-related morbidity assumption

and, for other fiscal years, the implied subsidy was increased in

accordance with the healthcare cost trend rates. The implied subsidy is assumed to disappear at age 65; no implied subsidy is assumed with

respect to dental and life insurance coverage.

Mortality basis Sex-distinct rates set forth in the PUB-2010 Mortality Table (without

income adjustments) with full generational improvements in mortality

using Scale MP-2018.

Retirement For general employees, retirement is assumed to occur at age 62; for

> firefighters and police officers, retirement is assumed to occur at age 62, at age 55 with 10 years of service, or at any age with 23 years of service.

Changes Since the prior measurement date, the discpunt rate was increased from

> 2.14% to 2.43% per annum; the healthcare cost trend rates were changed from 6.50% for the 2020/2021 fiscal year graded down to 5.0% per year to 8.5% for the 2020/2021 fiscal year graded down to 5.0% per year; implied monthly benefits were changed; mortality improvement

scale was updated from Scale MP-2018 to Scale MP-2020.

C. Contingent Liabilities

Litigation. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City that the resolution of these matters will not have a material adverse effect on the City's financial condition. Please refer to the note on Risk Management in this section, V. A.

September 30, 2021

Federal and State Assistance Programs. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of 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.

D. Tax Abatements

The City entered into property tax abatements with local businesses under the s. 3, Art. VII of the Florida State Constitution. The article provides the City the ability to grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses. Chapter 22, article VI of the City of Largo Code of Ordinances authorizes the granting of such exemptions.

For the fiscal year ended September 30, 2021, the City abated property taxes totaling \$15,812 under this program, including one agreement with a large distributor of IT products and services. The abatement was enacted in November 2015 continues through December 31, 2024.

E. Subsequent Events

On January 20, 2022 the City issued Capital Improvement Revenue Bonds Series 2022A and 2022B (taxable) in the amount of \$47,665,000 and \$4,035,000, respectively. The Bonds were issued with coupons ranging from 0.86% to 5%. The proceeds were used to repay the City for expenditures incurred to date and to pay for upcoming construction costs for the Horizon Complex (new city hall and parking garage) as well as the new Parks Department building. The Bonds mature in varying amounts from 2022 to 2051.

COVID-19, a novel coronavirus and a global health emergency reached the state of Florida in March 2020. Vaccine distribution has continued, however, interruptions to business has persisted. This pandemic will continue to have an impact on expenditures and future revenues. The full effects of this cannot be determined at this time. The City was awarded a total of \$12,960,041 in American Recovery Program Act funds. Half of these funds were received in fiscal year 2021 and the remaining funds are expected to be received during fiscal year 2022.

September 30, 2021

POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY **PAST TEN YEARS (\$ in thousands)**

		2015		2016		2017		2018		2019		2020		2021
Service cost	\$	2,575	\$		\$	2,778	\$	-,	\$	3,572	\$,	\$	3,913
Interest		11,080		11,499		11,916		12,269		12,066		12,391		12,902
Difference between expected and actual experience		(427)		-		(1,057)		1,429		11		855		942
Changes in benefit terms		-		-		-		-		-		461		(1)
Changes of assumptions		-		-		-		8,537	*	-		-		-
Benefit payments, including refunds of employee		(7.005)		(7.005)		(0.470)		(0.004)		(40.004)		(0.700)		(40.040)
contributions		(7,325)		(7,965)		(9,478)		(8,981)		(12,291)		(9,736)		(10,342)
Other		5 000		6 106		4 150	_	16 224		2 250		7 716		7 111
Net change in total pension liability		5,908 148,821		6,106 154,729		4,159 160,835		16,334 164,994		3,358 181,328		7,716 184,686		7,414
Total pension liability-beginning Total pension liability-ending							_		_		_			192,402
Total pension liability-ending	_	154,729		160,835	_	164,994	_	181,328	_	184,686	_	192,402		199,816
Dian fiducian, not position														
Plan fiduciary net position Contributions-employer	\$	4,591	\$	5,025	\$	4,648	\$	5,373	\$	6,262	\$	6,047	\$	6,202
Contributions-employee	Φ	706	Φ	940	Φ	1,208	Φ	1,272	Φ	1,414	Φ	1,353	Φ	1.467
Net investment income		10,838		497		9,877		15,043		13,052		5,296		10,336
Benefit payments, including refunds of employee		10,030		431		3,011		13,043		13,032		5,290		10,550
contribtuons		(7,325)		(7,965)		(9,478)		(8,980)		(12,291)		(9,736)		(10,342)
Other		(-,)		(, , ,		(-, /		(-,)		54		-		-
Administrative expense		(154)		(149)		(134)		(155)		(230)		(195)		(243)
Net change in fiduciary net postion		8,656		(1,652)	_	6,121	_	12,553	_	8,261	_	2,765		7,420
,,,,,,,, .		,		(, ,		-,		,		-, -		,		,
Plan fiduciary net position-beginning		114,230		122,885		121,233		127,354		139,907		148,168		150,933
Plan fiduciary net position-ending		122,886		121,233		127,354		139,907		148,168		150,933		158,353
Net pension liability	\$	31,843	\$	39,602	\$	37,640	\$	41,421	\$	36,518	\$	41,469	\$	41,463
Plan fiduciary net position as a percentage of the total pension liability		79.42%		75.38%		77.19%		77.16%		80.23%		78.45%		79.25%
of the total perision hability		13.4270		13.30%		11.1970		11.1070		00.23%		10.43%		19.2370
Covered payroll		12,456		13,311		13,660		15,419		16,315		16,910		17,693
Net pension liability as a percentage of covered payroll		255.64%		297.51%		275.55%		268.64%		223.83%		245.23%		234.35%

Notes to Schedule:

Data unavailable prior to 2015 because it was not required by GASB Standards. Subsequent years will be added as available.

September 30, 2021

POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN SCHEDULE OF CONTRIBUTIONS LAST TEN FISCAL YEARS (\$ in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 4,987	\$ 5,025	\$ 4,648	\$ 5,373	\$ 6,261	\$ 6,047	\$ 6,202	\$ 6,606
Contributions in relation to the actuarially								
determined contribution	4,591	5,025**	4,648	5,373	6,261	6,047	6,202	6,606
Covered payroll	12,624	12,733	13,660	15,419	16,315	16,910	17,693	17,753
Contributions as a percentage of covered								
payroll	36.4%	39.5%	34.0%	34.8%	38.4%	35.8%	35.1%	37.2%

^{* -}This is an adjustd amount to reflect the \$396,627 excess City contribution for fiscal year ending 9/30/2013.

Notes to Schedule:

Valuation Date: October 1, 2019 for Fiscal Year Ended September 30, 2021 contributions.

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

Methods and Assumptions Used to Determine Net Pension Liability and Contribution Rates:

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

Remaining Amortization Period 30 years
Asset Valuation Method Market Value

Inflation 2.5%

Salary Increases Rates vary from 3.75% to 5.75% depending on age

Investment Rate of Return 6.75%

Retirement Age Experience-based table of rates that are specific to type of eligibility condition.

Mortality RP-2000 Mortality Tables for Annuitants with mortality improvements projected to all

future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the actuarial

valuation as of July 1, 2018.

Other Information:

Notes to schedule: Data unavailable prior to 2014 because it was not required by GASB Standards. Data

not presented for most recent fiscal year because the City has elected to use the prior fiscal year data to ensure availability, which is permitted by GASB Standards.

Subsequent years will be added as available.

See Discussion of Valuation results in the October 1, 2019 Actuarial Valuation Report dated March 30, 2020 and the Actuarial Impact Statement dated October 18, 2021.

^{**-}Includes \$520,523 in prepaid City contributions as of September 30, 2014 that was applied to the City's contribution requirement for the 2015 fiscal year.

September 30, 2021

POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN SCHEDULE OF INVESTMENT RETURNS

	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return	10.66%	0.33%	9.09%	13.43%	10.29%	3.83%	7.30%

Notes to Schedule: Data unavailable prior to 2015 because it was not required by GASB Standards. Subsequent

years will be added as available.

September 30, 2021

SCHEDULE OF CHANGES IN CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS PAST TEN YEARS (\$ in thousands)

	_	2018	2019	2020	2021
Service cost	\$	876	886	1,458	2,190
Expected interest growth		410	439	297	472
Demographoc experience		-	-	233	(1,360)
Difference between expected and actual experience		-	-	-	,
Change in assumptions and other inputs		-	-	-	
Benefit payments and refunds		(267)	(326)	(431)	(472)
Assumption changes		-	78	3,288	4,561
Net change in total OPEB liability	_	1,019	1,077	4,845	5,391
Total OPEB liability, beginning		10,530	11,549	12,626	17,471
Total OPEB liability, ending	\$_	11,549	12,626	17,471	22,862
	_				
Covered employee payroll	\$	31,235	31,235	40,022	38,098
Total OPEB liability as a percentage of covered employee payroll	•	36.98%	40.42%	43.65%	60.01%

Notes to Schedule:

Information is required to be presented for 10 year, but data was not available prior to 2018 because it was not required by GASB Statements. Subsequent years will be added as available.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.1010 or P52.101 to pay related benefits for the OPEB plan.





CITY OF LARGO, FLORIDA Largo Community Redevelopment Agency Balance Sheet

September 30, 2021

Assets Cash and investments Receivables Accrued interest Due from other Governments Property held for resale Total assets	\$ 2,732,232 7,810 178,685 979,669 3,898,396
Liabilities Accounts payable Accrued payroll Due to other funds Total liabilities	\$ 188,513 4,021 532,000 724,534
Deferred inflows Unavailable revenue Total deferred inflows	 178,685 178,685
Fund balances Nonspendable Restricted Total fund balances Total liabilities and fund balances	\$ 979,669 2,015,508 2,995,177 3,898,396

CITY OF LARGO, FLORIDA

Largo Community Redevelopment Agency Statement of Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ended September 30, 2021

Revenues Taxes Intergovernmental Investment earnings Sale of property held for resale Other Total revenues	\$ 717,388 1,282,515 4,276 - 1,602 2,005,781
Expenditures Current: Economic development Capital outlay Total expenditures	217,877 1,373,469 1,591,346
Net change in fund balance	414,435
Fund balance - beginning Fund balance - ending	2,580,742 \$ 2,995,177

COMBINING & OTHER SUPPLEMENTARY INFORMATION SCHEDULES

CITY OF LARGO, FLORIDA

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund

Fiscal Year Ended September 30, 2021

	 Original Budget	 Final Budget	 Actual	 Final Budget Variances Positive (Negative)
Revenues				
Taxes	\$ 42,218,800	\$ 42,218,800	\$ 42,534,028	\$ 315,228
Licenses, permits and fees	6,742,700	6,742,700	6,372,779	(369,921)
Intergovernmental	9,700,800	9,700,800	12,249,978	2,549,178
Charges for services	18,225,200	18,225,200	17,694,037	(531,163)
Fines	788,500	788,500	552,736	(235,764)
Interfund charges	4,175,300	4,175,300	4,205,934	30,634
Contributions and donations	143,700	143,700	110,129	(33,571)
Investment earnings	250,000	250,000	72,732	(177,268)
Other	608,800	699,100	276,691	(422,409)
Total revenues	 82,853,800	 82,944,100	 84,069,044	 1,124,944
Expenditures	 	 	 	 , ,-
Current:				
Administration	2 244 200	3,510,257	3,476,627	33,630
	3,344,300 2,842,500	2,933,018	2,397,237	535,781
Community Development Public Works				
	5,006,000 883,000	5,066,409	4,660,587	405,822
Engineering Finance		930,449	796,036	134,413
	1,118,700	1,131,692	1,040,637	91,055
Fire Rescue	22,113,600	22,398,337	20,929,240	1,469,097
General Operating	795,600	833,111	193,627	639,484
Human Resources	964,200	970,200	916,296	53,904
Information Technology	4,920,800	5,089,453	4,404,440	685,013
Legislative	394,000	398,080	347,261	50,819
Library	3,758,000	3,790,662	3,358,917	431,745
Police	27,380,500	27,784,876	26,838,676	946,200
Recreation, Parks & Arts	13,018,300	13,557,366	10,629,691	2,927,675
Capital outlay	 9,105,400	 6,518,005	 1,034,714	 5,483,291
Total expenditures	 95,644,900	 94,911,915	 81,023,986	 13,887,929
Excess (deficiency) of revenues				
over (under) expenditures	 (12,791,100)	 (11,967,815)	 3,045,058	 15,012,873
Other Financing Sources (Uses)				
Transfers in	11,400	11,400	11,400	_
Transfers out	(360,300)	(360,300)	(484,100)	(123,800)
Capital project loan	6,300,000	6,300,000	-	(6,300,000)
Sale of capital assets	75,000	75,000	27,359	(47,641)
Total other financing sources (uses)	 6,026,100	 6,026,100	 (445,341)	 (6,471,441)
	 	 	 (110,011)	 (0,111,111)
Net change in fund balance	\$ (6,765,000)	\$ (5,941,715)	2,599,717	\$ 8,541,432
Fund balance - beginning			 26,353,978	
Fund balance - ending			\$ 28,953,695	

City of Largo, Florida Nonmajor Governmental Funds

September 30, 2021

Special Revenue Funds. A special revenue fund is used to finance particular activities and is created out of receipts of specific taxes or other earmarked revenue. Such funds are authorized by legislative, statutory or charter provisions to pay for certain activities with some special form of continuing revenue.

The County Gas Tax Fund was established to account for proceeds from the countywide Local Option Gas Tax. Expenditures are restricted to the construction and improvement of collector roads.

The Transportation Impact Fee Fund was established to account for revenue generated by impact fees. Expenditures are restricted to mobility improvement projects. All collections, less a 4 percent administrative fee, are shared equally with the County. This impact fee was replaced by the multimodal fee (below); therefore, no future revenues will be collected.

The Multimodal Impact Fee Fund was established to account for revenue generated by impact fees. Expenditures are restricted to road improvement projects. All collections, less a 4 percent administrative fee, are shared equally with the County.

The Construction Services Fund was established for the financial activities related to enforcement of the Florida Building Code. Revenue is generated from building permit and plan review fees and expenditures are related to the direct and indirect costs associated with enforcement of the Florida Building Code.

The Stormwater Fund was established to account for fees charged to fund routine operations of and improvements to the City's drainage system. This fund does not account for all drainage improvements, many of which are accounted for in the Local Option Sales Tax Fund.

The Community Redevelopment Agency Fund was established to account for revenues generated from the taxable value of properties located within the downtown West Bay Drive Redevelopment District.

The ARPA Fiscal Recovery Fund was established to receive funds from the U.S. Department of Treasury to be used for the response efforts relating to local fiscal recovery from the COVID-19 pandemic pursuance to the American Rescue Act of 2021.

The PCH Fund was established to account for revenues received from Pinellas County Housing Authority to address community housing needs.

The Program Special Revenue Fund was established to account for a number of small accounts that are not large enough to require establishment of individual funds. Included in this fund are accounts for police donations, confiscated property, police education, athletic improvements, fire rescue donations, library donations and other miscellaneous donations. These funds must be maintained separately for their designated purposes.

The Tree Fund was established to account for the revenues generated through impact fees and permits obtained by property owners for th removal of trees.

The Parkland Dedication Trust Fund was established to account for impact fees paid in either land or money from residential contractors and developers. Cash payments are used to purchase or improve park land within the City, necessitated by the increased population generated by additional housing units.

The Neighborhood Stabilization Program 2 (NSP2) Fund accounts for revenue allocation to the City under the NSP2 program, which is expended on acquiring and redeveloping foreclosed and abandoned properties within the community.

City of Largo, Florida **Nonmajor Governmental Funds**

September 30, 2021

Capital Projects Funds. A capital project fund is often created to account for the financing sources and expenditures associated with major capital projects. Establishment of a dedicated fund is typically reserved for projects with broad scopes, completion schedules spanning over a period of multiple years, and with several funding sources other than those financed by proprietary and trust funds.

The Transportation Capital Projects Fund accounts for long-term funding of major capital engineering transportation projects with multiple governmental funding sources.

The Technology Capital Projects Fund accounts for long-term funding of major technology capital projects. In 2020 it was created for the Enterprise Resource Planning (ERP) replacement project.

The City Hall Capital Project Fund accounts for expenditures associated with the new City Hall and parking garage. The complex will be titled Horizon and construction is expected to occur in fiscal years 2022-2024.

CITY OF LARGO, FLORIDA Combining Balance Sheet Nonmajor Funds September 30, 2021

		otal Nonmajor Special Revenue Funds	_	Fotal Nonmajor Capital Projects Funds		Debt Service		Total Nonmajor Governmental Funds
Assets								
Cash and investments Receivables:	\$	29,420,709	\$	483,961	\$	37,651	\$	29,942,321
Accrued interest		105,246		206		_		105,452
Taxes		90,432		-		_		90,432
Accounts, billed		651,018		-		-		651,018
Accounts, unbilled		501,276		-		-		501,276
Special assessments		14,604		-		-		14,604
Due from other governments		91,024		-		-		91,024
Grants		178,685		-		-		178,685
Due from other funds		189,000 979,669		-		-		189,000 979,669
Property held for resale Notes and loans receivable		711,064		-		-		711,064
Total assets	\$	32,932,727	\$	484,167	\$	37,651	\$	
	<u>-</u>		<u>-</u>	101,101	<u>*</u>		<u> </u>	
Liabilities								
Accounts payable	\$	796,017	\$	124,752	\$	-	\$	920,769
Accrued payroll		108,949		-		-		108,949
Due to other funds Deposits		532,000		4,427,690		-		4,959,690
Unearned revenue		6,482 6,752,649		-		-		6,482 6,752,649
			_	4.550.440	_			
Total liabilities		8,196,097		4,552,442		-		12,748,539
Deferred inflows								
Unavailable revenue		650,325		-		-	_	650,325
Total deferred inflows		650,325		-	_	-	_	650,325
Fund Balances								
Nonspendable		979,669		-		-		979,669
Restricted		22,848,550		484,063		37,651		23,370,264
Assigned		258,086		-		-		258,086
Unassigned		-	_	(4,552,338)	_	-	_	(4,552,338)
Total fund balances		24,086,305		(4,068,275)		37,651		20,055,681
Total liabilities, deferred inflows and fund balances	\$	32,932,727	\$	484,167	\$	37,651	\$	33,454,545

CITY OF LARGO, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Funds

Fiscal Year Ended September 30, 2021

		Total Nonmajor Special Revenue Funds		Total Nonmajor Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
Revenues						
Taxes	\$	717,388	\$	_	\$ -	\$ 717,388
Licenses, permits and fees	Ψ	2,183,563	Ψ	_	Ψ - -	2,183,563
Intergovernmental		2,512,624		_	_	2,512,624
Charges for services		6,102,017		_	_	6,102,017
Fines		68,628		_	_	68,628
Contributions and donations		125,374		_	_	125,374
Investment earnings		52,977		949	_	53,926
Other		9,490		260		9,750
Total revenues		11,772,061		1,209		11,773,270
Expenditures						
Current:						
General government		-		15,000	-	15,000
Public safety		38,713		-	-	38,713
Public works		4,751,166		27,609	-	4,778,775
Economic development		2,045,427		-	-	2,045,427
Culture and recreation		148,785		-	-	148,785
Capital outlay		2,182,585		5,651,044	-	7,833,629
Principal		_		-	488,221	488,221
Interest		-			27,428	27,428
Total expenditures		9,166,676		5,693,653	515,649	15,375,978
Excess (deficiency) of revenues						
over (under) expenditures		2,605,385		(5,692,444)	(515,649)	(3,602,708)
Other financing sources (uses)						
Transfers in		-		30,100	553,300	583,400
Transfers out		(95,400)		-	-	(95,400)
Sale of capital assets		4,701		<u>-</u>		4,701
Total other financing sources (uses)		(90,699)		30,100	553,300	492,701
Net change in fund balances		2,514,686		(5,662,344)	37,651	(3,110,007)
Fund balances - beginning		21,571,619		1,594,069		23,165,688
Fund balances - ending	\$	24,086,305	\$	(4,068,275)	\$ 37,651	\$ 20,055,681

CITY OF LARGO, FLORIDA Combining Balance Sheet Nonmajor Special Revenue Funds September 30, 2021

	 County Gas Tax	Transportation Impact Fee	 Multimodal Impact Fee	 Construction Services	 Stormwater	4	ARPA Covid Relief
Assets							
Cash and investments Receivables:	\$ 1,668,209	\$ 1,526,393	\$ 1,424,192	\$ 6,677,360	\$ 3,950,739 \$	5	6,460,956
Accrued interest Taxes	23,688 90,432	4,505	4,199	19,954	11,203		19,065
Accounts, billed	90,432	-	-	3,235	644,940		-
Accounts, unbilled	-	-	-	-	501,276		-
Special assessments Due from other	14,604	-	-	-	-		-
governments	90,075	-	-	-	-		-
Grants Due from other funds	-	-	-	-	-		-
Property held for resale Notes and loans receivable	-	-	-		-		-
Total assets	\$ 1,887,008	\$ 1,530,898	\$ 1,428,391	\$ 6,700,549	\$ 5,108,158	5	6,480,021
Liabilities Accounts payable Accrued payroll Due to other funds Deposits Unearned revenue	\$ 34,170 - - 6,210 33,204	\$ 2,481 - - - -	\$ 219,897 - - - -	\$ 70,513 43,111 - 272	\$ 273,447 \$ 61,817	\$	- - - - 6,480,021
Total liabilities	73,584	2,481	219,897	 113,896	335,264		6,480,021
Deferred inflows Unavailable revenue	 		-	-	 		
Total deferred inflows	 		 -	 -	 		
Fund balances Nonspendable Restricted Assigned	 - 1,813,424 -	- 1,528,417 -	 1,208,494 -	 - 6,586,653 -	- 4,772,894 -		- - -
Total fund balances	 1,813,424	1,528,417	 1,208,494	 6,586,653	 4,772,894		-
Total liabilities, deferred inflows and fund balances	\$ 1,887,008	\$ 1,530,898	\$ 1,428,391	\$ 6,700,549	\$ 5,108,158	5	6,480,021

Community edevelopment Agency	t	РСН	Neighborhood Stabilization Program 2	 Program Special Revenue		Trees	 Parkland Dedication	 Total Nonmajor Special Revenue Funds
\$ 2,732,232	\$	70,096	\$ -	\$ 1,297,228	\$	734,919	\$ 2,878,385	\$ 29,420,709
7,810		208	-	3,890		2,228	8,496	105,246
-		-	-	-		-	-	90,432
-		-	-	2,843		-	-	651,018
-		-	-	-		-	-	501,276
-		-	-	-		-	-	14,604
-		-	-	949		-	-	91,024
178,685		-	-	-		-	-	178,685
-		-	-	-		-	189,000	189,000
979,669		-	-	-		-	-	979,669
 -		663,289	47,775	 -		-	 -	 711,064
\$ 3,898,396	\$	733,593	\$ 47,775	\$ 1,304,910	\$	737,147	\$ 3,075,881	\$ 32,932,727
\$ 188,513 4,021 532,000	\$	- - -	\$ - - -	\$ 376 - -	\$	6,620 - -	\$ - - -	\$ 796,017 108,949 532,000 6,482
 		191,649	47,775	 -		-	 -	 6,752,649
 724,534	-	191,649	47,775	 376	-	6,620	 -	 8,196,097
178,685		471,640	-	-		_	-	650,325
178,685		471,640		-		-	-	650,325
979,669 2,015,508 - 2,995,177		70,304 - 70,304	- - - -	 1,046,448 258,086 1,304,534		730,527 - 730,527	 3,075,881 - 3,075,881	 979,669 22,848,550 258,086 24,086,305
	_							

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

	County Gas Tax	Transportation Impact Fee	Multimodal Impact Fee	Construction Services	Stormwater	ARPA Covid Relief
Revenues Taxes	\$ -	\$ - \$;	\$ - \$	- \$	_
Licenses, permits and fees Intergovernmental Charges for services Fines	1,046,937	φ - φ - -	237,306	1,752,255 25,008	78,164 6,039,154	- - -
Contributions and donations Investment earnings Other	3,564 	4,089	3,247 	17,161 	- - 8,111 	- - -
Total revenues	1,050,501	4,089	240,553	1,794,424	6,125,429	
Expenditures Current Public safety	-	-	-	-	-	-
Public works Economic development	347,264	-	-	- 1,826,436	4,403,902 -	-
Culture and recreation Capital outlay	156,329	129,649	<u>-</u>	54,938	347,670	- -
Total expenditures Excess (deficiency) of revenues over (under)	503,593	129,649	<u>-</u>	1,881,374	4,751,572	
expenditures	546,908	(125,560)	240,553	(86,950)	1,373,857	
Other financing sources/(uses) Transfers out Sale of capital assets	-		-	(34,600) 4,701	(49,400)	-
Total other financing sources/(uses)		·	<u> </u>	(29,899)	(49,400)	
Net change in fund balances	546,908	(125,560)	240,553	(116,849)	1,324,457	-
Fund balances - beginning	1,266,516	1,653,977	967,941	6,703,502	3,448,437	
Fund balances - ending	\$ 1,813,424	\$ 1,528,417	1,208,494	\$ 6,586,653 \$	4,772,894	

	Community Redevelopment Agency	:	РСН	Neighborhood Stabilization Program 2	•	Program Special Revenue		Trees	 Parkland Dedication	otal Nonmajor Special evenue Funds
\$	717,388	\$	-	\$ -	9	\$ -	\$	39,959	\$ - 154,043	\$ 717,388 2,183,563
	1,282,515		-	-		-		80,000	-	2,512,624
	-		-	-		62,863 68,628		-	-	6,102,017 68,628
	-		-	-		125,374		-	-	125,374
	4,276 1,602		135 7,888	 -		3,385		1,844 -	 7,165 -	 52,977 9,490
	2,005,781		8,023	 -		260,250		121,803	 161,208	11,772,061
	217,877 - 1,373,469		- - 271 -	- - - -		38,713 - 843 95,113 50,270		- - - 53,672 70,260	- - - -	38,713 4,751,166 2,045,427 148,785 2,182,585
	1,591,346		271	-		184,939		123,932		9,166,676
	414,435		7,752	 _		75,311	_	(2,129)	 161,208	 2,605,385
_	-		-	 -		(11,400)		-	 - -	 (95,400) 4,701
	_			 _		(11,400)	_	_	 	(90,699)
	414,435		7,752	-		63,911		(2,129)	161,208	2,514,686
_	2,580,742		62,552	 		1,240,623	_	732,656	 2,914,673	 21,571,619
\$	2,995,177	\$	70,304	\$ 	9	\$ 1,304,534	\$	3 730,527	\$ 3,075,881	\$ 24,086,305

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual County Gas Tax Fund**

		Original Budget		Final Budget	 Actual	<u></u> F	Variance With inal Budget
Revenues Intergovernmental Investment earnings Total revenues	\$	994,600 35,000 1,029,600	\$	994,600 35,000 1,029,600	\$ 1,046,937 3,564 1,050,501	\$	52,337 (31,436) 20,901
Expenditures Current: Public works Capital outlay		445,000 655,000		481,965 920,455	347,264 156,329		134,701 764,126
Total expenditures Excess (deficiency) of revenues over (under) expenditures		(70,400)		(372,820)	546,908		919,728
Net change in fund balance Fund Balance - beginning	<u>\$</u>	(70,400)	<u>\$</u>	(372,820)	 546,908 1,266,516	<u>\$</u>	919,728
Fund Balance - ending					\$ 1,813,424		

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Transportation Impact Fee FundFiscal Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues Investment earnings Total revenues	\$ 25,200 25,200	\$ 25,200 25,200	\$ 4,089 4,089	\$ (21,111) (21,111)
Expenditures Capital outlay Total expenditures Excess (deficiency) of revenues	599,000 599,000	760,729 760,729	129,649 129,649	631,080 631,080
over (under) expenditures Net change in fund balance	(573,800) \$ (573,800)	(735,529) \$ (735,529)	(125,560)	\$ 609,969 \$ 609,969
Fund Balance - beginning			1,653,977	
Fund Balance - ending			\$ 1,528,417	

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Multimodal Impact Fee Fund

		Original Budget		Final Budget	 Actual		Variance With nal Budget
Revenues							
Licenses, permits and fees	\$	205,000	\$	205,000	\$ 237,306	\$	32,306
Investment earnings		23,000		23,000	3,247		(19,753)
Total revenues		228,000		228,000	240,553		12,553
	•	000 000	•	000 000	0.40 550	•	40.550
Net change in fund balance	\$	228,000	\$	228,000	240,553	\$	12,553
Fund Balance - beginning					 967,941		
Fund Balance - ending					\$ 1,208,494		

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Construction Services Fund

	 Original Budget		Final Budget	 Actual		Variance With inal Budget
Revenues Licenses, permits and fees Intergovernmental Interfund charges Investment earnings Total revenues	\$ 1,900,000 - 100,000 2,000,000	\$	1,900,000 - 100,000 2,000,000	\$ 1,752,255 25,008 - 17,161 1,794,424	\$	(147,745) 25,008 - (82,839) (205,576)
Expenditures Current: Economic development Capital outlay Total expenditures Excess (deficiency) of revenues over (under) expenditures	 1,891,200 65,000 1,956,200 43,800	_	1,897,721 65,000 1,962,721 37,279	 1,826,436 54,938 1,881,374 (86,950)		71,285 10,062 81,347 (124,229)
Other Financing Sources/(Uses) Transfers out Sale of capital assets Total other financing sources (uses) Net change in fund balance	\$ (223,000) - (223,000) (179,200)	\$	(223,000) - (223,000) (185,721)	 (34,600) 4,701 (29,899) (116,849)	\$	188,400 4,701 193,101 68,872
Fund Balance - beginning Fund Balance - ending				\$ 6,703,502 6,586,653		

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual Stormwater Fund**

	 Original Budget	 Final Budget	 Actual	<u></u> F	Variance With Final Budget
Revenues					
Intergovernmental	\$ 56,900	\$ 56,900	\$ 78,164	\$	21,264
Charges for services	5,797,900	5,797,900	6,039,154		241,254
Interfund charges	-	-			-
Investment earnings	 40,000	 40,000	 8,111		(31,889)
Total revenues	 5,894,800	 5,894,800	 6,125,429		230,629
Expenditures Current:					
Public works	4,553,000	4,849,961	4,403,902		446,059
Capital outlay	 2,094,700	 2,488,174	 347,670		2,140,504
Total expenditures	 6,647,700	 7,338,135	 4,751,572		2,586,563
Excess (deficiency) of revenues					
over (under) expenditures	 (752,900)	 (1,443,335)	 1,373,857		2,817,192
Other Financing Sources/(Uses)					
Transfers out	(313,500)	(313,500)	(49,400)		264,100
Sale of capital assets	 50,000	 50,000	 (40, 400)		(50,000)
Total other financing sources (uses)	 (263,500)	 (263,500)	 (49,400)		214,100
Net change in fund balance	\$ (1,016,400)	\$ (1,706,835)	1,324,457	\$	3,031,292
Fund Balance - beginning			 3,448,437		
Fund Balance - ending			\$ 4,772,894		

CITY OF LARGO, FLORIDA Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual ARPA Covid Relief**

	Origina Budge		Final Budget	Actua	Variance With I Final Budget
Revenues Investment earnings Total revenues	\$	<u>-</u> \$	<u>-</u>	\$	<u>-</u> \$ <u>-</u>
Net change in fund balance	\$				- \$ -
Fund Balance - beginning					<u>-</u>
Fund Balance - ending				\$	<u>-</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Community Redevelopment Agency Fund Fiscal Year Ended September 30, 2021

		Original Budget		Final Budget	 Actual	F	Variance With inal Budget
Revenues							
Taxes	\$	700,400	\$	700,400	\$ 717,388	\$	16,988
Intergovernmental		1,342,600		1,342,600	1,282,515		(60,085)
Interfund charges		-		-	4 070		- (FF 704)
Investment earnings Other		60,000		60,000	4,276 1,602		(55,724) 1,602
Total revenues	_	2,103,000	_	2,103,000	 2,005,781		(97,219)
Expenditures							
Public works		2,500		2,500	-		2,500
Economic development		399,400		402,502	217,877		184,625
Capital outlay		2,458,200		2,920,586	 1,373,469		1,547,117
Total expenditures		2,860,100		3,325,588	 1,591,346		1,734,242
Excess (deficiency) of revenues over (under) expenditures		(757,100)		(1,222,588)	414,435		1,637,023
over (under) expenditures		(737,100)		(1,222,300)	 414,433		1,037,023
Other Financing Sources/(Uses)							
Transfers out		(36,600)		(36,600)	 		36,600
Total other financing sources (uses)		(36,600)		(36,600)	 		36,600
Net change in fund balance	\$	(793,700)	\$	(1,259,188)	414,435	\$	1,673,623
Fund Balance - beginning					 2,580,742		
Fund Balance - ending					\$ 2,995,177		

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Pinellas County Housing Authority Fund Fiscal Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues Investment earnings	\$ -	\$ -	\$ 135	\$ 135
Other Total revenues	7,900 7,900	7,900 7,900	7,888 8,023	(12) 123
Expenditures Current: Economic development Total expenditures Excess (deficiency) of revenues over (under) expenditures	6,700 6,700 1,200	6,700 6,700 1,200	271 271 7,752	6,429 6,429 6,552
Net change in fund balance	\$ 1,200	\$ 1,200	7,752	\$ 6,552
Fund Balance - beginning			62,552	
Fund Balance - ending			\$ 70,304	

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Neighborhood Stabilization Program 2 Fiscal Year Ended September 30, 2021

	ginal dget	 inal dget	Ac	tual	W	ance ith Budget
Revenues Intergovernmental Current: Total revenues	\$ - <u>-</u>	\$ - -	\$	- 	\$	- <u>-</u>
Net change in fund balance	\$ 	\$ 		-	\$	
Fund Balance - beginning						
Fund Balance - ending			\$			

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Program Special Revenue Fund

	 Original Budget		Final Budget	 Actual	Variance With nal Budget
Revenues Intergovernmental Charges for services Fines Contributions and donations Investment earnings Total revenues	\$ 3,000 96,500 96,000 32,000 18,200 245,700	\$	3,000 96,500 96,000 32,000 18,200 245,700	\$ 62,863 68,628 125,374 3,385 260,250	\$ (3,000) (33,637) (27,372) 93,374 (14,815) 14,550
Expenditures Current: Public safety Economic development Culture and recreation Capital outlay Total expenditures Excess (deficiency) of revenues over (under) expenditures	 38,500 5,000 229,300 5,000 277,800 (32,100)		82,826 5,000 240,277 107,000 435,103 (189,403)	 38,713 843 95,113 50,270 184,939 75,311	44,113 4,157 145,164 56,730 250,164 264,714
Other Financing Sources/(Uses) Transfers out Total other financing sources (uses)	(11,400) (11,400)		(11,400) (11,400)	(11,400) (11,400)	- <u>-</u> -
Net change in fund balance Fund Balance - beginning Fund Balance - ending	\$ (43,500)	<u>\$</u>	(200,803)	\$ 63,911 1,240,623 1,304,534	\$ 264,714

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Tree Fund

		Original Budget		Final Budget		Actual	F	Variance With inal Budget
Revenues Licenses, permits and fees	\$	100,000	\$	100,000	\$	39.959	\$	(60,041)
Intergovernmental	Ψ	197,100	Ψ	197,100	Ψ	80,000	Ψ	(117,100)
Investment earnings		15,000		15,000		1,844		(13,156)
Total revenues		312,100		312,100		121,803		(190,297)
Expenditures								
Culture and recreation		120,000		137,065		53,672		83,393
Capital outlay		234,100		264,545		70,260		194,285
Total expenditures		354,100		401,610		123,932		277,678
Excess (deficiency) of revenues		(40,000)		(00.540)		(0.400)		07.004
over (under) expenditures		(42,000)		(89,510)		(2,129)		87,381
Net change in fund balance	\$	(42,000)	\$	(89,510)		(2,129)	\$	87,381
Fund Balance - beginning						732,656		
Fund Balance - ending					\$	730,527		

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Parkland Dedication Fund

	 Original Budget		Final Budget	 Actual	F	Variance With inal Budget
Revenues						
Licenses, permits and fees Investment earnings	\$ 100,000 49,000	\$	100,000 49,000	\$ 154,043 7,165	\$	54,043 (41,835)
Total revenues	 149,000		149,000	 161,208		12,208
Expenditures						
Capital outlay	400,000		400,000	-		400,000
Total expenditures	 400,000		400,000	-		400,000
Excess (deficiency) of revenues over (under) expenditures	(251,000)		(251,000)	161,208		412,208
over (under) experiantares	 (201,000)	-	(201,000)	 101,200		+12,200
Net change in fund balance	\$ (251,000)	\$	(251,000)	161,208	\$	412,208
Fund Balance - beginning				 2,914,673		
Fund Balance - ending				\$ 3,075,881		

CITY OF LARGO, FLORIDA Combining Balance Sheet Nonmajor Capital Project Funds September 30, 2021

	ortation Projects	echnology oital Projects	C	city Hall Capital Project		Total Nonmajor Capital Projects Funds
Assets Cash and investments Recievables:	\$ -	\$ 483,961	\$	-	\$	483,961
Accrued interest	_	 206				206
Total assets	\$ 	\$ 484,167	\$	-	\$	484,167
Liabilities Accounts payable Due to other funds	\$ 124,648 12,586	\$ 104 -	\$	- 4,415,104	\$	124,752 4,427,690
Total Liabilities	137,234	104		4,415,104	_	4,552,442
Fund balances Restricted Unassigned	- (137,234)	484,063 -		- (4,415,104)		484,063 (4,552,338)
Total fund balances	(137,234)	 484,063		(4,415,104)		(4,068,275)
Total liabilities, deferred inflows and fund balances	\$ 	\$ 484,167	\$		\$	484,167

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Project Funds

	Transportation Capital Projects	Technology Capital Projects	City Hall Capital Project	Total Nonmajor Capital Projects Funds
Revenues Investment earnings Other Total revenues	\$ 553 260 813	\$ 396	\$ <u>-</u>	\$ 949 260 1,209
Expenditures Current: General government Public works Capital outlay	27,609 990,991	15,000 - 244,949	- - 4,415,104	15,000 27,609 5,651,044
Total expenditures	1,018,600	259,949	4,415,104	5,693,653
Excess (deficiency) of revenues over (under) expenditures	(1,017,787)	(259,553)	(4,415,104)	(5,692,444)
Other financing sources/(uses) Transfers in	30,100	-	<u>-</u>	30,100
Total other financing sources/(uses)	30,100			30,100
Net change in fund balances	(987,687)	(259,553)	(4,415,104)	(5,662,344)
Fund balances - beginning	850,453	743,616		1,594,069
Fund balances - ending	\$ (137,234)	\$ 484,063	\$ (4,415,104)	\$ (4,068,275)

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Transportation Capital ProjectsFiscal Year Ended September 30, 2021

	Original Budget		Final Budget		Actual	 Final Budget Variances Positive (Negative)
REVENUES						
Investment earnings	\$ 50,000	\$	50,000	\$	553	\$ (49,447)
Other	 12,300	_	12,300		260	 (12,040)
Total revenues	 62,300	_	62,300	_	813	 (61,487)
EXPENDITURES						
Public works	-		-		27,609	(27,609)
Capital outlay	 186,700	_	2,302,968	_	990,991	1,311,977
Total expenditures	 186,700	_	2,302,968	_	1,018,600	 1,284,368
Excess (deficiency) of revenues over (under) expenditures	 (124,400)	_	(2,240,668)		(1,017,787)	1,222,881
OTHER FINANCING SOURCES/(USES)						
Transfers in	 30,100	_	30,100	_	30,100	
Total other financing sources/(uses)	 30,100	_	30,100		30,100	
Net change in fund balance	\$ (94,300)	\$	(2,210,568)	=	(987,687)	\$ 1,222,881
Fund Balance - beginning				_	850,453	
Fund Balance - ending				\$	(137,234)	

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual**

Technology Capital Projects
Fiscal Year Ended September 30, 2021

	iginal udget	Final Budget	Actual		Final Budget Variances Positive (Negative)
REVENUES					
Investment earnings	\$ \$		\$ 396	\$	396
Total revenues	 <u> </u>	-	396		396
EXPENDITURES					
General government	-	-	15,000		(15,000)
Capital outlay	 <u> </u>	700,000	244,949		455,051
Total expenditures	 	700,000	259,949		440,051
Net change in fund balance	\$ <u> </u>	(700,000)	(259,553)	\$	440,447
Fund Balance - beginning			743,616	-	
Fund Balance - ending			\$ 484,063		

Schedule of Revenues, Expenditures and Changes in Fund Balances **Budget and Actual** City Hall Capital Project Fiscal Year Ended September 30, 2021

	 Original Budget	 Final Budget	Actual	Final Budget Variances Positive (Negative)
EXPENDITURES				
Capital outlay	\$ -	\$ 5,900,000	\$ 4,415,104	\$ 1,484,896
Total expenditures	 -	 5,900,000	 4,415,104	 1,484,896
Net change in fund balance	\$ -	\$ (5,900,000)	(4,415,104)	\$ 1,484,896
Fund Balance - beginning			 	
Fund Balance - ending			\$ (4,415,104)	

CITY OF LARGO, FLORIDA Combining Balance Sheet Nonmajor Debt Service Funds

September 30, 2021

	De	bt Service	tal Nonmajor ebt Service Funds
Assets			
Cash and investments	\$	37,651	\$ 37,651
Total assets	<u>\$</u>	37,651	\$ 37,651
Fund balances Restricted	\$	37,651	\$ 37,651
Total fund balances		37,651	 37,651

Combining Statement of Revenues, Expenditures and Changes in Fund Balances **Nonmajor Debt Service Funds**

		Debt Service		Total Nonmajor Debt Service Funds
Expenditures				
Principal	\$	488,221	\$	488,221
Interest	_	27,428	_	27,428
Total expenditures	_	515,649		515,649
Excess (deficiency) of revenues over expenditures		(515,649)		(515,649)
Other financing sources (uses)				
Transfers in		553,300		553,300
Total other financing sources (uses)	_	553,300		553,300
Excess (deficiency) of revenues over (under) expenditures		37,651	_	37,651
Fund balances - beginning		-		-
Fund balances - ending	\$	37,651	\$	37,651

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual **Debt Service Fund**

	_	Original Budget		Final Budget	 Actual		Final Budget Variances Positive (Negative)
EXPENDITURES							
Principal	\$	1,091,700	\$	1,091,700	\$ 488,221	\$	603,479
Interest		-			 27,428		(27,428)
Total expenditures	_	1,091,700		1,091,700	 515,649		576,051
Excess (deficiency) of revenues over (under) expenditures		(1,091,700)		(1,091,700)	 (515,649)	_	576,051
OTHER FINANCING SOURCES (USES)							
Transfers in		691,700		691,700	553,300		(138,400)
Capital project loan		400,000	_	400,000	 -	_	(400,000)
Total other financing sources (uses)		1,091,700		1,091,700	 553,300	_	(538,400)
Net change in fund balance FUND BALANCES:	\$	<u>-</u>	\$	<u>-</u>	37,651	<u>\$</u>	37,651
Fund Balance - beginning					 		
Fund Balance - ending					\$ 37,651	:	



City of Largo, Florida Internal Service Funds

September 30, 2021

Internal Service Funds. An internal service fund is established to finance and account for goods and services provided by a department to other departments within the City on a cost-reimbursement basis. Revenue in these funds is primarily derived from charges to other City funds for services rendered.

The Fleet Services Fund is responsible for the maintenance and repair of vehicles and heavy equipment owned by the City.

The Risk Management Fund is responsible for the administration of the City's risk-retention activities and purchased insurance activities, including health care, dental, workers' compensation, property, liability, medical malpractice and unemployment compensation.

CITY OF LARGO, FLORIDA Combining Statement of Net Position Internal Service Funds

September 30, 2021

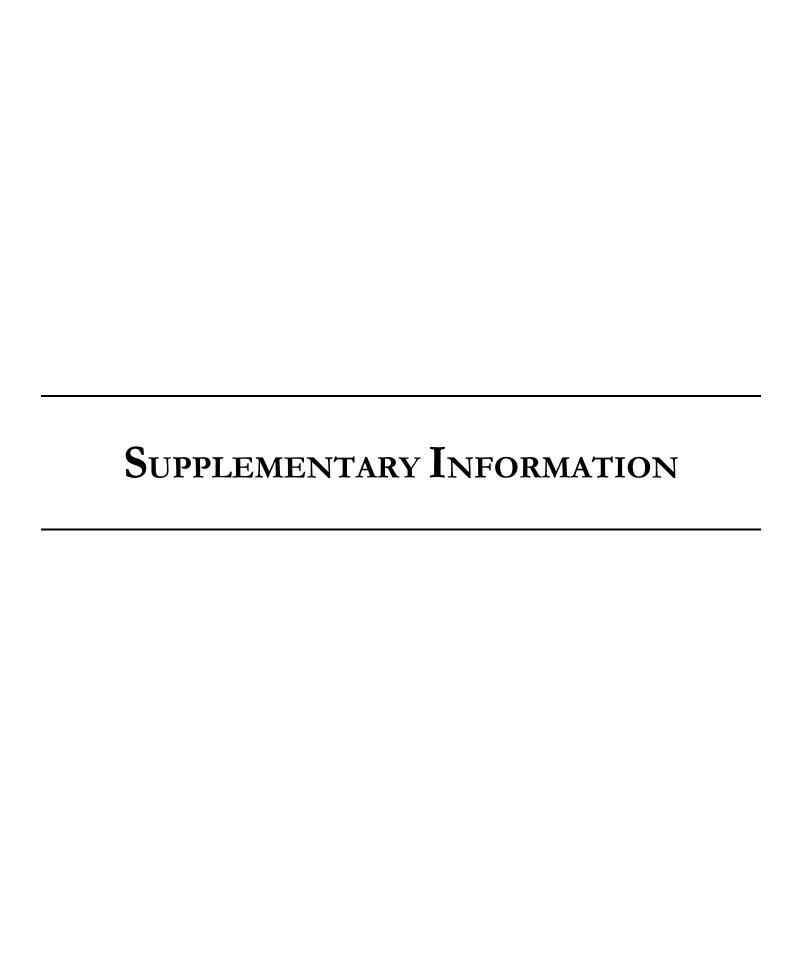
Assets	F	eet Services		Risk Management		Total
Current assets						
Cash and investments	\$	1,249,374	\$	4,649,793	\$	5,899,167
Accrued interest receivable	Ψ	3,366	φ	13,335	Ψ	16,701
Accounts receivable, billed, net		3,300		4,195		4,195
Other receivables		368		43,004		43,372
Inventories, at cost		58,173				58,173
Prepaid expenses and deposits		-		772,129		772,129
Total current assets		1,311,281		5,482,456		6,793,737
Capital assets		1,511,201		3,402,430	-	0,793,737
Improvements other than buildings		78,291		-		78,291
Machinery and equipment		494,257		-		494,257
Intangible assets		1,723		12,061		13,784
Less accumulated depreciation		(383,768)		(5,528)		(389,296)
Total capital assets		190,503		6,533		197,036
Deferred Outflows						
Deferred outflow-OPEB		111,735		41,874		153,609
Total assets		1,613,519		5,530,863		7,144,382
Liabilities Current liabilities						
Accounts payable		99,363		294,347		393,710
Accrued payroll and vacation		37,677		67,730		105,407
Total current liabilities		137,040		362,077		499,117
Noncurrent liabilities						
Unearned revenue		-		187,656		187,656
Estimated claims and contracts payable		-		2,410,000		2,410,000
OPEB Liability		362,178		135,563		497,741
Long-term debt		53,264		29,807		83,071
Total noncurrent liabilities		415,442		2,763,026		3,178,468
Deferred Inflow-OPEB		19,504		7,300		26,804
Total liabilities		571,986		3,132,403		3,704,389
Net position						
Net investment in capital assets		190,504		6,533		197,037
Unrestricted		851,029		2,391,927		3,242,956
Total net position	\$	1,041,533	\$	2,398,460	\$	3,439,993
	<u> </u>	.,,	<u> </u>	=,,		-, ,

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds

	FI	eet Services	 Risk Management	 Total
Operating revenues Charges for services	\$	2,597,372	\$ 15,249,611	\$ 17,846,983
Total operating revenues		2,597,372	 15,249,611	 17,846,983
Operating expenses Personnel services Cost of goods sold Contractual services Supplies		1,145,714 353,685 25,044 699,962	556,001 - 232,205 483	1,701,715 353,685 257,249 700,445
Repairs and maintenance Utilities Professional services Fuel Charges by the Fleet Services Fund		245,892 11,136 1,360 8,362 2,879	5,150 - 533,652 - -	251,042 11,136 535,012 8,362 2,879
Charges by the General Fund Charges by the Risk Management Fund Depreciation and amortization Claims Insurance Other		146,400 27,300 31,326 - - 35,820	22,500 - 1,206 1,852,461 13,133,879 28,962	168,900 27,300 32,532 1,852,461 13,133,879 64,782
Total operating expenses		2,734,880	16,366,499	 19,101,379
Operating income (loss)		(137,508)	(1,116,888)	(1,254,396)
Nonoperating revenues Investment earnings Gain or loss on disposal of capital assets Grants Other, net Total nonoperating revenues		3,229 368 5,222 2,117 10,936	 11,579 - - 4,160 15,739	 14,808 368 5,222 6,277 26,675
Change in net position		(126,572)	(1,101,149)	(1,227,721)
Total net position - beginning		1,168,105	3,499,609	 4,667,714
Total net position - ending	\$	1,041,533	\$ 2,398,460	\$ 3,439,993

CITY OF LARGO, FLORIDA Combining Statement of Cash Flows **Internal Service Funds**

	Fle	eet Services	M	Risk anagement		Total
Operating activities						
Cash received from customers	\$	3,760,083	\$	14,017,572	\$	17,777,655
Cash received from internal departments	Ψ	-	*	1,624,200	*	1,624,200
Cash paid to employees		(1,095,752)		(511,698)		(1,607,450)
Cash paid to vendors		(2,523,184)		(16,564,771)		(19,087,955)
Cash paid for internal services		(197,200)		(22,500)		(219,700)
Net cash provided by (used in)		_		_		
operating activities		(56,053)		(1,457,197)		(1,513,250)
Noncapital financing activities						
Cash received from granting agencies		5,222				5,222
Net cash provided (used) by noncapital						
financing activities		5,222		-		5,222
Capital and related financing activities						
Sale of capital assets		2,485		-		2,485
Acquisition of capital assets		(12,980)				(12,980)
Net cash provided by (used in) capital and		(40.405)				(40.405)
related financing activities	-	(10,495)			-	(10,495)
Investing activities		5.004		07.040		00.044
Investment earnings		5,601		27,310		32,911
Net cash provided by investing activities		5,601		27,310	-	32,911
Net increase (decrease) in cash						
investments		(55,725)		(1,429,887)		(1,485,612)
Cash and investments						
Beginning of year		1,305,099		6,079,680		7,384,779
End of year	\$	1,249,374	\$	4,649,793	\$	5,899,167
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities Operating income (loss)	\$	(137,508)	\$	(1,116,888)	\$	(1,254,396)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Other revenue		_		4,160		4,160
Depreciation and amortization		31,326		1,206		32,532
(Increase)/decrease in assets and						
increase/(decrease) in liabilities:						
Accounts receivable		(368)		805		437
Due from other funds				47,009		47,009
Inventories		19,166		-		19,166
Prepaid expenses and other assets		(10 621)		9,890		9,890
Accounts payable Accrued payroll and vacation		(18,631) 49,962		(163,722) 62,349		(182,353) 112,311
Unearned revenue		45,50∠		(474,006)		(474,006)
Estimated claims payable		-		172,000		172,000
Total adjustments	-	81,455		(340,309)	-	(258,854)
Net cash provided by (used in) operating activities	\$	(56,053)	\$	(1,457,197)	\$	(1,513,250)



CITY OF LARGO, FLORIDA Supplemental to Financial Statements

September 30, 2021

Notes to Schedule of Revenue and Expenditures and Changes in Reserves -Largo, Belleair Bluffs and High Point Fire Districts and Emergency Medical Services

General

The accompanying Schedules of Revenues and Expenditures and Changes in Reserves for the Largo Fire District, Belleair Bluffs Fire District and the High Point Fire and Emergency Medical Services District present the activity used in support of fire and emergency related activities.

Supplemental Financial Information

In accordance with the Pinellas County Home Rule Charter and Chapter 62, Article II of the Pinellas County code and the Fire Services Agreement, funds provided by Pinellas County to the Contractor (the City of Largo) can only be used in support of fire related activities. Therefore, a proportional share of any unspent balance at the conclusion of a fiscal year must be returned to Pinellas County where these funds will be retained in a discrete special fund for the Fire Districts. The return of these funds will be accomplished through a reduction to the subsequent year support funding provided by Pinellas County to the Contractor.

In accordance with Section 409(a), the information below is provided so the results of line 7 and the supporting annual audit may be used to adjust the subsequent year's payments from Pinellas County to the Contractor.

All references are only to the Fire Districts, and do not include any revenues or expenditures associated with EMS. State Law and County Code forbid the use of fire funds for EMS purposes or EMS funds for fire purposes, (i.e., fire funds cannot be used to purchase rescue units, attend EMS related conferences, pay for membership in EMS organizations, or to pay salaries and benefits of EMS personnel, etc.)

				Districts		
	'	Largo	Be	lleair Bluffs	Н	ligh Point
Total Expenditures by Contractor	\$	18,819,146	\$	2,069,416	\$	3,152,960
Other Funding Sources		_	'			_
EMS		5,576,151		699,328		1,224,405
EMS and Fire Rescue Vehicles		574,930		-		-
Hazmat		46,037		5,774		10,109
Tech Rescue Reimbursement		137,837		17,287		30,266
CME Reimbursement		30,972		3,884		6,801
Covid Vaccine Reimbursement		138,935		19,848		39,696
State Pension		492,666		70,381		140,762
City of Belleair Bluffs		342,282		-		-
Town of Belleair		-		649,794		-
Fire Inspections Fees		115,051		-		-
Plan Review Fees		268,794		-		-
State Education Incentive		43,497		6,502		9,405
Total Other Funding Sources		7,767,152		1,472,798		1,461,444
Net Outlay by Contractor		11,051,994		596,618		1,691,516
Pinellas County Percentage of District		14.44%		62.75%		73.91%
Total Pinellas County Share		1,595,908		374,378		1,250,200
Amount Paid to City by Pinellas County		1,411,163		470,225		1,399,345
Total Due to Pinellas County (overexpended)	\$	(184,745)	\$	95,847	\$	149,145

CITY OF LARGO, FLORIDA Schedule of Revenue and Expenditures and Changes in Reserves -**Largo Fire and Emergency Medical Services**

Fiscal Year Ended September 30, 2021 and 2020

		2021			2020	
	5		Variance favorable			Variance favorable
Davianus	Budget	Actual	(unfavorable)	Budget	Actual	(unfavorable)
Revenue County:						
Fire EMS	\$ 1,432,600 5,524,600	\$ 1,411,163 5,576,151	\$ (21,437) 51.551	\$ 1,454,600 5,085,500	\$ 1,267,729 5,078,659	\$ (186,871) (6,841)
Capital Contribution	1,296,000	574,930	(721,070)	205,000	8,280	(196,720)
State:						
Pension contribution Education incentive	508,000 40,400	492,666 43,497	(15,334) 3,097	437,100 41,800	488,519 44,870	51,419 3,070
Hazmat, Tech Rescue, CME and Other reimbursement	163,000	214,846	51,846	124,100	119,890	(4,210)
Municipality: Belleair Bluffs mgmt. contract	335,800	342,282	6,482	330,300	325,983	(4,317)
Town of Belleair mgmt. contract Current	- 14,401,921	- 10,163,611	(4,238,310)	10,748,632	9,089,549	(1,659,083)
Total revenue	23,702,321	18,819,146	(4,883,175)	18,427,032	16,423,479	(2,003,553)
Expenditures General Fund:						
Salaries and benefits	14,819,200	14,155,150	664,050	14,090,200	13,446,054	644,146
Operating Capital outlay	2,051,572 55,000	1,561,345 62,448	490,227 (7,448)	1,937,526 619,500	2,034,646	(97,120) 619,500
Local Option Sales Tax Fund:	,	,	(, ,	,		,
Capital outlay	6,776,549	3,040,203	3,736,346	1,779,806	942,779	837,027
Total expenditures	23,702,321	18,819,146	4,883,175	18,427,032	16,423,479	2,003,553
Excess of revenue over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Largo Fire Reserve:			2021			2020
Reserved fund balance at beginning of year Changes to reserves			\$ 2,735,430			\$ 2,120,430 615,000
Reserved fund balance at end of year			\$ 2,735,430			\$ 2,735,430

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas. FY2021 and FY2020 reductions were \$0 and \$49,409, respectively, for previous year overpayments.

The amounts reported as reserves are held by Pinellas County.

See accompanying notes to the Schedule of Revenue and Expenditures and Changes in Reserves.

CITY OF LARGO, FLORIDA Schedule of Revenue and Expenditures and Changes in Reserves -**Belleair Bluffs Fire and Emergency Medical Services**

Fiscal Year Ended September 30, 2021 and 2020

	2021							2020						
	favo		Variance favorable nfavorable)	Budget			Actual	f	/ariance avorable ifavorable)					
Revenue														
County: Fire EMS Capital Contribution	\$	546,700 692,500	\$	470,225 699,328	\$	(76,475) 6,828	\$	425,200 665,100	\$	427,154 672,295	\$	1,954 7,195 -		
State:														
Pension contribution Education incentive Hazmat, Tech Rescue and CME		67,700 6,000		70,381 6,502		2,681 502		58,300 5,400		65,136 6,011		6,836 611		
reimbursement		15,600		26,945		11,345		17,000		13,784		(3,216)		
Municipality:														
Town of Belleair mgmt contract		637,400		649,764		12,364		626,000		618,822		(7,178)		
Current		253,100		146,270		(106,830)		301,179		190,531		(110,648)		
Total revenue		2,219,000	_	2,069,415		(149,585)		2,098,179		1,993,733		(104,446)		
Expenditures General Fund:														
Salaries and benefits		1,936,100		1,861,746		74,354		1,788,900		1,748,505		40,395		
Operating		272,900		207,669		65,231		267,079		245,228		21,851		
Capital outlay		10,000		-		10,000		42,200		-		42,200		
Local Option Sales Tax Fund: Capital outlay		_		-		_		_		_		_		
Total expenditures		2,219,000		2,069,415		149,585		2,098,179		1,993,733		104,446		
Excess of revenue over expenditures	\$		\$	-	\$		\$		\$		\$			
Bellair Bluffs Fire Reserve:						2021						2020		
Reserved fund balance at beginning of														
year					\$	624,870					\$	533,870		
Changes to reserves					•	91,000					•	91,000		
Reserved fund balance at end of year					\$	715,870					\$	624,870		

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas. FY2021 and FY2020 reductions were \$ 31,650 and \$0, respectively, for previous year overpayments.

The amounts reported as reserves are held by Pinellas County.

See accompanying notes to the Schedule of Revenue and Expenditures and Changes in Reserves.

CITY OF LARGO, FLORIDA Schedule of Revenue and Expenditures and Changes in Reserves -**High Point Fire and Emergency Medical Services**

Fiscal Year Ended September 30, 2021 and 2020

	2021							2020						
						Variance favorable						Variance avorable		
5		Budget		Actual	(u	nfavorable)		Budget		Actual	(ur	nfavorable)		
Revenue														
County: Fire	\$	1,497,000	\$	1,399,345	\$	(97,655)	Ф	1,313,400	\$	1,281,040	\$	(32,360)		
EMS	Ψ	1,214,100	Ψ	1,224,406	Ψ	10,306	Ψ	1,172,400	Ψ	1,186,582	Ψ	14,182		
Capital contribution		1,211,100		1,221,100		-		-		-				
State:														
Pension contribution		101,600		105,571		3,971		87,500		97,704		10,204		
Education incentive		8,600		9,405		805		7,800		8,627		827		
Hazmat, Tech Rescue and CME														
reimbursement		26,400		30,266		3,866		28,900		24,329		(4,571)		
Municipality:														
Current		450,100		383,967		(66,133)		495,428		393,654		(101,774)		
Total revenue		3,297,800		3,152,960		(144,840)		3,105,428		2,991,936		(113,492)		
Expenditures														
Ġeneral Fund:														
Salaries and benefits		2,968,600		2,878,269		90,331		2,766,500		2,728,168		38,332		
Operating		314,200		265,059		49,141		282,628		263,768		18,860		
Capital outlay		15,000		9,632		5,368		56,300		-		56,300		
Local Option Sales Tax Fund:														
Capital outlay														
Total expenditures	_	3,297,800	_	3,152,960		144,840		3,105,428		2,991,936		113,492		
Excess of revenue over expenditures	\$		\$		\$		\$		\$	<u>-</u>	\$			
High Point Fire Reserve:						2021						2020		
Reserved fund balance at beginning of														
year					\$	1,371,540					\$	1,371,540		
Changes to reserves						133,740						-		
Reserved fund balances at end of year					\$	1,505,280					\$	1,371,540		

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas. FY2021 and FY2020 reductions were \$ 39,757 and \$0, respectively, for previous year overpayments.

The amounts reported as reserves are held by Pinellas County and include Highpoint and East Highpoint Fire District funds.

See accompanying notes to the Schedule of Revenue and Expenditures and Changes in Reserves.



CITY OF LARGO, FLORIDA Statistical Section

This section of the City's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health. This information has not been audited by the independent auditor.

Financial Trends

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

Schedule A	Net Position by Component
Schedule B	Changes in Net Position
Schedule C	Governmental Activities Tax Revenue by Source
Schedule D	Fund Balances of Governmental Funds
Schedule E	Changes in Fund Balances of Governmental Funds
Schedule F	General Governmental Tax Revenues by Source
Schedule G	Wastewater Charges

Revenue Capacity

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

Assessed Value, Taxable Value and Estimated Actual
Value of Taxable Property
Property Tax Rates Direct and Overlapping Governments
Principal Real Property Taxpayers
Principal Personal Property Taxpayers
Property Tax Levies and Collections
Major Revenue Sources

Debt Capacity

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.

Schedule L	Ratios of Outstanding Debt by Type
Schedule M	Direct and Overlapping Governmental Activities Debt
Schedule N	Legal Debt Margin Information
Schedule O	Pledged-Revenue Coverage

CITY OF LARGO, FLORIDA Statistical Section

Economic and Demographic Information

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

Schedule P Demographic and Economic Statistics

Schedule Q Principal Employers

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.

Schedule R Full-time Equivalent City Government Employees by Function

Schedule S Operating Indicators by Function
Schedule T Capital Assets Statistics by Function

Schedule V General Information Schedule W Community Profile

Schedule X Financial Management Policies

Sources: Unless otherwise noted, the information in this section is derived from the City's comprehensive annual financial reports for the relevant year.

SCHEDULE A

CITY OF LARGO, FLORIDA Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020	2021
Governmental activities: Net invested in capital assets Restricted Unrestricted	\$ 113,597 35,520 11,033	\$ 117,811 34,495 9,690	\$ 122,265 33,541 11,350	\$ 122,159 37,313 (20,187)	\$ 124,369 41,783 (20,472)	\$ 126,873 40,747 (18,660)	\$ 134,422 36,719 (19,373)	\$ 139,175 39,309 (15,700)	\$ 145,009 40,139 (16,604)	\$ 150,905 42,272 (17,413)
Total governmental activities net position	160,150	161,996	167,156	139,285	145,680	148,960	151,768	162,784	168,544	175,764
Business-type activities: Net invested in										
capital assets	58,868	61,381	65,018	78,180	99,029	88,411	78,869	88,010	95,458	110,289
Restricted	11,866	12,386	7,406	8,390	8,992	9,114	9,378	10,388	10,820	9,025
Unrestricted	32,509	36,621	42,270	33,892	17,516	30,241	39,573	34,964	29,448	18,626
Total business-type activities										
net position	103,243	110,388	114,694	120,462	125,537	127,766	127,820	133,362	135,726	137,940
Primary government: Net invested in										
capital assets	172,465	179,192	187,283	200,339	223,398	215,284	213,291	227,185	240,467	261,194
Restricted	47,386	46,881	40,947	45,703	50,775	49,861	46,097	49,697	50,959	51,297
Unrestricted	43,542	46,311	53,620	13,705	(2,956)	11,581	20,200	19,264	12,844	1,213
Total primary government net position	\$ 263,393	\$ 272,384	\$ 281,850	\$ 259,747	\$ 271,217	\$ 276,726	\$ 279,588	\$ 296,146	\$ 304,270	\$ 313,704

FY2015 was the first year the net pension liability was required to be reported, which created a deficit in Unrestricted Net Position. The OPEB liability is also partly responsible for the deficit, because it is Notes: (1) an implicit subsidy and is not being funded.

SCHEDULE B Page 1 of 2

CITY OF LARGO, FLORIDA Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

Fiscal Year (amounts expressed in thousands)

				(dir	iodilio oxpic		abanab)			
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses Governmental activities:										
General government Public safety Public Works Economic development Culture and recreation Interest on long-term debt	\$ 6,839 37,160 10,106 4,375 14,202 554	\$ 6,736 36,352 8,372 5,603 13,517 516	\$ 6,311 35,695 8,735 5,282 14,714 447	\$ 6,650 36,685 9,253 5,121 16,118 376	\$ 7,567 39,663 8,805 5,511 15,912 298	\$ 8,273 41,291 10,088 6,855 15,882 232	\$ 9,353 44,690 10,388 7,362 16,548 160	\$ 8,937 45,615 10,551 6,400 17,482 78	\$ 10,723 50,011 11,987 6,194 16,815	\$ 11,855 51,597 12,606 6,690 17,989 27
Total governmental activities expenses	73,236	71,096	71,184	74,203	77,756	82,621	88,501	89,063	95,733	100,764
Business-type activities:										
Wastewater Solid Waste Golf Course	21,093 9,703 1,007	17,005 9,788 969	18,647 10,358 1,007	18,356 10,586 996	19,111 10,542 1,012	21,238 11,596 1,133	21,094 12,149 1,065	21,970 12,358 1,070	22,472 13,374 1,184	24,053 13,875 1,138
Total business-type activities expenses	31,803	27,762	30,012	29,938	30,665	33,967	34,308	35,398	37,030	39,066
Total primary government expenses	\$ 105,039	\$ 98,858	\$ 101,196	\$ 104,141	\$ 108,421	\$ 116,588	\$ 122,809	\$ 124,461	\$ 132,763	\$ 139,830
Program Revenues										
Governmental activities:										
Charges for services:										
General government Public safety Public works Economic development Culture and recreation Other activities	\$ 2,874 9,131 4,050 2,394 4,144	\$ 2,864 8,093 4,498 2,619 4,181	\$ 3,067 8,596 4,541 3,156 4,768	\$ 3,097 8,282 4,699 3,578 4,837	\$ 3,172 9,057 5,869 2,921 4,642	\$ 3,241 9,976 5,849 2,390 5,076	\$ 3,570 10,756 5,569 3,074 5,430	\$ 3,762 12,293 5,686 3,906 5,432	\$ 3,840 12,493 5,753 4,052 3,531	\$ 4,120 13,993 6,039 3,411 4,021
Operating grants and contributions	2,352	1,930	2,757	2,594	2,817	3,008	2,531	3,625	3,705	3,697
Capital grants and contributions	2,363	2,083	439	786	1,587	726	1,521	1,493	824	661
Total governmental activities program revenues	27,308	26,268	27,324	27,873	30,065	30,266	32,451	36,197	34,198	35,942
Business-type activities:										
Charges for services:										
Wastewater Solid Waste Golf Course	22,497 10,186 874	22,970 10,165 874	22,290 10,359 847	22,514 10,452 872	22,631 10,773 863	22,900 11,118 972	22,920 10,960 945	22,892 13,007 1,036	22,979 13,351 913	25,154 13,965 1,237
Operating grants and contributions	60	60	73	61	60	99	60	233	204	95
Capital grants and contributions	323	106	47	882	535	387	190	798	273	311
Total business-type activities program revenues	33,940	34,175	33,616	34,781	34,862	35,476	35,075	37,966	37,720	40,762
Total primary government program revenues	\$ 61,248	\$ 60,443	\$ 60,940	\$ 62,654	\$ 64,927	\$ 65,742	\$ 67,526	\$ 74,163	\$ 71,918	\$ 76,704

SCHEDULE B Page 2 of 2

CITY OF LARGO, FLORIDA Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

Fiscal Year

	_							(amo	un	ts expres	sec	d in thous	and	ds)						
	_	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021
Net (Expense)/Revenue Governmental activities Business-type activities	\$	(45,928) 2,137	\$	(44,828) 6,413	\$	(43,860) 3,604	\$	(46,330) 4,843	\$	(47,691) 4,197	\$	(52,355) 1,509	\$	(56,049) 767	\$	(52,865) 2,568	\$	(61,535) 690	\$	(64,822) 1,696
Total primary government net (expense)/revenue	\$	(43,791)	\$	(38,415)	\$	(40,256)	\$	(41,487)	\$	(43,494)	\$	(50,846)	\$	(55,282)	\$	(50,297)	\$	(60,845)	\$	(63,126)
General Revenues Governmental activities:																				
Taxes Property Utility	\$	14,595 7,224	\$	15,691 7,786	\$	16,568 8,202	\$	7,991	\$	8,382	\$	21,026 8,440	\$	24,139 8,676	\$	26,054 9,301	\$	27,593 9,788	\$	29,946 9,903
Franchise Sales & County Gas Tax Communications services Shared revenue		5,777 6,437 3,611 6,771		5,639 6,767 3,374 6,987		6,005 7,143 3,139 7,372		5,989 7,660 3,073 7,854		5,748 8,066 2,914 8,168		5,712 8,283 2,871 8,461		6,118 8,715 2,886 8,736		6,524 9,184 2,659 8,997		6,426 9,406 2,708 8,494		6,365 11,243 2,728 9,878
Investment earnings Miscellaneous Transfers in (out)		424 72		331 99		320 271		621 394 (788)		463 973 45		469 538		568 1,950		1,638 1,050		1,113 1,768		507 1,472
Demolition of City property Extraordinary/Special Item		-	_	<u>-</u>	_	-	_	<u> </u>	_	<u>-</u>	_	(164)	_	<u>-</u>	_	(280)		-	_	-
Total governmental activities		44,911	_	46,674	_	49,020	_	50,189	_	54,085	_	55,636	_	61,788	_	65,127	_	67,296	_	72,042
Business-type activities Investment earnings Miscellaneous Transfers in (out)		376 84		278 455 -		313 389		657 267 -		496 427 (45)		443 276		585 537 -		1,737 50		1,188 485 -		162 356 -
Demolition of City property Extraordinary/Special Item		-		-		-		-	_	-		-		(1,168)		(59)		-		-
Total business-type activities		460		733	_	702	_	924	_	878	_	719	_	(46)		1,728		1,673	_	518
Total primary government general revenues	\$	45,371	\$	47,407	\$	49,722	\$	51,113	\$	54,963	\$	56,355	\$	61,742	\$	66,855	\$	68,969	\$	72,560
Change in Net Position Governmental activities Business-type activities	\$	(1,017) 2,597	\$	1,846 7,146	\$	5,160 4,306	\$	3,859 5,767	\$	6,394 5,075	\$	3,281 2,228	\$	5,739 721	\$	12,262 4,296	\$	5,761 2,363	\$	7,220 2,214
Total primary government	\$	1,580	\$	8,992	\$	9,466	\$	9,626	\$	11,469	\$	5,509	\$	6,460	\$	16,558	\$	8,124	\$	9,434

SCHEDULE C

CITY OF LARGO, FLORIDA Government Activities Tax Revenue By Source **Last Ten Fiscal Years** (accrual basis of accounting)

<u>Fiscal Year</u> (amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property tax	\$ 14,595	\$ 15,691	\$ 16,567	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,055	\$ 27,593	\$ 29,946
Utility tax	7,224	7,786	8,202	7,991	8,382	8,440	8,676	9,301	9,788	9,903
Franchise tax	5,777	5,639	6,005	5,989	5,748	5,712	6,117	6,524	6,426	6,365
Sales & County Gas tax	6,437	6,767	7,143	7,660	8,066	8,283	8,715	9,184	9,406	11,243
Communications Services tax	3,611	3,374	3,139	3,073	2,914	2,871	2,886	2,659	2,708	2,728
Total	\$ 37,644	\$ 39,257	\$ 41,056	\$ 42,108	\$ 44,436	\$ 46,332	\$ 50,533	\$ 53,723	\$ 55,921	\$ 60,185

SCHEDULE D

CITY OF LARGO, FLORIDA Fund Balances of Government Funds **Last Ten Fiscal Years** (modified accrual basis of accounting)

Fiscal Year

						(am	oun	ts expres	sed	in thousa	nds	s)					
	2011	 2012(1)	_	2013		2014		2015		2016		2017		2018		2019	 2020
General Fund																	
Nonspendable	\$ 147	\$ 80	\$	56	\$	49	\$	49	\$	95	\$	59	\$	73	\$	116	\$ 219
Restricted	-	-		-		-		-		-		-		-		-	-
Committed	411	-		-		-		-		-		-		-		-	-
Assigned	10,379	7,038		6,516		7,122		6,857		5,375		5,638		5,744		5,158	10,624
Unassigned	 4,106	 5,143		4,284	_	5,337	_	4,925	_	7,204	_	9,796	_	11,284	_	17,526	 15,511
Total General Fund	\$ 15,043	\$ 12,261	\$	10,856	\$	12,508	\$	11,831	\$	12,674	\$	15,493	\$	17,101	\$	22,800	\$ 26,354
All other governmental funds																	
Nonspendable Restricted	\$ -	\$ -	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$ -
Special revenue	21,763	36,926		24,909		27,686		31,607		35,324		33,600		30,491		32,869	34,265
Capital projects	4,939	4,302		3,493		-		-		-		-		-		-	-
Committed	-	-		-		-		-		-		-		-		-	-
Assigned																	
Special revenue	81	96		123		138		135		158		175		128		99	98
Capital projects	-	-		-		-		-		-		-		-		-	-
Unassigned	 							(13)		(4)						-	
Total of all other																	
governmental funds	\$ 26,783	\$ 41,324	\$	28,525	\$	27,824	\$	31,729	\$	35,478	\$	33,775	\$	30,619	\$	32,968	\$ 34,363

Total of all other governmental funds in FY 2012 includes \$11.8M of unexpended debt proceeds for the Highland Recreation Complex construction project in the Local Option Sales Tax Fund. Total is \$29,488 without the unexpended debt proceeds. Notes:

SCHEDULE E

special items and prior period

adjustments (1)

3.6%

5.2%

CITY OF LARGO, FLORIDA **Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years** (modified accrual basis of accounting)

Fiscal Year (amounts expressed in thousands) 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 Revenues Taxes 31,821 33.470 35.102 36,150 38.753 40.611 44.542 47.201 49.538 53,448 7.292 7,262 8.151 8.617 7.720 8.282 9.321 8.937 8.556 Licenses and permits 7.190 10,994 11,071 12,079 13,371 13,905 14,474 15,934 Shared 11.997 13.363 15.301 Charges for services 16,864 16,519 17,476 17,396 19,109 20,444 21,261 23,114 21,643 24,371 Fines 456 429 424 405 390 403 348 338 794 621 2,950 2,925 3,100 3,128 3,298 3,647 3,859 3,919 4,206 Interfund charges 3.195 Special assessments 2 4 Contributions and donations 328 484 326 401 312 208 282 356 260 236 450 299 289 417 Investment earnings 557 400 508 1.496 1,168 174 Other 757 702 2.414 2,069 739 784 1,592 1,224 1,418 1,713 Total revenues 72,916 73,086 76,682 79,518 84,859 88,331 94,844 \$ 102,210 102,151 \$ 109,259 Expenditures Current: General government 6.110 6.230 5.813 6.045 6.747 \$ 7.073 8.380 \$ 7.841 9.155 9 262 Public safety 34,435 34,255 33,544 35,417 36,487 38,672 41,713 42,932 44,418 47,807 Public works 7.305 7.454 7.333 7.500 7.239 7.931 8.118 8.409 8.327 9.439 5,343 4.782 4,570 4.801 5.327 5.955 6.981 6.078 6.761 7,886 Economic development Culture and recreation 11,879 11.284 11,908 13,390 13.192 12,828 13,830 14.410 13,600 14.137 Capital outlay (1) 11,438 19,750 9,029 5,602 7,786 11,219 13,830 11,350 16,132 15,051 Principal 1.952 3.001 3.070 3.141 3.214 3.288 3 365 3.444 1.752 503 444 465 394 321 247 176 100 13 Interest 534 12 Other debt service costs 50 Total expenditures 78,956 87,290 75,732 76,290 80,313 87,213 96,393 94,564 100,157 Excess (deficiency) of revenues over (under) expenditures (6,040)(14,204)950 3,228 4,546 1,118 (1,549)7,646 1,994 5,161 Other Financing Sources (Uses) Transfers in 261 887 3,796 33 90 101 6,143 824 595 (261) (887) (33) (45) (6.143)(824)(595)Transfers out (3,796)(101)Sale of capital assets 402 455 153 Capital project loans 17,000 2.500 402 Total other financing sources (uses) 17.000 45 2.955 153 Special Item - Sale of City Property 800 Prior Period Adjustment Net Change in Fund Balances 11,760 (14,204)950 3,228 4,591 1,118 (1,549)8,048 4,949 5,314 53,586 39,382 40,332 43,560 49,269 47,720 55,768 41.826 48.151 60.717 Fund Balances - Beginning Fund Balances - Ending 48,151 47,720 53,586 39.382 40.332 43.560 49.269 55.768 60,717 66.031 Debt service as a percentage of noncapital expenditures, excluding transfers,

The capital outlay on this schedule accounts for all capital items including library books (library books are considered capital items at fund level); however, Note: (1) the capital outlay reported on the Notes to Financial Statements does not include library books. The capital outlay total used to calculate the ratio of total debt service expenditures to non-capital expenditures is the number reported in this schedule.

5.0%

4.9%

4.7%

5.3%

4.3%

4.3%

2.1%

0.6%

SCHEDULE F

CITY OF LARGO, FLORIDA **General Government Tax Revenues By Source Last Ten Fiscal Years** (modified accrual basis of accounting)

Fiscal Year

	_							(ame	ount	s express	sea i	in thousa	nus							
	_	2012		2013		2014		2015		2016		2017		2018		2019	_	2020		2021
Property Tax	\$	14,595	\$	15,691	\$	16,567	\$	17,395	\$	19,326	\$	21,026	\$	24,139	\$	26,055	\$	27,593	\$	29,946
Local Option Sales Tax		5,508		5,820		6,195		6,677		7,055		7,264		7,634		8,069		8,402		10,196
Impact Fees		271		181		378		382		442		385		603		403		384		431
Communication Tax		3,611		3,374		3,139		3,073		2,914		2,871		2,886		2,659		2,708		2,728
Utility Tax:																				
Electricity		5,894		6,398		6,764		6,522		6,849		6,846		7,058		7,678		8,128		8,191
Water		1,074		1,116		1,142		1,175		1,250		1,305		1,318		1,349		1,390		1,416
Fuel		258		267		296		297		290		285		293		283		273		286
		7,226		7,781		8,202		7,994		8,389		8,436		8,669		9,310		9,791		9,893
Franchise Tax:																				
Electricity		5,574		5,435		5,782		5,804		5,546		5,507		5,897		6,314		6,225		6,180
Gas		203		205		223		178		202		204		221		210		201		185
		5,777	_	5,640	_	6,005	_	5,982		5,748		5,711	_	6,118	_	6,524	_	6,426	_	6,365
Total	\$	36,988	\$	38,487	\$	40,486	\$	41,503	\$	43,874	\$	45,693	\$	50,049	\$	53,020	\$	55,304	\$	59,559

SCHEDULE G

CITY OF LARGO, FLORIDA Wastewater Charges Last Ten Fiscal Years

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential within City (1) (2) Fixed Cost										
Single Family	\$ 24.80	\$ 24.80	\$ 24.80	\$ 24.80	\$ 24.80	\$ 24.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 20.68
Units	11,048	11,109	11,131	11,331	11,424	11,375	11,406	11,413	11,431	11,456
Multi-family (duplex, triplex)	23.85	23.85	23.85	23.85	23.85	23.85	18.80	18.80	18.80	20.68
Units (5) High Density (apts., mobile	1,690	1,692	1,659	1,721	1,729	1,824	1,832	1,875	1,932	3,111
homes, condos)	19.35	19.35	19.35	19.35	19.35	19.35	14.10	14.10	14.10	15.51
Units (5)	27,052	27,049	27,196	27,623	27,686	27,731	27,743	27,687	27,764	26,624
Variable Charges (4)	2.12	2.12	2.12	2.12	2.12	2.12	2.30	2.30	2.30	2.53
Residential outside City (1) (2) Fixed Cost										
Single Family	31.00	31.00	31.00	31.00	31.00	31.00	23.50	23.50	23.50	25.85
Units	4,863	4,794	4,784	4,586	4,510	4,490	4,489	4,458	4,466	4,446
Multi-family (duplex, triplex)	29.80	29.80	29.80	29.80	29.80	29.80	23.50	23.50	23.50	25.85
Units	1,263	1,259	1,255	1,201	1,195	1,189	1,179	1,181	1,172	1,473
High Density (apts, mobile	0.4.00	0.4.00	04.00	04.00	04.00	04.00	47.00	47.00	47.00	40.00
homes, condos) Units	24.20	24.20	24.20	24.20	24.20	24.20	17.63	17.63	17.63	19.39
Variable Charges (4)	4,488 2.65	4,488 2.65	4,488 2.65	4,433 2.65	4,420 2.65	4,417 2.65	4,414 2.88	4,482 2.88	4,467 2.88	4,178 3.17
Valiable Charges (4)	2.00	2.03	2.03	2.05	2.00	2.03	2.00	2.00	2.00	3.17
Commercial within City										
Fixed Charge (3)	24.80	24.80	24.80	24.80	24.80	24.80	18.80	18.80	18.80	20.68
Units	2,429	2,406	2,664	2,653	2,689	2,699	2,722	2,762	2,782	2,785
Variable charge (4)	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	4.08
Commerical outside City										
Fixed Charge (3)	31.00	31.00	31.00	31.00	31.00	31.00	23.50	23.50	23.50	25.85
Units	983	984	978	973	972	970	964	959	958	959
Variable charge (4)	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	5.10

Residential monthly fixed charges include 3,000 gallons per month. Variable charges are assessed for each additional Notes: (1) 1,000 gallons per month above 3,000 gallons (maximum 8,000 gallons per month). This rate structure applies to FY 2012 -FY 2017.

Residential monthly fixed charges do not include any gallons per month. Variable charges are assessed for each 1,000 (2) gallons per month (maximum 10,000 gallons per month). This rate structure applies to FY 2018 - 2021.

Commercial monthly charges are based on water usage, plus fixed monthly charges dependent on meter size. The fixed cost rates stated in schedule are based on 5/8" or 3/4" meters.

⁽⁴⁾ Charge is per 1,000 gallons of potable water consumption.

⁽⁵⁾ Townhomes were reclassed from residential high density to residential multi-family starting in Fiscal Year 2021.

SCHEDULE H

CITY OF LARGO, FLORIDA Value, Taxable Value and Estimated Actual Value Of Taxable Property **Last Ten Fiscal Years** (amounts expressed in thousands)

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tax Year (1)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Real Property:										
Residential	\$ 2,487,294	\$ 2,498,822	\$ 2,446,905	\$ 2,738,831	\$ 3,165,507	\$ 3,520,089	\$ 3,848,917	\$ 4,257,059	\$ 4,633,759	\$ 5,003,425
Commercial	1,135,842	1,142,172	1,162,433	1,216,276	1,279,470	1,372,492	1,442,319	1,518,351	1,634,676	1,744,097
Other	552,843	425,277	575,387	602,364	662,416	674,253	672,845	692,267	723,899	770,359
Personal Property	445,267	433,694	425,073	406,829	445,876	464,699	413,328	432,364	452,905	475,230
Central Assessed	560	570	602	962	977	1,038	1,027	1,074	1,035	1,153
Property Total Assessed Value	4,621,806	4.500.535	4.610.400	4,965,262	5,554,246	6,032,571	6.378.436	6.901.115	7,446,274	7,994,264
Total Assessed value	4,021,000	4,500,535	4,610,400	4,905,202	5,554,246	0,032,571	0,370,430	0,901,115	7,440,274	7,994,204
Less Tax Exempt Value:										
Homestead	(671,498)	(637,961)	(629,278)	(626,665)	(644,290)	(653,646)	(674,838)	(688,465)	(704,938)	(730,897)
Save Our Home	(77,934)	(43,409)	(95,348)	(250,947)	(439,287)	(547,372)	(629,579)	(744,521)	(829,065)	(896,895)
Governmental	(248,383)	(255,192)	(259,283)	(270,700)	(321,257)	(315,696)	(319,892)	(330,267)	(342,902)	(365,834)
Other	(317,185)	(319,358)	(337,425)	(349,777)	(425,203)	(471,349)	(390,560)	(439,286)	(484,801)	(478,873)
Total Taxable Value	\$ 3,306,806	\$ 3,244,615	\$ 3,289,066	\$ 3,467,173	\$ 3,724,209	\$ 4,044,508	\$ 4,363,567	\$ 4,698,576	\$ 5,084,568	\$ 5,521,765
Total Direct Tax Rate (2)	4.5594	4.9999	5.2139	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200
Estimated Actual Taxable Value		\$ 5,625,669	\$ 5.763.000	\$ 6.206.578	\$ 6.942.808	\$ 7.540.714	\$ 7.973.045	\$ 8.626.394	\$ 9.307.843	\$ 9.992.830
value	\$ 5,777,258	\$ 5,025,009	\$ 5,763,000	\$ 0,200,576	\$ 6,942,606	\$ 7,540,714	\$ 7,973,045	\$ 0,020,394	\$ 9,307,643	\$ 9,992,830
Assessed Value as a										
Percentage of Actual										
Value	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Total Taxable Value as a										
Percentage of Total										
Assessed Value	72%	72%	71%	70%	67%	67%	68%	68%	68%	69%

Source: Pinellas County Property Appraiser

(1) Tax year is calendar year.

(2) Tax rate is per \$1,000 of taxable value

SCHEDULE I

CITY OF LARGO, FLORIDA Property Tax Rates Direct and Overlapping Governments(2) **Last Ten Fiscal Years** (in Mills, Per \$1,000 Assessed Valuation)

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tax Year (1)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City of Largo										
General Operating	4.5594	4.9999	5.2139	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200
Special Operating										
Total City of Largo	4.5594	4.9999	5.2139	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200
General	4.811	5.011	5.276	5.276	5.276	5.276	5.276	5.276	5.276	5.276
Health	0.062	0.062	0.062	0.062	0.062	0.062	0.083	0.083	0.083	0.083
Mosquito Control	-	-	-	-	-	-	-	-	-	-
EMS (2)	0.851	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916
Total County	5.724	5.989	6.254	6.254	6.254	6.254	6.275	6.275	6.275	6.275
Other Authorities										
School Board	8.385	8.302	8.060	7.841	7.770	7.318	7.009	6.727	6.584	6.427
Transit Authority (2)	0.730	0.730	0.730	0.730	0.730	0.750	0.750	0.750	0.750	0.750
Water Management										
General	0.393	0.393	0.382	0.366	0.349	0.331	0.313	0.296	0.280	0.267
Anclote Basin Juvenile Welfare	-	-	-	-	-	-	-	-	-	-
Board	0.834	0.898	0.898	0.898	0.898	0.898	0.898	0.898	0.898	0.898
Planning Council	0.013	0.013	0.016	0.016	0.016	0.015	0.015	0.015	0.015	0.015
Total Other Authorities	10.355	10.336	10.086	9.851	9.763	9.312	8.985	8.686	8.527	8.357
Total All Authorities	20.638	21.325	21.554	21.299	21.388	20.937	21.001	20.702	20.422	20.252

Source: Pinellas County, Florida, Tax Collector's Office

(1) Tax year is calendar year. Note:

Emergency Medical Services (EMS) and Transit Authority (PSTA) assessed on Real Property only.

SCHEDULE J

CITY OF LARGO, FLORIDA Principal Property Taxpayers September 30 Current Year and Ten Years Ago (amounts expressed in thousands)

			2021				2012	
T	T	abla Value	David	Percentage of Total Taxable Value	T	ahla Value	David	Percentage of Taxable Value
Taxpayer	_ lax	able Value	Rank	raxable value	ıax	able Value	Rank	i axable value
REAL PROPERTY								
Weingarten Realty Investors	\$	60,459	1	1.09%	\$	41,655	2	1.26%
Largo Medical Center, Inc.		56,799	2	1.03%		59,774	1	1.81%
MALF LLC		51,000	3	0.92%		N/A	N/A	N/A
/R Gateway North Holdings Ltd Ptnrshp		47,950	4	0.87%		N/A	N/A	N/A
Clearwater LL LLC		44,600	5	0.81%		N/A	N/A	N/A
PSREG Seminole Blvd Owner LP		44,100	6	0.80%		N/A	N/A	N/A
Score MF 12700 66th St N LLC		44,000	7	0.80%		N/A	N/A	N/A
ALUNF LLC		35,750	8	0.65%		N/A	N/A	N/A
P. Lease Limited Partnership		34,500	9	0.62%		20,400	4	0.62%
Bishop Pinecrest Owner LLC		33,310	10	0.60%		N/A	N/A	N/A
CNL Retirement		N/A	N/A	N/A		28,302	3	0.86%
Kimco Largo 139 Inc.		N/A	N/A	N/A		19,472	5	0.59%
Reserve at Clearwater Land Trust		N/A	N/A	N/A		17,100	6	0.52%
Houle Family LTD Partnership		N/A	N/A	N/A		16,650	7	0.50%
CH Realty IV/Largo LLC		N/A	N/A	N/A		16,150	8	0.49%
Medinvest Co. LTD Partnership		N/A	N/A	N/A		16,064	9	0.49%
Suntrust Bank		N/A	N/A	N/A		15,750	10	0.48%
Juliust Balk		IN/A	IN/A	IN/A		13,730	10	0.40 //
otal Real Property	\$	452,468		8.19%	\$	251,317		7.62%
PERSONAL PROPERTY Duke Energy Florida (1)	\$	66.197	1	1.20%	\$	38,463	1	1.16%
argo Medical Center, Inc.	Φ	28.307	2	0.51%	Ф	12,936	4	0.39%
ech Data		15,725	3	0.28%		9.027	7	0.27%
ormulated Solutions		15,725	3 4	0.26%		9,027 N/A	N/A	0.27% N/A
pectrum Sunshine State LLC		9.889	5	0.18%		N/A N/A	N/A N/A	N/A N/A
rontier Florida LLC		9,509	6	0.17%		N/A N/A	N/A N/A	N/A N/A
&F Productions		7,847	7 8	0.14% 0.13%		12,410 6,839	5	0.38%
Publix Supermarket		7,425	8 9				9	0.21%
on Media Networks Operations LLC		6,845		0.12%		6,179	10	0.19%
/istapharm		6,592	10	0.12%		N/A	N/A	N/A
/erizon Florida, LLC		N/A	N/A	N/A		23,578	2	0.71%
Gulfstream Natural Gas System LLC		N/A	N/A	N/A		16,367	3	0.49%
Brighthouse Communications		N/A	N/A	N/A		10,211	6	0.31%
Diagnostic Clinic		N/A	N/A	N/A		7,248	8	0.22%
Total Personal Property	\$	173,484		3.12%	\$	143,258		4.33%

Notes: (1) Duke Energy Florida was Florida Power Corp in 2012.

SCHEDULE K

CITY OF LARGO, FLORIDA Property Tax Levies and Collections Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year Tax Year (4)	2012 2011	2013 2012	2014 2013	2015 2014	2016 2015	2017 2016	2018 2017	2019 2018	2020 2019	2021 2020
Millage rate Gross tax levy (3) Less:	4.5594 \$ 15,077	4.9999 \$ 16,223	5.2139 \$ 17,149	5.1943 \$ 18,010	5.3705 \$ 20,001	5.3705 \$ 21,721	5.7413 \$ 25,053	5.7413 \$ 26,976	5.6200 \$ 28,575	5.6200 \$ 31,032
Discounts-net of penalties(1) Refunds/Other	524 1	564	593 1	636	710	775	894	974	1,036	1,122 5
Net tax levy	\$ 14,552	\$ 15,657	\$ 16,555	\$ 17,369	\$ 19,290	\$ 20,944	\$ 24,159	\$ 26,002	\$ 27,537	\$ 29,905
Taxes Collected within fiscal year of levy: Percentage of net levy	96.4%	97.1%	97.6%	97.9%	98.2%	98.2%	98.1%	98.4%	98.0%	98.4%
Amount Collections of delinquent taxes in subsequent years (3)	\$ 14,026 490	\$ 15,202 416	\$ 16,151 393	\$ 17,002 380	\$ 18,945 453	\$ 20,573 446	\$ 23,693 476	\$ 25,579 620	\$ 26,973 533	\$ 29,414 N/A
Total collections to date	\$ 14,516	\$ 15,618	\$ 16,544	\$ 17,382	\$ 19,398	\$ 21,019	\$ 24,169	\$ 26,199	\$ 27,506	\$ 29,414
Total percentage of net levy collected to date (2)	99.8%	99.8%	99.9%	100.1%	100.6%	100.4%	100.0%	100.8%	99.9%	98.4%

Source: Pinellas County, Florida, Tax Collector's Office and Property Appraiser's Office

Notes:

- (1) Discounts are allowed for early payments; 4% for November, 3% for December, 2% for January and 1% for February. No discount is allowed for payment in March. Penalties are assessed beginning in April.
- (2) All delinquent taxes collected area applied to the immediately prior tax year, because the County Tax Collector does not allocate delinquent taxes collected by original tax year levied. Consequently, the total collections to date percentage of the tax levy to date may be greater than 100% of the maximum collectible tax levy for a given year.
- (3) The gross tax levy numbers are recorded from the DR-403V form from the Office of the Pinellas County Property Appraiser.
- (4) Tax Year is calendar year.

SCHEDULE L

CITY OF LARGO, FLORIDA Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amounts)

	 2012	_	2013	 2014	_	2015	_	2016	_	2017	_	2018	_	2019		2020	 2021
Governmental activities																	
General obligation bonds Loans payable Internal borrowing	\$ - 24,274 -	\$	- 21,273 -	\$ - 18,204 -	\$	- 15,063 -	\$	- 11,849 -	\$	- 8,561 -	\$	5,195 -	\$	1,750 -	\$	- 2,500 -	\$ - 2,012 -
Total governmental activities (1)	24,274		21,273	18,204		15,063		11,849		8,561		5,195		1,750		2,500	2,012
Business-type activities Sewer bonds and loans (4)	9,061		6,871	6,477		3,531		24,364		63,484		75,978		79,386	1	03,279	105,441
Total primary government	\$ 33,335	\$	28,144	\$ 24,681	\$	18,594	\$	36,213	\$	72,045	\$	81,173	\$	81,136	\$ 10	5,779	\$ 107,453
Outstanding debt as a percentage of personal income (3)	3.6%		2.8%	2.0%		2.1%		3.1%		7.1%		7.3%		6.4%		8.7%	8.7%
Governmental activities Outstanding debt per capita (1)(3)	\$ 312	\$	271	\$ 229	\$	187	\$	145	\$	104	\$	62	\$	21	\$	30	\$ 24
Business-type activities Outstanding debt per capita (2)(3)	 99	_	61	 57		31		216	_	580	_	670		741		968	 995
Total outstanding debt per capita (3)	\$ 411	\$	332	\$ 286	\$	218	\$	361	\$	684	\$	732	\$	762	\$	998	\$ 1,019

Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Notes:

- All governmental activities debt prior to FY 2020 was supported by the local option sales tax and half-cent sales tax; therefore, no property tax revenue is utilized for principal or interest repayment. Governmental debt in FY 2020 is primarily being serviced by General Fund revenues with contributions from several other funds, however the half-cent sales tax is the pledged revenue.
- Business-type activities debt is partially supported by residents in the unincorporated portions of the City's sewer district; therefore, the sewer district population of approximately 105,951 was used to calculate debt per capita.
- Refer to the Statistical Schedule of Demographic and Economic Statistics for personal income and population data. Excludes personal income of unincorporated residents in sewer district.
- The City has secured loans from the State of Florida for Sewer Fund capital. The debt reported is the amount the City has borrowed by FY 2021 year-end.

SCHEDULE M

CITY OF LARGO, FLORIDA Direct and Overlapping Governmental Activities Debt As of September 30, 2021 (amounts expressed in thousands)

			Applicable to	City of Largo		
Government Unit	Out	Debt standing	Percent	А	mount	
City of Largo	\$	2,012	100%	\$	2,012	
Subtotal, Direct Debt	\$	2,012	100%	\$	2,012	
Pinellas County School Board (Overlapping) (2)	\$	6	6.0%(1)		1	
Pinellas County School Board Capital Leases (Overlapping) (2)		2,974	6.0%(1)		178	
Pinellas County (Overlapping) (2)		12,006	6.0%(1)		720	
Pinellas County Capital Leases (Overlapping) (2)		433	6.0%(1)		26	
Subtotal, Overlapping Debt	\$	15,419	6.0%	\$	925	
Total Direct and Overlapping Governmental Activities Debt	\$	17,431		\$	2,937	
Total Direct and Overlapping Governmental Activities Debt Per Capita (2) (3)				\$	35	

Source: Pinellas County, Florida; City of Largo Finance Department; University of Florida.

Notes: Applicable net debt percentage is based on ratio of City to County-wide taxable values for tax year 2020.

- The City of Largo is not responsible for the debt of the County or School Board.
- FY 2020 permanent Largo population is estimated at 83,071.

SCHEDULE N

CITY OF LARGO, FLORIDA **Legal Debt Margin Information Last Ten Fiscal Years** (amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit (1)	\$ 3,306,806	\$ 3,244,615	\$ 3,289,066	\$ 3,467,173	\$ 3,724,209	\$ 4,044,508	\$ 4,363,567	\$ 4,698,576	\$ 5,084,568	\$ 5,521,765
Total net debt										
applicable to limit	24,274	21,273	18,204	15,063	11,849	8,561	5,195	1,750	2,500	2,012
Legal debt margin (1)	\$ 3,282,532	\$ 3,223,342	\$ 3,270,862	\$ 3,452,110	\$ 3,712,360	\$ 4,035,947	\$ 4,358,372	\$ 4,696,826	\$ 5,082,068	\$ 5,519,753
Total net debt applicable to this limit as a percentage of										
debt limit	0.73%	0.66%	0.55%	0.43%	0.32%	0.21%	0.12%	0.04%	0.05%	0.04%
					Legal Debt M	argin Calcula	ation for Fisc	al Year 2021		
			Assessed value Add back: exen		ı					\$ 5,521,724 41
			Total assessed		,					\$ 5,521,765
Debit limit (100% of total assessed value) \$ Debt applicable to limit: General obligation bonds										
			Other not	tes and loans	, for repayment of	f general obligat	ion debt			2,012
				debt applicable		goneral obligat	ion debt			2,012
Legal debt margin (1)										

Notes:

- The City of Largo has not adopted a legal debt limit; however, the City Commission has traditionally practiced conservative debt issuance. Amount (1) presented is Total Taxable Value of all real property, personal property and centrally assessed property.
- (2) Includes all general government debt not supported by Enterprise Funds or special assessment.
- Pinellas County, Florida Property Appraiser's Office and applicable City records.

SCHEDULE O

CITY OF LARGO, FLORIDA Pledged-Revenue Coverage Last Ten Fiscal Years (amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Half-Cent Sales Tax	N/A	\$ 6,077								
Interest revenue	N/A									
Total revenues	N/A	6,077								
Less total operating expenses	N/A									
(excludes depreciation)										
Net revenues	N/A	6,077								
Regions Series 2020										
Debt service charges	N/A	516								
Required coverage %	N/A	1.25								
Required coverage \$	N/A	645								
Remaining net revenues	N/A	\$ 5,432								

Source: City of Largo Annual Comprehensive Financial Report for the Fiscal Years ended September 30, 2012 – 2021; and applicable bond official statements.

SCHEDULE O

CITY OF LARGO, FLORIDA Pledged-Revenue Coverage Last Ten Fiscal Years (amounts expressed in thousands)

		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021
Sewer revenue (excludes interest)	\$	22.501	¢	22.585	\$	22,371	\$	22,680	\$	22,751	Ф	23,083	\$	23,460	\$	23,012	\$	23,056	\$	25,141
,	Ψ	,	φ	,	Ψ	,	φ	,	φ	,	φ	,	φ	,	φ	,	φ	,	φ	,
Interest revenue		261		196		272		574		438		392		528		1,558		1,056		144
Total revenues		22,762		22,781		22,643		23,254		23,189		23,475		23,988		24,570		24,112		25,285
Less total operating expenses		(15,917)		(12,533)		(14,252)		(14,111)		(14,546)		(14,990)		(15,900)		(16,040)		(15,066)		(16,252)
(excludes depreciation)																				
Net revenues		6,845		10,248		8,391		9,143		8,643		8,485		8,088		8,530		9,046		9,033
Gulf Breeze loan (1):																				<u>.</u>
Debt service charges		1,297		1,298		N/A														
Required coverage %		1.25		1.25		N/A														
Required coverage \$		1,621		1,623		N/A														
Remaining net revenues		5,224		8,625		8,391		9,143		8,643		8,485		8,088		8,530		9,046		9,033
State loan (2014) (2)																				
Debt service charges		746		746		746		746		746		1,103		4,595		5,064		5,064		5,064
Required coverage %		1.15		1.15		1.15		1.15		1.15		1.15		1.15		1.15		1.15		1.15
Required coverage \$		858		858		858		858		858		1,268		5,284		5,824		5,824		5,824
Remaining net revenues	\$	4,366	\$	7,767	\$	7,533	\$	8,285	\$	7,785	\$	7,217	\$	2,804	\$	2,706	\$	3,222	\$	3,209

Source: City of Largo Annual Comprehensive Financial Report for the Fiscal Years ended September 30, 2012 - 2021; and applicable bond official statements.

Notes:

- The Gulf Breeze Loan requires a normal coverage ratio of 1.10 until additional parity debt is issued, after which a coverage ratio of 1.15 is required; however, the Florida Municipal League Loan requires a coverage ratio of 1.25 for all parity debt, which includes the Gulf Breeze Loan.
- The City is currently using a State Revolving Loan Fund for sewer projects. The payments started in FY 2019 and will have an affect on coverage ratios.

SCHEDULE P

CITY OF LARGO, FLORIDA Demographic and Economic Statistics Last Ten Fiscal Years

<u>-</u>	2012	_	2013	_	2014	_	2015	_	2016	2017	_	2018	_	2019	_	2020	_	2021
Permanent population (1)	77,836		78,488		79,431		80,747		81,587	81,966		83,526		83,737		84,574		83,071
Fire/Sewer district population (2)(7)	91,508		112,950		113,148		113,148		112,925	109,503		113,450		112,816		112,272		111,539
Total Housing units (4) Owner-occupied housing	45,072		48,722		43,003		45,889		45,689	48,881		45,788		46,370		45,879		46,962
units (4) Renter-occupied housing	19,985		20,060		19,659		19,085		18,411	22,212		21,513		21,835		21,004		21,852
units (4)	14,698		17,430		14,575		17,094		16,781	16,506		15,222		14,776		12,683		15,074
Vacant housing units (4)	10,389		11,232		8,769		9,710		10,497	10,163		9,053		9,759		12,192		10,036
Personal income											\$							
(expressed in thousands) (4)	\$ 923,679	\$	1,003,171	\$	1,236,439	\$	884,192	\$	1,168,878	\$ 1,011,753		119,385	\$	1,270,497	\$	1,214,728	\$	1,229,744
Per capita personal income (1)(4)	\$ 11,867	\$	12,781	\$	15,566	\$	10,950	\$	14,327	\$ 12,344	\$	13,402	\$	15,172	\$	14,363	\$	14,804
Median family income (4)	\$ 47,401	\$	48,845	\$	48,846	\$	48,231	\$	53,827	\$ 53,870	\$	61,433	\$	55,874	\$	60,823	\$	59,800
Median age (4)	47.6		46.8		48.2		49.0		45.1	50.1		47.3		49.8		48.9		48.7
Public school enrollment (5)	5,436		5,780		5,466		5,504		5,564	5,660		5,787		5,996		5,917		5,937
Percent high school graduate or higher (4)(6)	87.6%		87.7%		85.7%		89.5%		89.7%	91.1%		90.6%		91.3%		88.1%		90.6%
Percent bachelor's degree or higher (4)(6)	18.4%		18.8%		20.1%		21.0%		19.9%	20.8%		23.6%		23.9%		25.8%		24.0%
Unemployment rate (3)	9.4%		7.4%		6.4%		5.4%		4.6%	4.2%		3.5%		3.3%		6.3%		4.5%

Data Sources:

- (1) University of Florida (2021)
- (2) The method of estimation was changed for FY 2013. The new method uses the GIS to estimate the fire district population. Note, the Town of Belleair and City of Belleair Bluffs that contract out fire services with Largo are not included in this population total. The City provides fire and EMS services and sewer services to unincorporated portions of Pinellas County.
- (3) Florida Department of Labor (2012 2021). Bureau of Labor Statistics (www.bls.gov) (12 month average).
- (4) United States Census Bureau (2012); (2013); (2014); (2015); (2016); (2017); (2018); (2019); (2020).
- (5) Pinellas County School Board.
- (6) Includes population 25 years and older.
- (7) A new population estimate was not calculated in FY 2015.

SCHEDULE Q

CITY OF LARGO, FLORIDA Principal Employers Current Year and Ten Years Ago

	20	21 (2)		20	12 (3)	
Employer (1)	Employee Count	Rank	% of Work Force	Employee Range	Rank	% of Work Force
Pinellas Cty Sheriff's Office	2,592	1	6.1	N/A	N/A	N/A
Tech Data	2,029	2	4.8	2,500	1	6.7
Largo Medical Center	1,448	3	3.4	1,500	2	4.0
Empath Health (5)	1,144	4	2.7	900	3	2.4
City of Largo	952	5	2.2	875	4	2.3
Publix Supermarkets Inc	831	6	1.9	730	6	1.9
The Palms of Largo	655	7	1.5	N/A	N/A	N/A
SCC Soft Computer Inc	550	8	1.3	501	9	1.3
Pinellas County Schools	500	9	1.2	660	7	1.8
Vology (4)	489	10	1.1	N/A	N/A	N/A
Diagnostic Clinic	N/A	N/A	N/A	800	5	2.1
Suntasia Marketing Inc	N/A	N/A	N/A	600	8	1.6
Multiple Employers (6)	N/A	N/A	N/A	300	10	0.8

Some organizations also maintain offices outside the City of Largo with additional employees. Notes: (1)

- FY 2021 data came from the Community Development Department. (2)
- FY 2012 data came from the FY 2012 CAFR. (3)
- (4) There is not an updated employee count from FY 2020.
- Empath Health is the new name of Florida Suncoast Hospice.
- Critical Intervention Service Inc, Largo Investments and Associates LLC, Pinellas County Sheriff's Office and US Post Office.

SCHEDULE R

CITY OF LARGO, FLORIDA Full-Time Equivalent City Governmental Employees by Function **Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>FUNCTION</u>										
General Government										
Legislative	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Administration	22.33	19.33	19.33	20.48	23.58	24.58	25.58	25.58	28.58	28.58
Human Resources (2)	12.00	11.00	11.00	11.00	11.00	11.00	11.00	12.50	14.50	15.00
Finance (2)	12.40	12.40	12.60	12.60	12.60	12.60	14.60	14.50	16.50	16.00
Information Technology	19.00	19.00	20.00	21.00	25.00	27.00	28.00	28.00	30.00	30.00
Total General Government	73.73	69.73	70.93	73.08	80.18	83.18	87.18	88.58	97.58	97.58
Dublic Oxford										
Public Safety Police	198.80	195.02	195.27	197.77	200.81	203.81	203.81	208.31	208.31	211.31
Fire/Rescue	143.50	140.25	140.00	141.00	145.00	146.00	152.00	152.00	158.00	158.00
Total Public Safety	342.30	335.27	335.27	338.77	345.81	349.81	355.81	360.31	366.31	369.31
Total Fublic Salety	342.30	333.27	333.21	330.77	343.01	349.01	333.01	300.31	300.31	309.31
Environmental Services	88.25	88.25	88.25	88.10	87.25	86.25	87.25	87.25	87.25	87.25
Public Works	144.25	139.75	138.75	138.75	142.50	142.83	143.83	144.83	148.33	148.33
T done vverke	111.20	100.70	100.70	100.70	2.00	1 12.00	1 10.00	111.00	1 10.00	110.00
Community Development (1)	62.25	61.25	62.25	64.75	63.75	66.25	47.25	47.25	46.50	46.50
Engineering Services (1)	N/A	N/A	N/A	N/A	N/A	N/A	22.00	22.00	23.00	23.00
Engineering convious (1)		1477	14// (14// (14//	14// (22.00	22.00	20.00	20.00
Cultural and Recreation										
Recreation, Parks & Arts	122.81	119.24	119.14	119.79	121.08	129.75	130.55	133.36	139.86	139.86
Library	41.75	41.40	41.20	41.70	41.70	41.20	40.20	40.30	40.30	40.00
Total Cultural and Recreation	164.56	160.64	160.34	161.49	162.78	170.95	170.75	173.66	180.16	179.86
Total City	075.04	054.00	055.70	064.04	000.07	900.07	014.07	000.00	040.42	054.02
Total City	875.34	854.89	855.79	864.94	882.27	899.27	914.07	923.88	949.13	951.83

Source: City of Largo Annual Budget, Fiscal Years 2012 - 2021

The Engineering Services Department was separated from the Community Development Department in FY 2018.

FY 2020 and FY 2021 includes two temporary positions for implementation of a new ERP system.

SCHEDULE S

CITY OF LARGO, FLORIDA **Operating Indicators by Function Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>FUNCTION</u>										
Police:										
Arrests	4,387	3,535	3.055	3.145	3,302	3.099	3.409	3.061	2,250	2.880
Citations Processed	23,723	22,984	23,165	22,369	19,553	18,610	18,741	19,538	16,411	16,518
Charles 1 1000000	20,720	22,001	20,100	22,000	10,000	10,010	10,7 11	10,000	10, 111	10,010
Fire/Rescue:										
Inspections	4,918	5,294	4,321	4,230	3,024	2,666	4,186	1,937	3,272	3,359
Structure fires	102	70	71	53	45	41	22	25	92	85
EMS incidents	17,116	17,423	18,990	20,085	24,448	26,393	26,838	26,077	24,847	26,436
All other incidents	4,166	4,976	4,169	4,555	2,213	2,674	2,859	3,463	2,678	3,196
Highways and Streets:										
Street repair (linear feet)	5,010	4,850	9,807	8,423	6,855	21,983	35,123	27,709	26,685	14,044
Potholes repaired (asphalt										
usage-tons)	192	124	95	94	120	171	200	540	531	488
Sanitation (Solid Waste):										
Refuse collected (tons) (3)	74,887	79,322	77,671	81,861	84,537	84,612	82,908	81,374	88,730	91,810
Recyclables collected (tons) (3)	9,244	9,235	10,906	11,861	12,234	11,084	10,959	8,722	5,717	5,468
Recreation, Parks and Arts (2):										
Attendance:										
Recreation centers (1)	662,000	650,005	571,027	589,566	596,626	424,006	544,053	784,941	501,751	436,224
Special events (1)	111,500	125,000	130,000	215,000	175,000	142,485	130,500	128,736	70,375	25,448
Golf Course (1)	48,500	49,000	49,500	49,500	47,500	47,500	43,000	40,878	36,374	43,288
Cultural Center (1)	63,347	57,000	63,700	69,000	74,200	45,646	45,693	40,954	37,523	24,732
Parks – acres maintained (1)	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6
Stormwater:										
Stormwater Pipes										
Replaced (linear feet) Underdrain Pipes	920	995	357	80	96	158	78	988	-	-
Replaced (linear feet)	300	250	120	80	24	850	250	96	695	155
Wastewater:										
Average daily sewage										
Treatment (millions/gallons)	11.3	11.5	10.9	12.8	12.0	10.8	12.1	12.8	11.7	12.8

Notes: (1) In FY 2017 the Recreation, Parks and Arts Department started a more accurate way to track attendance.

⁽²⁾ FY 2020 and FY 2021 attendance was affected by facility closures and event cancellations, due to the Covid-19 Pandemic.

Starting in FY 2020 the yard waste recycling is reported in Refuse collected and not in Recyclables collected. (3)

SCHEDULE T

CITY OF LARGO, FLORIDA Capital Asset Statistics by Function Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FUNCTION										
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	104	107	107	107	110	116	114	113	116	125
Fire stations	5	5	5	5	5	6	6	6	6	6
Sanitation (Solid Waste):										
Collection trucks	39	39	39	39	41	40	42	44	44	44
Highways and streets:										
Streets (miles)	158	158	158	158	158	158	158.3	158.3	158.3	158.3
Traffic signals	56	56	56	56	56	56	56	56	56	56
Culture and recreation:										
Parks acreage	495	495	495	495	495	495	495	495	495	495
Parks and facilities (1)	20	20	20	20	20	20	20	20	20	20
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts (1)	2	2	2	2	2	2	2	2	2	2
Recreation centers	3	3	3	3	3	3	3	3	3	3
Performing Arts Center	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Reclaimed water:										
Miles of distribution lines	88	88	88	88	88	89	89	89	89	89
Total gallons reuse (millions/per day)	5.7	5.8	5.8	5.2	5.0	5.6	5.2	7.5	6.8	6.0
Sewer:										
Sanitary sewers (miles)	304	321	321	335	335	343	343	301	301	285
Lift stations maintained Maximum daily treatment	57	57	57	57	57	57	57	54	54	54
capacity (thousands of gallons)	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Stormwater:										
Drainage ditch/lines (miles)	132	132	132	132	132	132	132	132	132	132
City lakes and retention ponds	24	24	24	24	24	24	24	24	24	24

Notes: (1) The construction of Highland Complex temporarily removed the skate park and one set of tennis courts in FY 2012.

SCHEDULE U

CITY OF LARGO, FLORIDA MAJOR REVENUE SOURCES 2021

Municipal Revenue Sharing (General Fund)

The Municipal Revenue Sharing Act of 1972 created the Revenue Sharing Trust Fund for Municipalities. The percentage of state sales tax revenues transferred to the Revenue Sharing Trust Fund for Municipalities is 1.3653%, (General Fund), in addition to the net collections from the one-cent municipal fuel tax. Funds derived from the one-cent municipal fuel tax must be used for transportation-related expenditures.

Requirements for eligibility beyond the "minimum entitlement" include an independent annual audit, reporting finances annually to the Department of Banking and Finance, formal application for participation in the program, meeting of state standards for the hiring of police and fire fighting personnel, a minimum local tax effort based on the revenue raised by a 3 mill property tax in 1972, and complying with State procedures for the levying of property taxes.

Revenue sharing funds are allocated based on three factors: weighted population figure; sales tax collections; and relative ability to raise revenue. These three factors are added and then averaged to determine the distribution factor. All funds above the guaranteed amount are distributed to the municipalities based on the distribution factor as applied to the number of total dollars in the program available after guaranteed payments are distributed.

Effective June 3, 2003 Chapter 2003-86, Laws of Florida (HB 1813) expanded the authorized uses of the Municipal Fuel Tax to include construction, reconstruction, operation, maintenance and repair of bicycle paths and pedestrian pathways.

State Sales Tax (General Fund)

The current State Sales Tax is 6%, excluding any local option sales taxes of up to 1% (see other section on Local Infrastructure Surtax). Effective July 1, 2015 the funding of the state court system changed the percentage of the state sales tax revenues transferred to the Half-cent Sales Tax Clearing Trust Fund from 8.8854% to 8.9744%.

The amount distributed to each local government is calculated by first determining the amount of sales tax collected within each county. This amount is then divided among the county government and the municipalities within the county based on a formula which is based on various population factors. The funds may be expended for municipality-wide programs or for municipality-wide property tax or utility tax relief. The proceeds from the sales tax may be pledged for the payment of principal and interest incurred for capital projects.

Fire District Tax (General Fund)

The City provides fire protection services within a fire district established by Pinellas County. Within the unincorporated portion of the fire district, the County levies a fire district tax, the proceeds from which are remitted to the City in return for the provision of fire services. The proportion of the Fire Department budget received from the fire district tax is calculated by determining the proportion of the value of real property within the unincorporated portion of the fire district as compared to the value of real property within the entire fire district. This calculation is made by the County, which then establishes the fire district rate

Currently, the fire district tax provides approximately 14.4% of the portion of the fire department budget not supported by EMS funding or the High Point Fire District.

On October 1, 2015 the City of Belleair Bluffs and Town of Belleair entered into another Agreement for the provision of fire suppression services with the City of Largo.

High Point Fire District Tax (General Fund)

Pinellas County contracts with the City of Largo to operate one fire station and to provide fire service protection for half of the High Point Fire District. The City is reimbursed by the County for the actual cost of the provision of this service. The County derives revenue for this purpose by levying a special fire district tax within the High Point Fire District. Revenue from this source grows at the same rate as increases in the budget for this particular portion of Fire Department services.

Emergency Medical Services (EMS) Tax (General Fund)

The County levies a special tax county-wide to pay for the provision of EMS. The County then contracts with municipal fire departments, special fire districts, and private firms to provide actual EMS to County residents. Pinellas County and Largo entered into a one year contract extension commencing October 1, 2019 and ending September 30, 2024

Franchise Fees (General Fund)

Public Utilities must pay a franchise fee to the City in return for the right to use public rights-of-way for transmission lines, pipes, wires, etc. All agreements are non-exclusive franchises. A summary of franchise agreements and their rates is as follows: Gas Service - 6% of gross revenues; Electric Service - 6% of gross revenues.

Communications Services Tax (CST) (General Fund)

Effective October 1, 2001, municipalities may no longer charge a Franchise Fee or Utility Tax on any type of communication services, including telecommunications, cable TV and satellite transmissions. The CST replaces the communications services Franchise Fee and Utility Taxes.

The State's intent was to set the CST rate high enough to return revenue lost by dis-allowance of the Franchise Fee and Utility Tax. The City of Largo's FY 2002 CST rate was set by the Florida Department of Revenue at 6.12% for the first year's transition lag in receiving revenues, and was reduced to 5.62% for FY 2003 and thereafter. This does not include the 0.60% county surtax conversion rate due to the Local Option Sales Tax.

Utility Tax (General Fund)

The City levies a utility tax on the purchase of electricity, metered or bottled gas, fuel oil, and water service. This tax is levied at the state-allowed maximum of \$0.04 per gallon for fuel oil, and 10% of services provided by the remaining utilities. In accordance with State law, the utility tax does not include any fuel adjustment charges.

Library Cooperative (General Fund)

The City is a member of the Pinellas Public Library Cooperative, which provides funding to all participating municipalities in the County. Municipal libraries provide services free of charge to unincorporated County residents and other member municipalities in return for this funding. Participation in the County Cooperative also makes the City eligible to receive State Library Grants, if any, available to all county-wide library systems.

SCHEDULE U

CITY OF LARGO, FLORIDA MAJOR REVENUE SOURCES 2021

Mobile Home License Tax (General Fund)

Counties, municipalities, and school districts share proceeds from an annual license tax levied by the State on all mobile homes, park trailers, and on all travel trailers and fifth-wheel trailers exceeding 35 feet in body length. The annual license tax applies to all mobile homes located on rental lots and is collected in lieu of property taxes. The license taxes range from \$20 to \$80 depending on vehicle type and length. License fees are collected by the County Tax Collector and remitted to the State. After deducting \$1.50 of each license fee to be paid to the State General Fund and the \$1.00 surcharge, the remainder is divided equally between the district school board and the respective municipalities where such units are located or the county if the units are located in the unincorporated area.

Business Tax (General Fund)

All businesses located within the City of Largo must secure a Business Tax license. The tax is based on the type of business in which the entity is engaged and are due at the time the business begins operation and are renewed thereafter each October 1. This tax is governed by local ordinance and state law.

Property Tax (General Fund)

The Florida Constitution permits municipalities to levy a property tax, without referendum approval, to a maximum of ten mills (1 mill = \$1.00 of tax per \$1,000 of taxable value). Property assessments, exemptions and tax collections are administered by the County Property Appraiser and County Tax Collector (collections only), respectively. Homeowners may claim two \$25,000 homestead exemption on their principal place of residence. Homestead properties are also eligible for the Save Our Homes exemption, which varies according to the length of time a property is owned by each homeowner. Various other exemptions may apply to homestead properties. The taxable value properties is calculated by subtracting all exemptions from the assessed value. In FY 2021 the millage rate was 5.6200 mills. Property owners within the City of Largo also pay property taxes to Pinellas County, the Pinellas County School Board, and various special taxing districts. Total millage rates on City of Largo properties have varied from approximately 20.0 mills to 21.0 mills over the past several years.

Local Infrastructure Surtax (Local Option Sales Tax Fund)

In November, 1989, a local option one-cent sales tax was approved by referendum for a 10-year period beginning February 1, 1990. The tax was renewed by Pinellas County voters for three additional 10 year periods and will expire on December 31, 2029. Proceeds of the tax may be used only for property acquisition, new construction, improvement of infrastructure and the purchase of public safety vehicles with an estimated useful life of more than five years. This tax cannot be used for repairs, maintenance, or operating expenditures. Taxes are distributed among Pinellas County and the municipalities therein by inter-local agreement.

Local Option Gas Tax (Gas Tax Fund)

The City receives a portion of the County-wide local option gas tax, which can only be used to construct, improve, and maintain roadways. The tax is levied by Pinellas County and is distributed to the municipalities therein as provided for by an inter-local agreement. The tax is \$0.06 per gallon and will expire in FY 2028.

Stormwater Fees (Drainage Fund)

Monthly residential charges are assessed equally among all single family properties (equivalent residential unit = ERU). One ERU = \$8.91 based on 3,000 sq. ft. High-density residential charges are \$3.99 per dwelling unit. Non-Residential charges are calculated based on actual impervious surface and billed as an equivalent number of ERU's. The last rate increase was effective for all bills mailed after April 1, 2021.

Wastewater Charges (Wastewater Fund)

<u>Residential</u> – Fixed monthly charge with additional charges for each additional 1,000 gallons.

<u>Commercial</u> – Fixed monthly charge based on meter size with additional charges for each additional 1,000 gallons.

The last rate increase was effective for all bills mailed after October 1, 2020. The following schedule reflects current monthly rates.

Residential:	Wit	hin City	_(Outside City
Charge per 1,000 gallons of potable water consumption (maximum 10,000 gallons per month)	\$	2.78	\$	3.49
Fixed Monthly Charge:				
Single Family		22.75		28.44
Multi-family (Duplex, Triplex)		22.75		28.44
High Density (Apts, mobile homes and condos)		17.06		21.33
Commercial:				
Charge per 1,000 gallons of potable water consumption	\$	4.49	\$	5.61
Fixed monthly charge by meter size				
5/8" or 3/4" meter		22.75		28.44
1" meter		68.19		85.23
1-1/2" meter		136.43		170.53
2" meter		227.48		284.35
3" meter		408.98		511.23
4" meter		636.46		795.58
6" meter	1,	363.67		1,704.59
8" meter	2,	273.59	2	2,841.99

SCHEDULE U

CITY OF LARGO, FLORIDA **MAJOR REVENUE SOURCES** 2021

Reclaimed Water Charges

	١	Within City	5	outside Sewer District
Residential:				
One acre or less (per month)	\$	10.00	\$	12.50
Commercial / Industrial / Golf Course:				
(minimum 25,000 gallons per month)		28.00		35.00
Usage Fee (per 1,000 gallons)		1.10		1.35
Golf Course Usage Fee (per 1,000 gallons)		0.85		1.05

Solid Waste Collection Charges (Solid Waste Fund)

The last rate increase was effective for all bills mailed after October 1, 2018. The following schedule reflects current rates.

Curbside Collection (residential) - \$21.18 monthly

Bulk Container (dumpsters) - The monthly charge for bulk container service is based on the size of container services and the number of collections per week, as follows:

Size of Containers - Cubic Yards

Collections Per Week	2	4	6	8
1	\$ 60.00	\$ 115.00	\$ 169.00	\$ 221.00
2	127.00	245.00	359.00	468.00
3	191.00	366.00	538.00	702.00
4	254.00	488.00	718.00	936.00
5	318.00	611.00	896.00	1,170.00
6	382.00	733.00	1,076.00	1,404.00

There is a fee of \$25.00 per month for the collection of recycling front-load dumpsters once per week. An additional fee of \$25.00 per month will be assessed for collection frequencies greater than once per week. This was effective July 1, 2017.

Roll-off Containers and Roll-off Compactors - Charges include a fixed hauling fee based on container size, plus the actual cost of waste disposal (\$42.15 per ton for tipping fees).

Community Development Block Grant (CDBG Fund)

The federally funded CDBG program, created by the Housing and Community Development Act of 1974, provides funding to low and moderate income individuals for the elimination of hazardous housing The funds are also available for infrastructure conditions. improvements in designated target areas. The City's Community Development Department implements the parameters established by HUD (Department of Housing and Urban Development) and determines who qualifies for the loans. The money is then loaned to selected homeowners for the purpose of housing rehabilitation. Deferred loans are due when there is a change in title and payback loans have a maximum pay period of twenty years.

Loan repayments are available to be re-lent in accordance with program provisions, which provides a revolving pool of funds for future

State Housing Initiative Partnership Program (SHIP Fund)

The Sadowski Act approved by the Florida legislature created the SHIP program in order to provide revenues as an incentive to produce and preserve affordable housing. The SHIP program distributes a portion of documentary stamp taxes on deeds to local governments for first time home buyers' mortgage down payment assistance and owner-occupied rehabilitation.

Loan repayments are available to be re-lent in accordance with program provisions, which provides a revolving pool of funds for future vears.

HOME Investment Partnership Program (HOME Fund)

Federal funding is available through the Pinellas County Consortium for the purpose of repairing current and eminent violations, connecting utilities, and handicap modifications. HUD provides guidelines under which funds are loaned to participants within a target area. Deferred and payback loans are available in this program.

Loan repayments are available to be re-lent in accordance with program provisions, which provides a revolving pool of funds for future vears.

SCHEDULE V

CITY OF LARGO, FLORIDA **GENERAL INFORMATION**

City History

The City of Largo is located in Pinellas County on Florida's Suncoast, and is part of what is commonly referred to as the Tampa Bay Area. Largo was sited by Hernando De Soto in 1539 and was at one time part of Hillsborough County. The warm subtropical climate and sand dunes helped shape Largo into a thriving, agricultural region. Count Odet Phillipe became the first European settler on the peninsula in 1835, followed by Captain John Thomas Lowe, who established a settlement in 1872 in what is now Largo.

Originally named for its 500-acre Lake Largo, now drained, Largo became a popular meeting place and trading post after the Orange Belt railway established a midpoint station between Clearwater and St. Petersburg in 1888. During this period, Largo was one of the largest citrus shipping points in Florida and home of the Black Diamond grapefruit. Commercial shipping of citrus, turpentine and other commodities began at the turn of the century. Shortly thereafter, in 1905, Largo became a city of one square mile and 291 residents. In 1912, Largo was separated from Hillsborough County, and made part of then newly-created Pinellas County.

Largo is bound to the east by Tampa Bay and to the west by the Gulf of Mexico. Its central location, friendly atmosphere, and location between Tampa and the Gulf beaches make Largo an ideal residential community.

Demographics

Incorporated in 1905, the City of Largo has experienced remarkable growth in population over the past 40 years. In 1960, the population was 5,302. By 1970, it had increased dramatically to 22,300, partially resulting from a vigorous annexation program. The decades of the 1970s and 1980s saw a steady and substantial increase in Largo's population. By 1980, the City population was 57,688, the 14th largest city in Florida. In 1990, the population reached 65,674; however, since other areas were growing at a faster rate, Largo dropped in ranking to the 19th largest Florida city. According to the latest population estimates, Largo's population of approximately 83,071 ranks as the 30th largest in Florida.

The City of Largo has a marked concentration of elderly persons as is common in Pinellas County. Approximately 26.3 percent of the City's permanent population is 65 years old and older, with a median age of 48.7 years.

Based on the 2019 American Community Survey, the City's population is 76.1 percent white, 6.6 percent black, 11.7 percent Hispanic or Latino and 5.6 percent from other racial groups.

Largo is 19.21 square miles in size, with 93.5% of the parcels in residential uses and 6.5% in commercial / other uses.

Economic Conditions

Largo has evolved from a farming, cattle, and citrus town, once one of the largest citrus shipping points in Florida and home of the Black Diamond grapefruit, to a predominantly high-tech, service-oriented, residential community.

Many of Largo's older population are retired and receive income from pensions or other sources of retirement income. The manufacturing, retail trade, and services industries account for over two-thirds of the employment of Largo's residents.

Educational Facilities

Largo is within commuting distance of the University of South Florida (Tampa and St. Petersburg campuses), the University of Tampa (Tampa), Eckerd College (St. Petersburg), Florida Institute of Technology (St. Petersburg), Florida Metropolitan University (Tampa), Schiller International University (Largo), and St. Petersburg College (previously St. Petersburg Junior College) with locations in Largo, Seminole, St. Petersburg, Pinellas Park, Tarpon Springs and Clearwater. St. Petersburg College also hosts a Distance Learning Center at the Seminole Campus where fully accredited Bachelor degrees are offered by several Universities including Florida State, Gulf Coast University and St. Leo College. The Pinellas County School Board provides opportunities for adult education through the Pinellas County Vocational Technical Institute located in the Largo Planning District (Highpoint area).

City Government - Legislative/Executive

The City of Largo was the first city in the State of Florida to adopt the "council-manager" form of government in 1913 by referendum.

The City Commission is the legislative and governing body of the City. The non-partisan Commission consists of the Mayor and six Commissioners who are elected at-large for staggered four-year terms. The Mayor is the presiding officer of the Commission with the same voting powers as a Commissioner.

The City Commission assembles for regular public business meetings on the first and third Tuesday of every month and for public work sessions on the second Tuesday of the month. The Commission is empowered to establish City policy, to provide for the exercise of all duties and obligations imposed upon the City by the City Charter and law and to secure the general health, safety, and welfare of the City and its citizens.

The Commission discusses and adopts all ordinances and resolutions necessary to execute any of the City's powers. The Commission appoints the City Manager and approves the City Manager's appointments of City Attorney, Assistant City Manager, and City Clerk.

The Administration Department, headed by the City Manager, provides overall administrative direction and control for the City. The City Manager appoints all department directors.

SCHEDULE W

CITY OF LARGO, FLORIDA COMMUNITY PROFILE 2021

Form of Government: Commission/Manager

Date Incorporated: 1905

Area: 19.21 sq. miles

Population (estimated) (1): 83,071 permanent

Governing Body: City Commission (Mayor and 6 Commissioners elected in non-partisan, at-large

election to 4-year overlapping terms).

Administration: City Manager appointed by City Commission (5 votes required to hire and dismiss).

City Services: Full service, including police, fire/EMS, wastewater collection and treatment,

wastewater effluent disposal, solid waste collection, streets and drainage maintenance and repair, library, parks, and recreation (no water system or solid waste disposal

system).

Services Provided by Other Governments: Transit – Pinellas Suncoast Transit Authority (Buses)

Jail and Court System - Pinellas County

Water - Pinellas County

Solid Waste Disposal - Pinellas County

Traffic Planning, Signal Repair and Signal Maintenance-Pinellas County

Fire/EMS Dispatch - Pinellas County Mosquito Control - Pinellas County

Services Provided to Areas Outside City: Emergency Medical Services

Fire suppression and inspection Sanitary Sewer (wastewater)

Effluent Water

Library

Recreation, Parks and Arts

Population and Economic Characteristics (2): 84.0% 18 years of age or older; 26.3% 65 years of age or older

Median Household Income \$46,733 Median Family Income \$59,800

Location: Central-West coast of Florida near the Gulf of Mexico; in Pinellas County, northwest of

St. Petersburg and south of Clearwater, west of Tampa and in the Tampa Bay Metro

Area

Registered Voters: 55,594

Percent Voted in Last Municipal General Election: 2020 – (November) 76.3% of registered voters

Data sources: (1) University of Florida (2021)

(2) United States Census Bureau (2020)

SCHEDULE X

CITY OF LARGO, FLORIDA FINANCIAL MANAGEMENT POLICIES 2021

Operating Budget Policies

The City will pay for all current expenditures with current revenues and fund balance. The City will avoid budgetary procedures that balance current expenditures at the expense of future years, such as postponing expenditures, underestimating expenditures, overestimating revenues, or utilizing short-term borrowing to balance the budget.

The budget will provide for adequate maintenance and repair of capital assets and for their orderly replacement.

The budget will provide for adequate funding of all retirement plans based on annual actuarial studies.

The City will maintain a budgetary control system to ensure adherence to the budget.

The City Finance Department will prepare monthly reports of revenues and expenditures.

The City will update expenditure projections for each fiscal year. Projections will include estimated operating costs of future capital improvements.

Where possible, the City will integrate performance measurement, service level, and productivity indicators within the budget.

Enterprise Funds (Wastewater, Solid Waste, Golf Course) are intended to be self-supporting through user fees. However, the Golf Course Fund has received General Fund support for several years by not paying the regular administrative charge paid by all enterprise funds. Efforts are being made to return the Golf Course to profitability in the future.

The City aggressively seeks state and federal funds that are available for capital projects.

Capital Improvement Program Policies

The City will develop a five year program for capital improvements and update the program annually.

The City will enact an annual capital improvement budget based on the multi-year Capital Improvement Program.

The City will make all capital improvements in accordance with the adopted Capital Improvement Program.

The City will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with capital improvements will be projected and included in the operating budget.

The City will maintain all its capital assets at a level adequate to protect them and to minimize maintenance and replacement costs.

The City will use intergovernmental assistance to finance only those capital improvements that are consistent with the Capital Improvement Program and City priorities.

The City will identify the estimated costs and potential funding sources for each capital improvement project proposal before it is submitted to the City Commission for approval.

The City will determine the least costly financing method available for all new capital improvement projects.

Whenever possible, Local Option Sales Tax Funds will be utilized for projects that primarily benefit City residents.

Debt Policies

The City will confine long-term borrowing to capital improvement projects.

When the City finances capital projects by issuing debt, the debt will be repaid within a period not to exceed the expected useful life of the projects.

Where possible, the City will use revenue bonds instead of general obligation bonds.

The City will follow a policy of full disclosure on every financial report and bond prospectus.

Revenue Policies

The City will maintain, as permitted by State law, a diversified revenue base to mitigate the effects of short-term fluctuations in any one revenue source.

The City will estimate its annual revenues by a conservative, objective, and analytical process.

The City will project and update annually, revenues for the next five fiscal years.

Annually, the City will calculate the full cost of activities supported by user fees and consider such information when establishing user charges.

Non-recurring revenues will be used only to fund non-recurring expenditures.

Reserve Policies

The City will maintain an adequate fund balance to accommodate unanticipated expenditures, expenditures of a non-recurring nature, or unanticipated revenue declines. The City will strive to maintain an available General Fund fund balance of no less than 10% of annual expenditures.

Investment Policies

Disbursement, collection and deposit of all funds will be appropriately scheduled to ensure the timely payment of expenditures and investment of funds.

Investment objectives shall be weighted in the order of safety of principal, liquidity of funds and income generation, respectively.

SCHEDULE X

CITY OF LARGO, FLORIDA FINANCIAL MANAGEMENT POLICIES 2021

The City will maintain an appropriate diversification of portfolio assets to control the risk of loss resulting from over-concentration in a specific issuer, maturity, instrument or dealer.

The accounting system will provide regular information concerning cash positions and investment performance.

Accounting, Auditing & Financial Reporting Policies

The accounting system will maintain records on a basis consistent with Generally Accepted Accounting Principles applicable to local government.

Monthly and annual financial reports will present a summary of financial activity by major types of funds.

In accordance with state law, an independent accounting firm will perform an annual audit of the financial statements of the City and will publicly issue an opinion thereon.

Purchasing Policies

Purchases will be made in accordance with all federal, state, and municipal requirements. If there are no specific requirements, purchases will be made in the best interest of the City

Purchases will be made in an impartial, economical, competitive and efficient manner.

Purchases will be made from the lowest priced and most responsible vendor. Qualitative factors such as vendor reputation and financial condition will be considered, as well as price.

Preference will be given to purchases of like quality to vendors who maintain a place of business within the City of Largo.

Capital Improvements Element (CIE) Policies

In accordance with state growth management legislation, the City will update annually the Capital Improvements Element (CIE) of the Comprehensive Plan.

The CIE will contain multi-year projections of revenues and expenditures.

The annual budget will implement the first year of the CIE.





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**

Honorable Mayor, Members of the City Commission, and City Manager

City of Largo, Florida

Carr, Riggs & Ingram, LLC 600 Cleveland Street Suite 1000 Clearwater, FL 33755

727.446.0504 727.461.7384 (fax) CRIcpa.com

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the businesstype activities, each major fund, and the aggregate remaining fund information of the City of Largo, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 2, 2022. We have also audited the financial statements of the Largo Community Redevelopment Agency, as of and for the year ended September 30, 2021, and have issued our report thereon dated May 2, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

CARR, RIGGS & INGRAM, LLC

Can, Rigge & Ingram, L.L.C.

Clearwater, Florida May 2, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor, Members of the City Commission, and City Manager City of Largo, Florida Carr, Riggs & Ingram, LLC 600 Cleveland Street Suite 1000 Clearwater, FL 33755

727.446.0504 727.461.7384 (fax) CRIcpa.com

Report on Compliance for Each Major Federal Program

We have audited the City of Largo, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over

compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

CARR, RIGGS & INGRAM, LLC

Can, Rigge & Ingram, L.L.C.

Clearwater, Florida May 2, 2022

CITY OF LARGO, FLORIDA Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2021

Federal or State Grantor/ Pass-Through Grantor/Program	ALN #/ CSFA #	Pass-Through Entity Indentifying Grant /Loan Number	Expenditures	Amount Provided to Subrecipients
U.S. Department of Housing & Urban Development				
Direct Program: CDBG - Entitlement Grants Cluster				
Community Development Block Grants	14.218	B-20-MC-120028	893,402	226,861
COVID-19 Community Development Block Grants	14.218	COVID-19	18,916	10,416
Total Entitlement Grants Cluster			912,318	237,277
Passed Through Pinellas County Home Investment Partnerships Program (HOME)	14.239	M-20-DC-12-0217	204,654	-
Total U.S. Department of Housing and Urban Development			1,116,972	237,277
U.S. Department of Treasury Passed Through Florida Housing Finance Corporation COVID-19 Coronavirus Relief Fund	21.019	Agreement # 123-2020	327,573	16,477
Passed Through Pinellas County COVID-19 Coronavirus Relief Fund	21.019	N/A	591,616	-
Total COVID-19 Coronavirus Relief Fund			919,189	16,477
Total U.S. Department of Treasury			919,189	16,477
U.S. Department of Justice Direct Program: Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0674	27,891	-
U.S. Environmental Protection Agency Passed Through the Florida Department of Environmental Protection Capitalization Grants for Clean Water State Revolving Funds Clean Water State Revolving Funds Cluster	66.458	WW520270	8,813,094	-
U.S. Department of Transportation Passed Through Florida Department of Transportation Highway Planning and Construction Highway Planning and Construction Cluster	20.205	FP# 434496	1,182,606	
TOTAL EXPENDITURES OF FEDERAL AWARDS			12,059,752	253,754
Florida Housing Finance Corporation			45,959	
Direct Program: State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	398,020	27,655
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			443,979	27,655

See accompanying notes to schedule of expenditures of federal awards and state assistance

CITY OF LARGO, FLORIDA Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2021

(1) General

The accompanying schedules of expenditures of federal awards and state financial assistance presents the activity of all federal financial and state grant activity of the City of Largo, Florida (the "City"). Federal and state financial assistance received directly from federal and state agencies, and federal financial assistance passed through other government agencies are included on the schedules. The information in this schedule is present in accordance with the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual or accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The City has elected to not use the 10% de Minimis Indirect Cost Rate.

(3) Sub-recipients

Of the federal expenditures and state financial assistance presented in the schedule, the City of Largo, Florida provided federal and state awards to sub-recipients as follows:

Program Title	CFDA/CSFA	Amount Provided
Community Development Block Grant	14.218	\$ 237,277
Coronavirus Relief Fund	21.019	\$ 16,477
State Housing Initiave Partnership	40.901	\$ 27,655

(4) Relationship to Basic Financial Statements

Federal and state financial assistance revenue is included in the City's basic financial statements as follows:

	Intergovernmental revenue	
Federal: General fund	\$	843,464
Special revenue funds: Community Development Block Grant Home Investment Partnership Construction Services Local Option Sales Tax Community Redevelopment Agency Tree Impact Fees Stormwater Enterprise Funds: Sewer Solid Waste Golf Course Internal Service Fleet	\$	551,623 204,666 25,008 271,281 595,671 80,000 78,164 29,867 19,053 3,271
Total Federal	\$	2,702,068
State:		
Special revenue funds: State Housing Initiative Partnership		144,279
Total State	\$	144,279

CITY OF LARGO, FLORIDA Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2021

(5) Loans Outstanding

The City had the following loan balances including loan service fees outstanding at September 30, 2021. The current year additions related to the loans are included in the Schedule of Federal Awards and State Financial Assistance.

66.458 37.077	Florida Department of Environmental Protection program Florida Department of Environmental Protection program Total Loans Payable	\$ 75,603,948 34,809,930 110,413,878
14.218 14.239 52.901	Community Development Block Grant Home investment Partnership State Housing Initiative Partnership Total Loans Receivable	\$ 1,858,089 3,495,336 4,548,401 9,901,826

(6) Noncash Assistance

The City received \$0 in noncash assistance during the year ended September 30, 2021.

(7) SRF Loan

The City began construction upgrades to Biological Treatment Facilities in September 2018. A contract with the State of Florida was finalized and executed in December 2019 for this project providing funding under CFDA 66.458 with a retroactive effective date of August 2018. Expenditures incurred after the effective date were eligible for reimbursement. As of September 30, 2021, an additional \$8,813,094 has been spent or incurred on the project for a total of \$44,289,684. In December 2021 the City received Amendment 3 to the loan revising the total allowed funding amount of up to \$53,149,744.

(8) Covid-19 CARES Funding

The City entered into a funding agreement with Pinellas County to apply for federal assistance for expenditures incurred in response to the Covid-19 pandemic which began in March 2020. The grant allowed for reimbursement of eligible expenditures incurred between March and December 2020. Eligible items included personnel, personal protective equipment, costs for improving telework capabilities of public employees and public health expenses.

The City also entered into a funding agreement with the Florida Housing Finance Corporation to provide direct rental assistance, housing counceling services and relocation costs to assist eligible residents affected by the pandemic. The grant allowed for reimbursement of eligible expenditures incurred between March and December 2020 and totalled \$327,573.

CITY OF LARGO, FLORIDA **Schedule of Findings and Questioned Costs Federal Programs** Year Ended September 30, 2021

Results

Financial Statements:

1. Type of auditors' report issued

Unmodified

- 2. Internal control over financial reporting:
 - a. Material weaknesses identified?

None

- b. Significant deficiencies identified not considered to be material weaknesses?
- None Noted

c. Noncompliance material to the financial statements noted?

None

Federal Awards:

1. Type of auditors' report issued on compliance for major programs

Unmodified

- 2. Internal control over major programs:
 - a. Material weaknesses identified?

None

- b. Significant deficiencies identified not considered to be material weaknesses?
- None noted
- 3. Any audit findings disclosed that are required to be reported in accordance

with 2CFR section 200.516(a)?

None

4. Identification of major programs:

Number	Program
21.019	COVID-19 Coronavirus Relief Fund
14.218	CDBG - Entitlement Grants Cluster
20.205	Highway Planning and Construction Cluster

5. Dollar threshold used to distinguish between type A and type B programs:

\$750,000

6. Auditee qualified as low-risk auditee under 2 CFR 200.520?

Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS

None noted

<u>SECTION VI – SUMMARY OF PRIOR YEAR AUDIT FINDINGS</u>

No prior year audit findings.



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MANAGEMENT LETTER

The Honorable Mayor, Members of the City Commission and City Manager City of Largo, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Largo, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 2, 2022. We have also audited the financial statements of the Largo Community Redevelopment Agency, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 2, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of Auditor General. Disclosures in those reports and schedule, which are dated May 2, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Financial Condition and Management

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

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

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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 other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CARR, RIGGS & INGRAM, LLC

Caux Rigge & Ingram, L.L.C.

Clearwater, Florida May 2, 2022



Carr, Riggs & Ingram, LLC 600 Cleveland Street Suite 1000 Clearwater, FL 33755

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415 FLORIDA STATUES

Honorable Mayor, Members of the City Commission, and City Manager

City of Largo, Florida

We have examined City of Largo, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the City's compliance with the requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

CARR, RIGGS & INGRAM, LLC

Can, Rigge & Ingram, L.L.C.

Clearwater, Florida May 2, 2022



FINANCE DEPARTMENT

Kimball R. Adams, CPA, Director E-mail: kadams@largo.com

Phone: (727) 587-6747 Fax: (727) 586-7421

Rebecca Spuhler, Assistant Director E-mail: rspuhler@largo.com Phone: (727) 586-7443

Fax: (727) 586-7421

March 31, 2022

Re: Affidavit, F.S. Section 163.31801, Impact Fees

The City of Largo receives impact fees from other jurisdictions that are adopted by ordinance on the City's behalf. The related ordinances comply with restrictions of Section 163.31801, Florida Statutes.

Singerely,

Kimball R. Adams, CPA City of Largo, Florida

STATE OF FLORIDA COUNTY OF PINELLAS

The foregoing instrument was calmouled and	/h.f h	X	
The loregoing instrument was acknowledged	before me by mea	ns of / physical present	ce or online
The foregoing instrument was acknowledged notarization, this 3/3/3022 (date), by	rball & Amons	- FINANCE DIREctor	(name, title)
who is personally known to me or who has produc	ced City XI)		pe of identification)
as identification.			

LINDAS. SMITH Notary Public - State of Florida Commission # GG 939443 My Comm. Expires Dec 12, 2023 Bonded through National Notary Assn. Signature of Person Taking Acknowledgment

Name of Acknowledger Typed, Printed or Stamped

Serial Number (if any





