

Annual Comprehensive Financial Report

For the fiscal year ended
SEPTEMBER 30, 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

CITY COMMISSION

Dr. Woody Brown
Mayor

Michael Smith
Vice Mayor

Jamie Robinson

John L. Carroll

Eric Gerard

Donna Holck

Michael Smith

Samantha Fenger

CITY ADMINISTRATION

Henry P. Schubert
City Manager

Margaret Paluch
Assistant City Manager

Alan S. Zimmet
City Attorney

Diane Bruner, CMC
City Clerk

Rebecca Spuhler
Finance Director





City of Largo
Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2022



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INTRODUCTORY SECTION



PO Box 296
Largo, FL 33779
Largo.com

April 14, 2023

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 FY22 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 FY22 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
- Accounting, Auditing & Financial Reporting
- Revenues
- Debt
- Long-term Planning & Capital Improvements
- Purchasing
- Investments
- 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.

	Actual		Projected (FY23 millage rate is actual)				
General Fund	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Millage rate (10 mill maximum)	5.62	5.58	5.52	TBD	TBD	TBD	TBD
Property Tax Revenue Increase	8%	8%	11%	6%	6%	6%	6%
Unrestricted fund balance as % of the following year's budget	30%	24%	14%	14%	15%	18%	20%

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

Projected Increases	FY23	FY24	FY25	FY26	FY27
Stormwater (drainage)	20%	20%	20%	15%	15%
Wastewater (sewage)	10%	10%	5%	5%	5%
Reclaimed Water (sewage effluent)	-	-	-	-	-
Solid Waste Collection (garbage)	-	-	15%	-	-
Golf (subject to market constraints)	-	-	-	-	-

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

Focus on sustainable practices

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

- The Covid - 19 Coronavirus's continued affect on the economy
- Inflation rates highest in decades
- 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 FY21 and the FY22 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 2022 Budget and believes the FY 2023 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 and Office of Performance and Budget Departments. Appreciation is expressed to Jared Meyer who prepared all Statistical Schedules and assisted with preparation of the Schedule of Federal Awards and 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, year end reconciliations and assisting in preparation of the Notes to the Financial Statements.

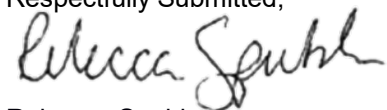
Jolanta Data and Sharon O'Neil are commended for their extensive account analysis and preparation of year-end journal entries. Appreciation is also expressed to Patricia Stopa, Katherine Oster, Noelle Sansom and Maria Encinosa who were responsible for coordinating the accurate recording of all cash transactions,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

Appreciation is also expressed to IT Assistant Director, Scott Semones, who assisted the auditors with their IT systems evaluation. William Payne, Performance and Budget Manager, along with the Management Analyst team is commended for their contributions of fund and account analysis. 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,



Rebecca Spuhler
Finance Director
City of Largo



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, 2021

Christopher P. Morrell

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Largo
Florida**

For the Fiscal Year Beginning

October 01, 2021

Christopher P. Monill

Executive Director

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**CITY OF LARGO, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2022**

City Commission

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

City Manager

Henry P. Schubert

Assistant City Manager

Margaret Paluch

City Attorney

Alan S. Zimmet

City Clerk

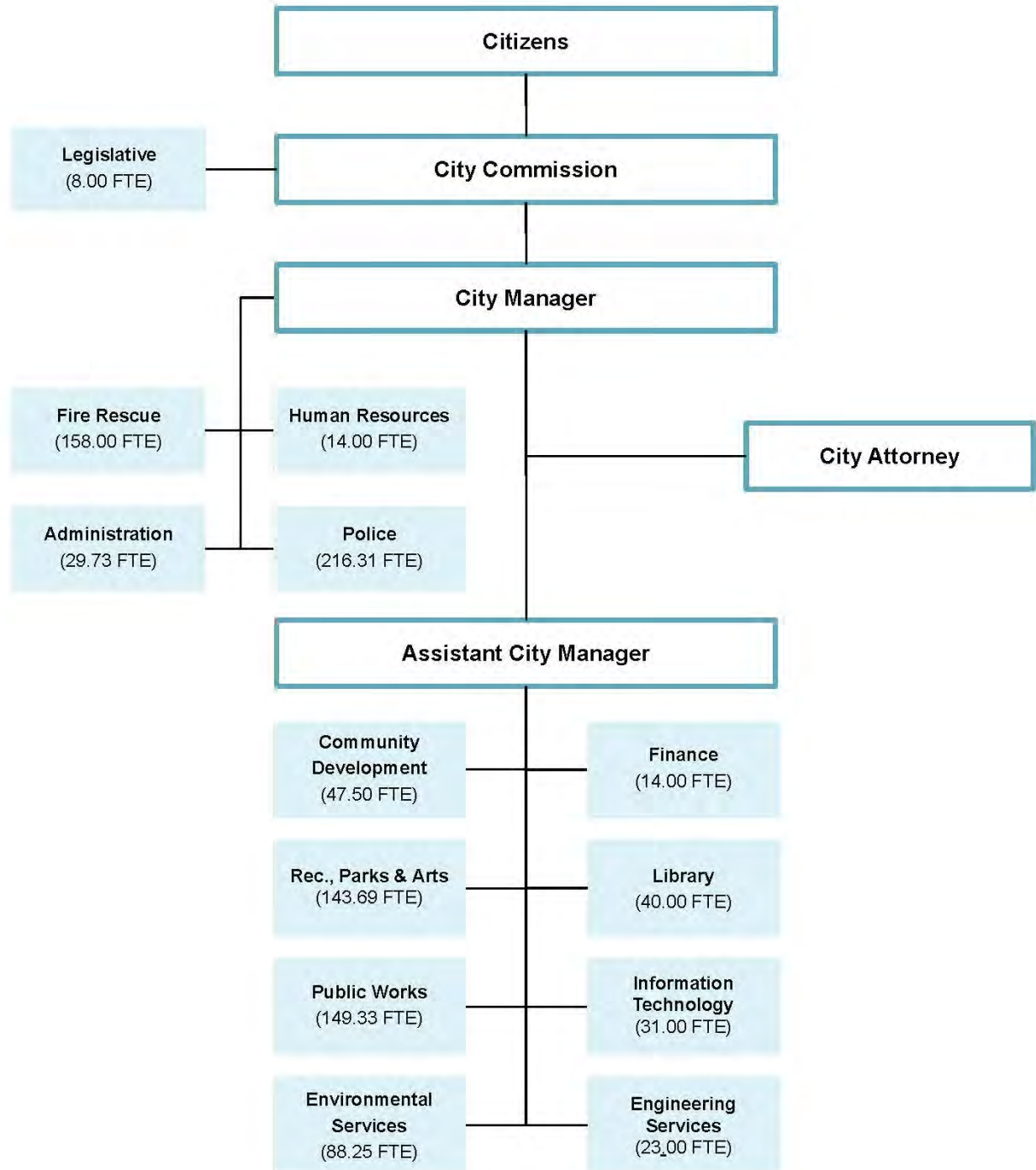
Diane L. Bruner

Executive Leadership Team

Community Development Director, Cheryl C. Reed
Communications & Engagement Director, Kate Oyer
Engineering Services Director, Jerald Woloszynski
Environmental Services Director, Shelby Beauchemin
Finance Director, Rebecca Spuhler
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

CITY OF LARGO

(962.81 FTE)



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

City of Largo, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, 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, CDBG Fund, and APRA Covid Relief Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards and state financial assistance, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

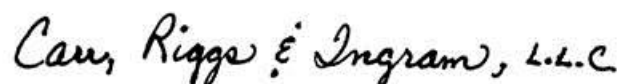
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2023, 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

April 14, 2023

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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 2022.

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.



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

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, increased about \$300,000 to \$12.9 million; however, total fund balance decreased \$1.2 million. The decrease was mostly due to higher operating costs and transfers out to pay for debt service costs. FY23's projected budget deficit was down \$2.0 million; therefore, a lower assignment of fund balance was needed, which increased the unassigned fund balance.

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2022



Unfunded long-term liabilities: *Personnel services obligations.*

The Police and Fire Pension Plan's unfunded liability of \$24.6 million according to GASB standards (\$45 million using the actuarial funding method calculation) and is a reduction of \$16.9 million from last year due to investment income and changes in assumptions. The liability is responsible for creating most of the negative unrestricted net position in Governmental Activities. This liability also increases the City's pension contribution about \$3.4 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 remained at around 77% from a low of 59% in 2011.

An unfunded liability for Other Post-Employment Benefits (OPEB) of \$16.1 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.



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 issued taxable and non taxable bonds totaling \$62 million during FY22 to fund the land purchase, construction and design of a new city hall complex, titled Horizon. This is the largest governmental debt issuance in City history. The bonds are payable for 30 years from the Debt Service Fund. Non ad valorem revenues were pledged to secure this debt and they will be drawn from the CRA fund and General Fund. The first debt service payment was made in September 2022 for \$1.9 million.

The City also borrowed \$2.5 million during FY20 to finance the implementation of the ERP system. This was a 5 year bank note payable through 2025.

The Wastewater Fund is the only other fund reporting a long-term loan, which is serviced by wastewater fees. Wastewater debt increased \$11.6 million (net), due to construction of several major capital projects at the wastewater treatment facility, but remains reasonable and affordable.



Operating Results: *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 except two were under-budget in all funds which will be discussed later.



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

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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 \$39.5 million from \$35.9 million in FY21 (10%), 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 still below normal in FY21 because of canceled programs and events during the pandemic.

GA program revenue paid 37% of GA expenses (also 36% last year), which means 63% 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 \$4.1, because of a 10% sewer rate increase (\$2.6 million) and Golf revenue was up 15% (\$191,000), due to lower play in FY21 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 \$1.6 million, which was less than FY21's increase of \$2.2 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. These 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.

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- Major funds are discussed in greater detail in the Funds section of the MD&A.

Major Governmental Funds (seven funds)

- The General Fund usually reports about half of the City's total revenues and expenditures.
- The General Fund's total fund balance decreased \$1.2 million (4.1%) from the prior year.
 - Total revenue was \$8.6 million higher than the prior year, due partly to the improved economy compared to FY 21, which was affected by the pandemic. Another contributor to higher revenues was the implementation of GASB 87 and its addition of lease financing. Leases will be discussed in the Notes to the Financial Statements.
 - Property taxes increased \$2.2 million or 7.5% due to property value increases, and new construction/annexations. The millage rate was reduced to 5.58 mills from 5.62 mills in FY21.
 - Fire/EMS fees paid by the County and other jurisdictions increased \$400,000, due partly 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 \$1.5 million, due to the improved economy.
 - Expenditures were under-budget in total.
- 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 \$2.0 million (20%) and was \$1.7 million higher than FY21 (17%), which was not expected in light of the pandemic's continued impact on the economy in FY22.
- Loans receivable in the three major housing funds (SHIP, HOME and CDBG) totaled \$9.6 million, which was less than the prior year by 3%. 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 FY21. The fund reported a higher operating income than FY21, because costs increases were less than the 10% revenue increase.
- Solid Waste (garbage) rates were increased 10% and total revenue was \$1,650,000 higher than FY21, also due mostly to increased construction activity, and higher recycled material revenue. The fund reported lower operating income (\$285,000 vs. \$346,500), due to the associated 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.

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, five special revenue funds: LOST, SHIP, CDBG, HOME, ARPA and one capital project fund, Horizon City Hall Capital Project. 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.

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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.

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.

- Statement of Net Position.* Presents assets, liabilities and deferred inflows/outflows with the difference being *net position* ("equity").
- 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.

b. 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.

c. 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.

d. 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.

e. 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.

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f. 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.

Comparative Summary - Government- Wide Staement of Net Position (\$ in thousands)

	Governmental		Business-type		Total Activities	
	2022	2021	2022	2021	2022	2021
Assets						
Current	\$ 170,515	\$ 96,085	\$ 38,127	\$ 33,579	\$ 208,642	\$ 129,664
Capital (net)	156,665	152,917	228,332	221,275	384,997	374,192
Total assets (a)	327,180	249,002	266,459	254,854	593,639	503,856
Deferred Outflows (b)	17,065	14,038	1,148	1,289	18,213	15,327
Liabilities						
Current	25,976	18,154	11,412	13,606	37,388	31,760
Non-current	111,885	67,705	115,572	104,372	227,457	172,077
Total liabilities (c)	137,861	85,859	126,984	117,978	264,845	203,837
Deferred Inflows (d)	20,999	1,417	1,048	226	22,047	1,643
Net Position						
Invested in cap. assets	132,573	150,906	108,100	110,190	240,673	261,096
Restricted	55,647	42,272	9,077	9,025	64,724	51,297
Unrestricted	(2,774)	(17,413)	22,398	18,725	19,624	1,312
Total NP (a+b-c-d)	\$ 185,446	\$ 175,765	\$ 139,575	\$ 137,940	\$ 325,021	\$ 313,705

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 restricted net position.

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- Cash increased (current assets), due to receipt of funds from issuing Bonds for the construction of a new City Hall complex. These funds will be spent in the next two years during construction.
- Non-current liabilities increased primarily due to an increase in debt liability associated with the issuance of Bonds in FY22.



The bond issuance for the new Horizon City Hall Complex is the biggest debt issuance ever by the City. The City does not borrow often at all and only will for long term capital investments. The complex is meant to establish a presence in downtown Largo and promote development in that area.

- Restricted Net position increased primarily due to an increased fund balance in the Local Option Sales Tax fund.

The Police and Fire Pension Plan's unfunded liability of \$24.6 million was a decrease of \$16.9 million, primarily because of positive actuarial experience and investment returns during the preceding fiscal year



GA Unrestricted Net Position has been negative (a deficit) for several years. The deficit is created by the unfunded pension liability and the OPEB liability as well as debt not yet secured by capital assets.

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 \$60 million when completed in FY23 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.

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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)		Total Activities	
	2022	2021	2022	2021	2022	2021
Program revenue						
Charges for services	\$ 35,450	\$ 31,584	\$ 44,597	\$ 40,356	\$ 80,047	\$ 71,940
Operating grants/contrib.	3,193	3,697	60	95	3,253	3,792
Capital grants/contrib.	852	661	288	311	1,140	972
Total program revenue	39,495	35,942	44,945	40,762	84,440	76,704
General revenue	-	-	-	-		
Property taxes	32,151	29,946	-	-	32,151	29,946
Other taxes	33,222	30,239	-	-	33,222	30,239
Shared revenue	11,480	9,878	-	-	11,480	9,878
Other (net)	(1,064)	1,980	(1,310)	519	(2,374)	2,499
Total general revenue	75,789	72,043	(1,310)	519	74,479	72,562
Total revenue	115,284	107,985	43,635	41,281	158,919	149,266
Expenses						
General government	13,244	11,856	-	-	13,244	11,856
Public safety	50,323	51,597	-	-	50,323	51,597
Public works	13,318	12,606	-	-	13,318	12,606
Economic development	7,747	6,690	-	-	7,747	6,690
Culture and recreation	19,277	17,989	-	-	19,277	17,989
Interest and fees	1,694	27	-	-	1,694	27
Wastewater	-	-	25,272	24,053	25,272	24,053
Solid waste	-	-	15,333	13,875	15,333	13,875
Golf course	-	-	1,395	1,138	1,395	1,138
Total expenses	105,603	100,765	42,000	39,066	147,603	139,831
Change in net position	9,681	7,220	1,635	2,215	11,316	9,435
Net position - Oct 1	175,765	168,545	137,940	135,725	313,705	304,270
Net position - Sept 30	\$ 185,446	\$ 175,765	\$ 139,575	\$ 137,940	\$ 325,021	\$ 313,705

Revenue Summary

GA *program revenue* increased \$3.6 million or 9.9% due mostly to increases in EMS/Fire and Recreation funding received in FY22. Recreation revenue increased about \$800,000 due to continued recovery from the pandemic and expanded recreational offerings. These revenues have not fully recovered from their highest point in FY19.

GA *general revenue* increased \$3.7 million or 5.2%, due mostly to property taxes based on higher property valuations and new construction/annexations. The property tax rate was lowered slightly from 5.62 to 5.58 mills.

BTA *program revenue* increased about \$4.2 million or 10.3%, due mostly to a 10% sewer rate increase (\$2.6 million) and an increase in solid waste collection revenue (\$1.5 million)

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.

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- Grant revenue was up by about 28.8% from last year, most of which provides housing assistance.
- Of the \$39.5 million of program revenue in FY22, 66.6% came from the following sources:
 - Fire/EMS service charges, \$12.8 million
 - Stormwater fees, \$6.6 million
 - Recreation, Parks and Arts fees, \$4.0 million
 - Construction Services fees, \$2.2 million
 - Library County-wide Cooperative fees, \$792,000

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

- Total GA Charges for Services increased 12.2%, due mostly to the continued recovery from 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 increase is related to higher construction services fees (permits and inspections) because FY21 was a low construction year due to the pandemic.
- The Culture & Recreation increase is related to higher program and event fees compared to lower amounts in FY21 due to the continued recovery from reduced services provided during the pandemic.

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

Major Functions	FY22	FY21	Increase (Decrease)	
			\$	%
General Government	\$ 4,820	\$ 4,120	\$ 700	17.0%
Public Safety	14,464	13,993	471	3.4%
Public Works	6,645	6,039	606	10.0%
Economic Development	4,685	3,411	1,274	37.3%
Culture & Recreation	4,836	4,021	815	20.3%
Total	<u>\$ 35,450</u>	<u>\$ 31,584</u>	<u>\$ 3,866</u>	12.2%

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 (\$ millions)	FY22	FY21	Increase (Decrease)	
			\$	%
Property Tax	\$ 32.2	\$ 29.9	\$ 2.3	7.7%
Utility and Franchise Tax (mostly electric)	17.4	16.3	1.1	6.7%
Local Option Sales Tax ("Penny for Pinellas")	11.9	10.2	1.7	16.7%
Communications Services Tax	2.8	2.7	0.1	3.7%
State Shared Revenue (mostly sales tax)	11.5	9.9	1.6	16.2%
	<u>\$ 75.8</u>	<u>\$ 69.0</u>	<u>\$ 6.8</u>	9.9%

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GA General Revenue (continued)

- GA General Revenue paid approximately 62.6% of total GA Expenses, compared to 64.3% in FY21.
- Total GA General Revenue increased 6.8%, due mostly to additional property taxes and sales taxes.
- The millage rate was reduced to 5.58 in FY22, but property tax revenue increased \$2.2 million (7.4%), due to a stronger economy that increased values and due to annexations/new construction.
- A ten-year history of assessments, millage rates and revenues is in the Statistical Section (Sch. H).



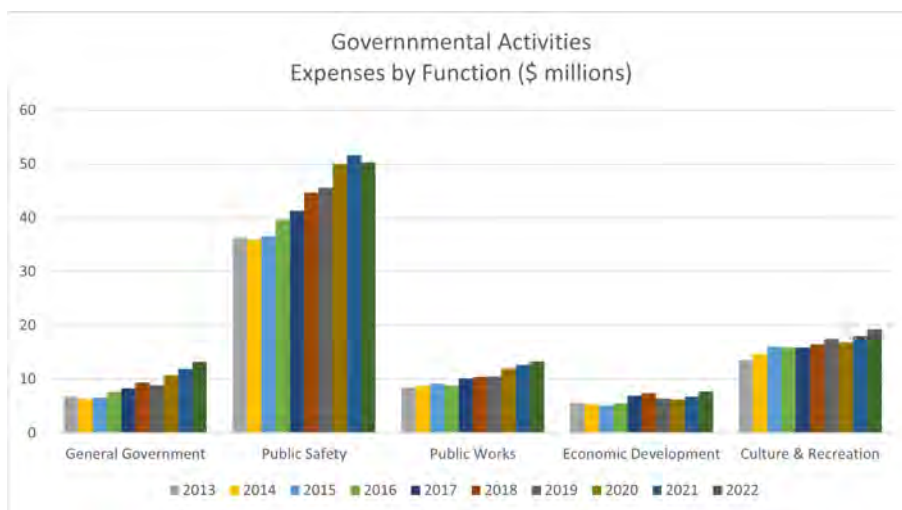
GA Charges for Services exceeded Property Tax revenue in the last two years, which has been true for several years. Many people are surprised that property taxes are not the City's largest revenue.

- Local Option Sales Tax ("Penny for Pinellas") increased 16.7% and State Shared revenue (mostly sales tax) increased 16.2%. Most of the increase was due to a continued rebounding economy from the pandemic compared to FY21 as well as population growth.
- CST revenue remained relatively 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 \$101 million to \$106 million, or 5%. The following graph presents GA Expenses by Function for ten years, which helps identify trends.



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- 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, Public Safety and Recreation, Parks and Arts, 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 decreased about 2.5%, largely because of reduced capital spending in 2022 in the Lost fund. About 47% of total GA expenses typically relate to Public Safety.
 - Recreation, Parks and Arts increased approximately 7% due to continued recovery from the pandemic.

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 62% of GA expenses were paid for with general revenue, which means 38% were paid for with program revenue, mostly charges for services.

Governmental Activities (\$ in millions)				
Function	Total Expense	Program Revenue	Net Expense	
General Government	\$ 13.2	\$ 5.0	\$ 8.2	62%
Public Safety	50.3	16.0	34.3	68%
Public Works	13.3	6.6	6.7	50%
Economic Development	7.7	6.4	1.3	17%
Culture & Recreation	19.3	5.4	13.9	72%
Total	<u>\$ 103.8</u>	<u>\$ 39.4</u>	<u>\$ 64.4</u>	62%

- 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.

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- 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 (\$12.8 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.

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:

- Charges for services revenue increased because wastewater and solid waste 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 7.5%, mostly due to normal personnel cost increases.

- All BTA expenses are normally paid with program revenue (mostly user charges).
- Golf Course operating revenue was \$190,000 or 15.4% higher than the prior year, due mostly to continued recovery from the pandemic in FY22.

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. Two funds were added to the major fund listing in FY22, the ARPA Covid Recovery fund and City Hall Capital Project fund. These seven 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).

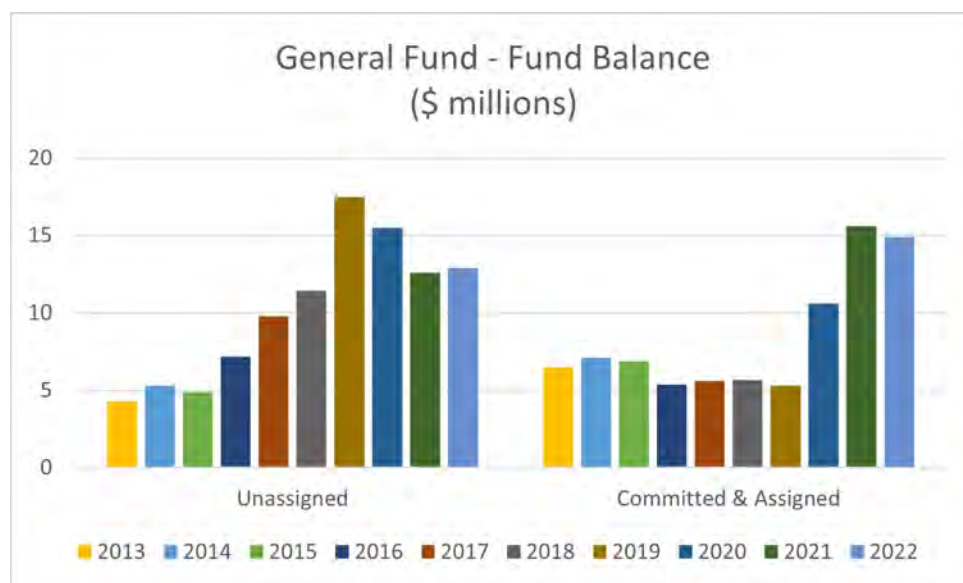
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General Fund. The General Fund is the City's largest fund and accounts for a majority of Governmental Activities discussed previously. The next several pages highlight the General Fund's financial information.

Fund Balance. 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 FY13 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 FY13 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.

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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 \$4.1 million in FY22 and \$3.4 in FY21 and represent a claim against the current year's budget, similar to an expenditure.
- \$7.4 million was assigned for the FY23 budget compared to \$9.4 million for the FY22 budget, which represented 7.1% and 9.7% of appropriations, respectively.



The \$9.4 million assignment for the FY22 budget was higher than all years presented, and reflects a larger imbalance between revenues and expenditures. The \$7.4 million for FY23 is based on total appropriations of \$103.5 million.

- \$2.9 million and \$2.7 million were assigned for unused vacation leave in FY23 and FY22, 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.

Fund Balance Policy. 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

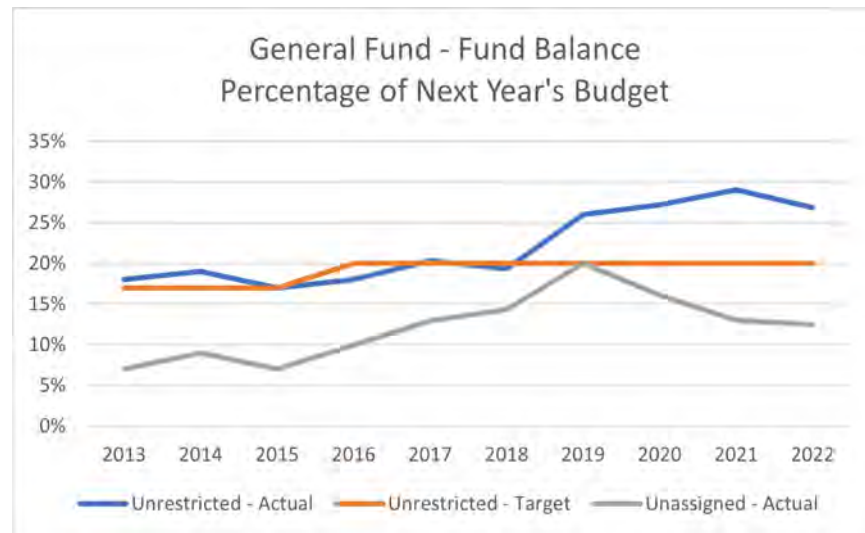
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- Additional debt could be issued
- The City has an average level of risk aversion and maintains adequate insurance coverage

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 FY13 through FY15, due to the Great Recession and slow recovery, which required spending a portion of fund balance (these years represented "rainy days")
- 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.



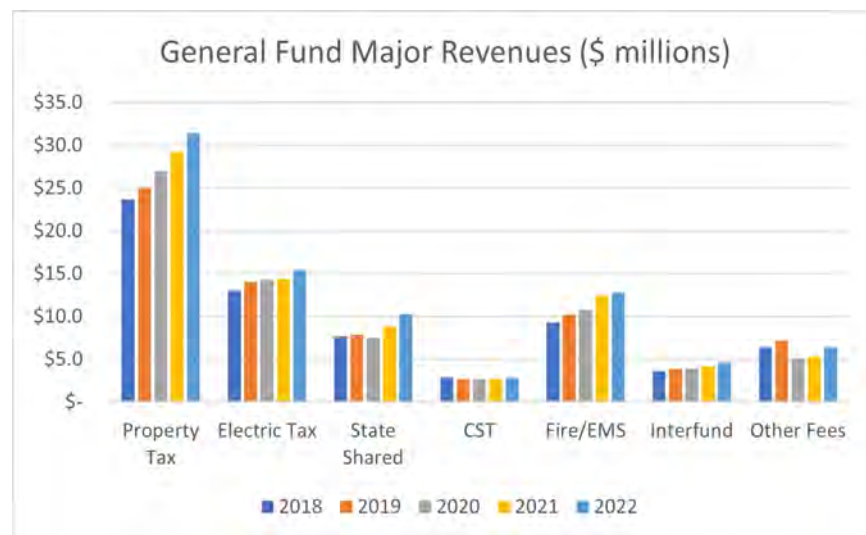
A lower unassigned fund balance reduces the General Fund's financial flexibility. The two year trend is of greater concern than the dollar amount.

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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 7.5%, due mostly to taxable value increases from a strong housing and commercial market throughout the Tampa Bay area. The millage rate was decreased from 5.62 to 5.58 from FY21 to FY22. Annexations & new construction comprised about 1 percentage point of the increase.



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 has only increased slightly, 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 expand this tax base.

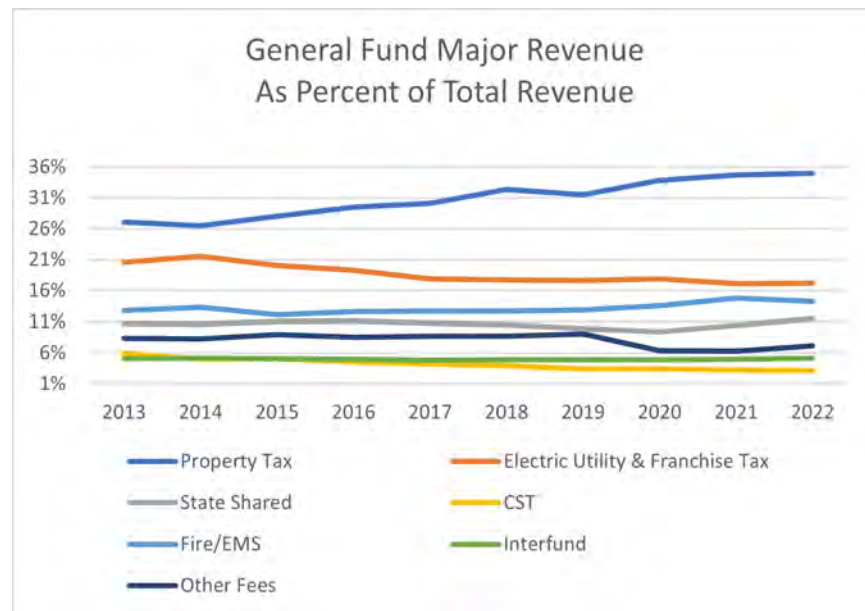
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- State Shared revenues increased (mostly sales tax), due to the rebound from the pandemic.

Revenue Diversification. 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 27% in FY13 to 35% in FY22, mostly due to the affects of the Great Recession on major revenues despite significant expenditure cuts.
- The property tax millage rate increased from 4.9999 in FY13, peaked at 5.7413 in FY18 and FY19 and is now 5.58 in FY22. 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 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 four 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 decreased by one percentage point, due to growth in the City's total budget.

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- Interfund Fees are for administrative services provided by the General Fund (purchasing, HR, IT and Finance) and have only increased relative to the cost of providing those services, because services and the calculation method have been stable.
- Other Fees increased by about \$1 million , due mostly to continued recovery from the pandemic.

General Fund Expenditures and Encumbrances.

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

General Fund - FY 2022								
Expenditures & Encumbrances - Actual to Budget								
Department	Exp.	Enc.	Total Expended & Encumbered	Final Budget	Variance Under (Over) \$	Variance Under (Over) %	Rebudget in FY23	
Police	\$ 33,203	\$ 420	\$ 33,622	\$ 32,903	\$ (720)	(2.2)%	\$ -	
Fire Rescue	22,148	333	22,481	23,084	603	2.6%	-	
Rec., Parks & Arts	12,240	1,677	13,916	15,096	1,180	7.8%	165	
Public Works	5,156	546	5,702	6,472	770	11.9%	-	
Information Tech.	4,983	721	5,703	6,251	548	8.8%	-	
Library	4,131	82	4,213	4,344	130	3.0%	-	
Administration	3,597	108	3,705	3,805	100	2.6%	-	
Community Devel.	2,405	113	2,519	2,822	303	10.7%	-	
Finance	1,035	10	1,044	1,089	45	4.1%	-	
Human Res.	931	19	951	1,040	89	8.6%	-	
Engineering	1,041	114	1,155	1,177	22	1.9%	-	
General Operating	530	41	571	522	(48)	(9.3)%	-	
Legislative	395	1	396	426	30	7.1%	-	
Total	\$ 91,795	\$ 4,183	\$ 95,978	\$ 99,031	\$ 3,053	3.1%	\$ 165	

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 about 5%, due to savings from personnel vacancies (turnover).

Budget variances greater than 10% and overages are discussed below.

- *Police:* The implementation of GASB No. 87 for Leases resulted in approximately \$3 million in expenditures being recognized in FY22 for the body camera lease that was not originally budgeted. Actual payments for the lease costs in FY22 were about \$650,000.
- *Public Works:* Reduced street and building repair and maintenance costs as well as planned HVAC replacements that were not completed due to delayed projects account for approximately \$575,000 of the savings.

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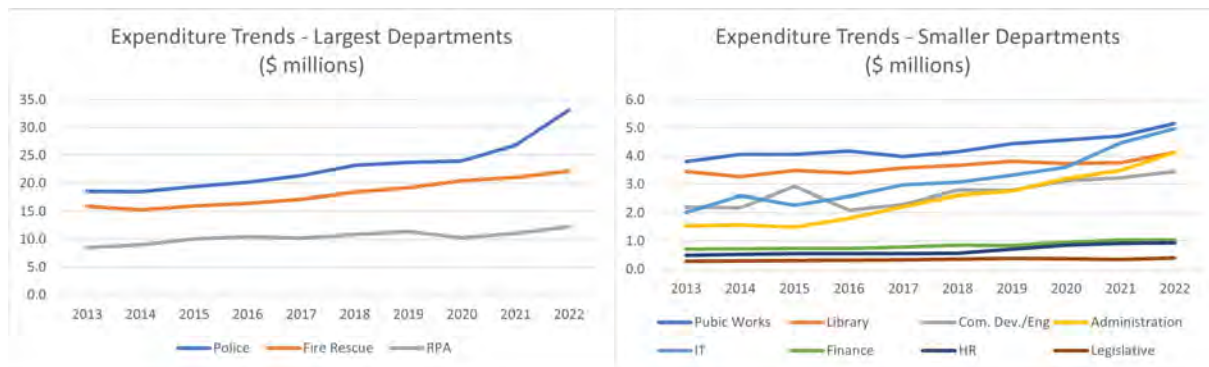
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- *General Operating:* The overage is due to debt issuance costs and bond payment costs associated with the Horizon City Hall Complex that were not budgeted in the General fund.
- *Community Development:* Salary savings of about \$245,000 from several extended position vacancies due to a tight job market represented the majority of the unexpended/unencumbered amount, including related travel and training costs.

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 in FY18.

- 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, debt issuance costs and increasing legal expenses.
- IT expenditures increased as more business processes were automated and cyber-security was augmented, including new related positions. In recent years the City implemented a new ERP system and moved to a Microsoft Office Environment, which increased annual licensing costs.



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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.

- FY22 revenue was the highest ever recorded of \$11.9 million.
- LOST revenue was \$2.0 million above budget (20%) and \$2.9 million above the prior year (40%).
- 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 - FY22 Expenditure Summary

Public safety vehicles (fire and police)	\$ 2,888,000
Transportation Improvements and construction	1,959,000
Bayhead Action Park planning	256,000
Police body and car camera lease costs	824,000
Stormwater Improvements	517,000
Other expenditures and transfers	68,000
Total expenditures and transfers	<u>\$ 6,512,000</u>

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.

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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

Combined Housing Assistance Funds (\$ in thousands)

	SHIP	HOME	CDBG	NSP2	PCH	Total 2022	Total 2021
Revenue & transfers in	\$ 942	\$ 162	\$ 1,060	\$ -	\$ 8	\$ 2,171	\$ 2,360
Expenditures & transfers out	1,206	162	1,060	-	1	2,429	1,515
Net revenue (expenditures)	(264)	-	-	-	7	(257)	844
Beginning fund balance	\$ 2,153	\$ -	\$ -	\$ -	\$ 56	\$ 2,223	\$ 1,379
Ending fund balance	\$ 1,889	\$ -	\$ -	\$ -	\$ 77	\$ 1,966	\$ 2,223
Loans outstanding at 9/30	\$ 4,802	\$ 3,210	\$ 1,566	\$ 48	\$ 655	\$ 10,281	\$ 10,613

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.

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.

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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.

	Enterprise Funds (\$ millions)					
	Wastewater		Solid Waste		Golf Course	
	2022	2021	2022	2021	2022	2021
Operating revenue	\$ 27.8	\$ 25.1	\$ 15.7	\$ 14.1	\$ 1.4	\$ 1.2
Operating expenses	24.5	23.0	15.4	13.7	1.2	1.1
Operating income (loss)	3.3	2.1	0.4	0.1	0.2	0.1
Change in net position	1.0	2.0	0.4	0.6	0.2	0.1
Ending total net position	122.7	121.7	14.7	14.3	2.2	2.0
Ending unrestricted net position	\$ 20.9	\$ 11.9	\$ 6.3	\$ 6.5	\$ 0.8	\$ 0.5



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.

Wastewater Fund. 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 \$11.6 million in FY22 for construction of the middle plant project, which will be completed in FY23. Total additional borrowing for this project is projected to be \$8 million. This is the only enterprise fund that reports long-term debt.

Solid Waste Fund. 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 \$1,650,000 or 12% due to a 10% rate increase in FY22.
- Increasing recycled material markets over the past years resulted in higher recycling revenue in FY22, a 56% increase over FY21.
- 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.

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- Tipping fees only increased \$200,000 in FY22 or 7% from FY21, due to normal volume fluctuations in the waste stream, including changes in recycled materials.

Golf Course Fund. The positive net position change of \$210,000 in FY22 was an increase of 67% over FY21. The golf course continues to do well in recovering from the pandemic.

- Total operating revenue increased \$190,000 or 15% over the prior year, partly because more individuals sought outside activities after 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 FY22, total Governmental assets were 42% depreciated and Business-type assets were 31% 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.

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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.

Capital Assets	Government-wide Activities (\$ millions)					
	Governmental		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 28	\$ 28	\$ 3	\$ 3	\$ 31	\$ 31
Construction in progress	11	22	76	81	87	103
Buildings and improvements	82	82	16	7	98	89
Improvements other than buildings	93	78	206	212	299	290
Machinery and equipment	47	46	32	28	79	74
Intangibles	4	4	1	1	5	5
Right-to-use-assets	3	-	-	-	3	-
Total capital assets	266	260	332	332	598	592
Less accumulated depreciation	(113)	(107)	(105)	(110)	(217)	(217)
Net capital assets	\$ 153	\$ 153	\$ 227	\$ 222	\$ 381	\$ 375

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.

Long-term Debt	Activities (\$ millions)					
	Governmental		Business-type		Total	
	2022	2021	2022	2021	2022	2021
ERP System loan	\$ 1.5	\$ 2.0	\$ -	\$ -	\$ 1.5	\$ 2.0
City Hall Bond Issuance	61.8	-	-	-	61.8	-
Wastewater Infrastructure loan	-	-	118.1	106.1	118.1	106.1
Total loans and bonds	63.3	2.0	118.1	106.1	181.4	108.1
Police & fire pension unfunded liability	24.6	41.5	-	-	24.6	41.5
Compensated absences (vacation)	3.2	3.1	0.6	0.6	3.8	3.7
Other post-employment benefits (health)	16.1	18.7	3.6	4.2	19.7	22.9
Other long-term liabilities (risk claims)	2.1	2.5	-	-	2.1	2.5
Total long-term debt	\$ 109.3	\$ 67.8	\$ 122.3	\$ 110.9	\$ 231.6	\$ 178.7

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, golf carts, and police body and car cameras, 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.

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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.



Fun Fact - 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. This is the largest Governmental debt issuance the City has ever completed.

[New Downtown City Hall \(largo.com\)](https://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.



Fun Fact - 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.

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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 current 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.

	Capital Assets (\$ millions)					
	Governmental		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Net capital assets (NCA)	\$ 156.7	\$ 152.9	\$ 228.3	\$ 221.3	\$ 385.0	\$ 374.2
Less related debt	(10.0)	(2.0)	(125.9)	(111.1)	(135.9)	(113.1)
Net Investment in NCA	\$ 146.7	\$ 150.9	\$ 102.4	\$ 110.2	\$ 249.1	\$ 261.1
Portion of NCA financed	6.4%	1.3%	55%	50%	35%	30%

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).

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 decreased in FY22, due to increases in healthcare costs, both current and projected and the amortization of deferred inflows and outflows.

Risk Claims (Risk Fund).

Risk claim liabilities decreased \$340,000 from the prior year, or almost 14% 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.

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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 nine years, which means little progress has been made to reduce the under-funding since 2013.

Actuarial Report Date October 1	Actuarial Funding Method Funded Ratio	Surplus (Deficit)	City's Annual Required Contribution	
		\$ millions	\$ millions	% of pay
1999 ¹	123%	\$ 10	\$ 0	0%
2011 ²	59%	\$ (53)	\$ 5.1	37%
Last Ten 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%
2021	77%	\$ (45)	\$ 6.0	30%

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

(2) Lowest Funded Ratio since 1992

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

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 6.5% to reflect the most likely average rate of return, which is occurring in all pension plans nationwide.
- A lower investment return assumption increases the City's annual contribution to the plan.

Other changes that have increased pension costs include:

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- 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. Note that while the Unfunded Pension Liability increases or decreases annually, the Pension Liability moves consistently upward. A summary of the City's pension assets and pension liability follows.

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
2021	\$159	\$ 204	\$45
2020	\$148	\$193	\$45
2019	\$141	\$183	\$42
2018	\$138	\$176	\$38
2017	\$127	\$168	\$41
2016	\$114	\$162	\$48

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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.

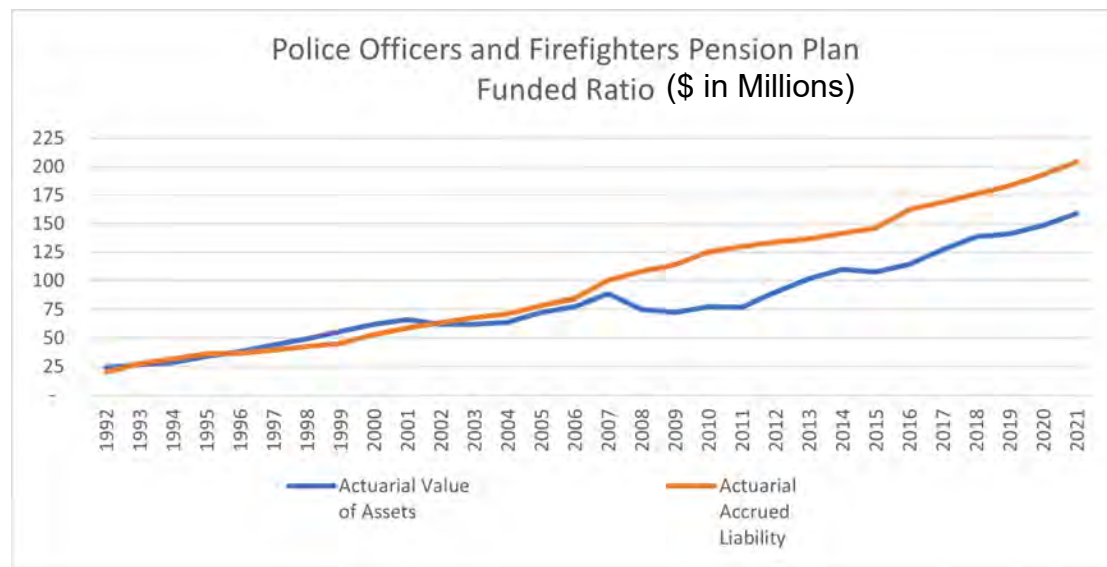
The myth persisted and became accepted by most lay people, pension boards and investment professionals, so the American Academy of Actuaries issued a statement denouncing the myth.

According to the American Academy of Actuaries (AAA):

- No single funding level should be used as a line between financially healthy and unhealthy plans.
- A funded ratio's long-term trend 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 **should not** 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 of lower investment earnings for pension plans nationwide.
- Since 2002, the Plan has never been fully funded for the reasons mentioned previously.



CITY OF LARGO, FLORIDA

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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 \$3.4 million or 17.1% of pay instead of \$6.0 million or 29.6% 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 FY23 property tax rate (millage rate) was reduced to 5.52 mills from 5.58 mills in 2022, which was above the "rolled-back" rate; therefore, the rate generated a "tax increase" according to state law.
- The FY23 millage rate, plus growth in taxable values including new construction and annexations, are projected to generate an additional \$3.7 million above FY22.
- The FY23 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 its 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.*



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.

BASIC FINANCIAL STATEMENTS

CITY OF LARGO, FLORIDA
Statement of Net Position
September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 151,024,721	\$ 21,171,917	\$ 172,196,638
Receivables:			
Taxes	2,262,516	-	2,262,516
Interest	276,936	153,628	430,564
Accounts, net	1,572,325	6,908,390	8,480,715
Intergovernmental	2,810,048	1,378	2,811,426
Prepaid items and inventories	1,025,401	841,960	1,867,361
Restricted cash and investments	-	9,050,058	9,050,058
Other assets	1,323,277	-	1,323,277
Notes and loans receivable	10,280,966	-	10,280,966
Capital assets, net:			
Land	28,247,186	2,824,038	31,071,224
Building and improvements	47,405,198	12,957,041	60,362,239
Improvements other than building	49,023,890	121,390,936	170,414,826
Machinery and equipment	15,108,025	14,720,988	29,829,013
Intangible assets	2,543,882	769,468	3,313,350
Right-to-use assets	2,928,230	7,023	2,935,253
Construction in progress	11,408,110	75,662,874	87,070,984
Total assets	327,240,711	266,459,699	593,700,410
Deferred outflows of resources			
Pension contributions paid subsequent to the measurement date	6,974,304	-	6,974,304
Deferred outflows - pension plan	4,981,927	-	4,981,927
Deferred outflows - OPEB	5,108,366	1,147,382	6,255,748
Total deferred outflows of resources	17,064,597	1,147,382	18,211,979
Liabilities			
Accounts and accrued interest payable	4,442,233	4,074,398	8,516,631
Accrued payroll and vacation	3,017,542	502,229	3,519,771
Due to other governments	289,483	-	289,483
Unearned revenue and deposits	18,226,536	81,650	18,308,186
Noncurrent liabilities:			
Due within one year	5,696,714	6,753,453	12,450,167
Due in more than one year	65,497,777	111,975,820	177,473,597
Net pension liability	24,628,601	-	24,628,601
OPEB liability	16,061,847	3,596,363	19,658,210
Total liabilities	137,860,733	126,983,913	264,844,646
Deferred inflows of resources			
Business tax collected in advance	318,771	-	318,771
Deferred inflows - pension plan	15,871,882	-	15,871,882
Deferred inflows - OPEB	4,677,847	1,047,796	5,725,643
Deferred inflows - Lease	130,167	-	130,167
Total deferred inflows of resources	20,998,667	1,047,796	22,046,463
Net position			
Net investment in capital assets	132,572,889	108,099,883	240,672,772
Restricted for:			
Wastewater purposes	-	9,077,425	9,077,425
Capital funded by local sales tax	21,242,276	-	21,242,276
Economic development	17,734,142	-	17,734,142
Technology improvement	471,507	-	471,507
Public works	11,269,705	-	11,269,705
Recreation, parks, arts, public safety	4,929,371	-	4,929,371
Unrestricted	(2,773,982)	22,398,064	19,624,082
Total net position	\$ 185,445,908	\$ 139,575,372	\$ 325,021,280

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

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CITY OF LARGO, FLORIDA
Statement of Activities
Fiscal Year Ended September 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 13,243,405	\$ 4,819,650	\$ 206,225	\$ -	\$ (8,217,530)	\$ -	\$ (8,217,530)
Public safety	50,323,386	14,464,020	1,562,737	-	(34,296,629)	-	(34,296,629)
Public works	13,317,779	6,644,780	-	-	(6,672,999)	-	(6,672,999)
Economic development	7,747,266	4,685,292	964,177	719,583	(1,378,214)	-	(1,378,214)
Culture and recreation	19,277,307	4,836,481	459,642	131,939	(13,849,245)	-	(13,849,245)
Interest and fees	1,694,066	-	-	-	(1,694,066)	-	(1,694,066)
Total governmental activities	105,603,209	35,450,223	3,192,781	851,522	(66,108,683)	-	(66,108,683)
Business-Type Activities							
Wastewater	25,271,342	27,780,264	-	288,234	-	2,797,156	2,797,156
Solid Waste	15,332,910	15,388,728	59,858	-	-	115,676	115,676
Golf Course	1,395,182	1,428,015	-	-	-	32,833	32,833
Total Business-Type Activities	41,999,434	44,597,007	59,858	288,234	-	2,945,665	2,945,665
Total primary government	\$ 147,602,643	\$ 80,047,230	\$ 3,252,639	\$ 1,139,756	(66,108,683)	2,945,665	(63,163,018)
General revenues:							
Property tax					32,150,900	-	32,150,900
Utility tax					10,407,622	-	10,407,622
Sales tax					12,979,749	-	12,979,749
Communication services tax					2,819,340	-	2,819,340
Franchise taxes					7,016,139	-	7,016,139
State shared revenue					11,480,074	-	11,480,074
Investment earnings					(2,657,888)	(1,483,074)	(4,140,962)
Miscellaneous					1,594,342	172,948	1,767,290
Total general revenues					75,790,278	(1,310,126)	74,480,152
Change in net position					9,681,595	1,635,539	11,317,134
Net position - beginning					175,764,313	137,939,833	313,704,146
Net position - ending					\$ 185,445,908	\$ 139,575,372	\$ 325,021,280

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

CITY OF LARGO, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2022

	<u>General</u>	<u>Local Option Sales Tax</u>	<u>SHIP</u>
Assets			
Cash and investments	\$ 29,571,421	\$ 19,963,651	\$ 1,927,321
Accrued interest	83,414	52,366	5,190
Receivables:			
Taxes	2,262,516	-	-
Accounts, billed	272,296	-	-
Accounts, unbilled	-	-	-
Special assessments	-	-	-
Due from other governments	687,671	1,600,321	-
Grants	-	-	-
Other	132,092	-	-
Due from other funds	53,310	343,000	-
Property held for resale	-	-	-
Other assets	251,803	60,000	-
Notes and loans receivable	-	-	4,802,293
Inventories, at cost	5,670	-	-
Total assets	<u>\$ 33,320,193</u>	<u>\$ 22,019,338</u>	<u>\$ 6,734,804</u>
Liabilities, Deferred Inflows and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,935,845	\$ 777,062	\$ 43,184
Accrued payroll	2,796,622	-	-
Due to other governments	17,536	-	512
Due to other funds	-	-	-
Deposits	143,584	-	-
Unearned revenue	192,184	-	-
Total liabilities	<u>5,085,771</u>	<u>777,062</u>	<u>43,696</u>
Deferred inflows			
Business tax collected in advance	318,771	-	-
Unavailable revenue	-	-	4,802,293
Leases	130,167	-	-
Total deferred inflows	<u>448,938</u>	<u>-</u>	<u>4,802,293</u>
Fund balances:			
Nonspendable	417,703	-	-
Restricted	-	21,242,276	1,888,815
Assigned	14,437,107	-	-
Unassigned	12,930,674	-	-
Total fund balances	<u>27,785,484</u>	<u>21,242,276</u>	<u>1,888,815</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 33,320,193</u>	<u>\$ 22,019,338</u>	<u>\$ 6,734,804</u>

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

HOME	CDBG	ARPA COVID Relief Fund	Other Governmental Funds	Total Governmental Funds
\$ 83,555	\$ -	\$ 12,845,179	\$ 80,940,218	\$ 145,331,345
-	-	33,362	88,972	263,304
-	-	-	-	2,262,516
38,447	-	-	662,260	973,003
-	-	-	529,904	529,904
-	-	-	14,604	14,604
-	-	-	178,721	2,466,713
140,456	171,863	-	-	312,319
-	-	-	42,925	175,017
-	-	-	189,000	585,310
-	-	-	979,669	979,669
-	-	-	-	311,803
3,209,801	1,565,695	-	703,177	10,280,966
-	-	-	-	5,670
<u>\$ 3,472,259</u>	<u>\$ 1,737,558</u>	<u>\$ 12,878,541</u>	<u>\$ 84,329,450</u>	<u>\$ 164,492,143</u>
\$ -	\$ 103,458	\$ 44,108	\$ 693,071	\$ 3,596,728
-	13,751	3,929	143,818	2,958,120
262,458	8,977	-	-	289,483
-	45,678	-	539,632	585,310
-	-	-	272	143,856
3,209,801	1,565,694	12,830,504	273,796	18,071,979
<u>3,472,259</u>	<u>1,737,558</u>	<u>12,878,541</u>	<u>1,650,589</u>	<u>25,645,476</u>
-	-	-	-	318,771
-	-	-	506,138	5,308,431
-	-	-	-	130,167
<u>-</u>	<u>-</u>	<u>-</u>	<u>506,138</u>	<u>5,757,369</u>
-	-	-	979,669	1,397,372
-	-	-	80,903,498	104,034,589
-	-	-	289,556	14,726,663
-	-	-	-	12,930,674
<u>-</u>	<u>-</u>	<u>-</u>	<u>82,172,723</u>	<u>133,089,298</u>
<u>\$ 3,472,259</u>	<u>\$ 1,737,558</u>	<u>\$ 12,878,541</u>	<u>\$ 84,329,450</u>	<u>\$ 164,492,143</u>

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CITY OF LARGO, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2022

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

Ending fund balance - governmental funds	\$ 133,089,298
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	156,481,898
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the funds.	31,011
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.	3,739,621
Deferred outflows of resources from pension contributions subsequent to measurement date of net pension liability.	6,974,304
Net deferred inflows of resources resulting from net pension liability	(10,889,955)
Net deferred outflows of resources resulting from net OPEB liability	417,985
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(66,390,208)
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.	(43,350,849)
Special assessment liens receivable are not financial resources in the current period and therefore are reported as deferred revenues in the funds.	34,372
Unavailable revenue is not a financial resource in the current period and therefore is not reported as such in the funds.	5,308,431
Net position of governmental activities	<u><u>\$ 185,445,908</u></u>

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended September 30, 2022

	<u>General</u>	<u>Local Option Sales Tax</u>	<u>SHIP</u>
Revenues			
Taxes	\$ 45,227,974	\$ 11,918,625	\$ -
Licenses, permits and fees	7,022,621	-	-
Intergovernmental	13,327,515	310,645	433,764
Charges for services	19,206,169	-	-
Fines	921,237	-	-
Interfund charges	4,602,946	-	-
Contributions and donations	322,968	-	-
Investment earnings (losses)	(1,211,261)	(424,524)	(49,716)
Other	277,127	105,294	557,949
Total revenues	<u>89,697,296</u>	<u>11,910,040</u>	<u>941,997</u>
Expenditures			
Current:			
General government	9,770,252	-	-
Public safety	52,051,837	-	-
Public works	4,774,291	-	-
Economic development	4,760,383	-	1,205,869
Culture and recreation	15,566,667	-	-
Capital outlay	4,325,301	6,377,688	-
Debt service:			
Principal	510,054	125,703	-
Interest	36,444	9,289	-
Total expenditures	<u>91,795,229</u>	<u>6,512,680</u>	<u>1,205,869</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,097,933)</u>	<u>5,397,360</u>	<u>(263,872)</u>
Other Financing Sources/(Uses)			
Transfers in	11,400	-	-
Transfers out	(2,087,100)	-	-
Bond proceeds	383,724	-	-
Premium on bond proceeds	-	-	-
Lease financing	2,602,325	688,583	-
Sale of capital assets	19,373	287,133	-
Net other financing sources (uses)	<u>929,722</u>	<u>975,716</u>	<u>-</u>
Net change in fund balances	<u>(1,168,211)</u>	<u>6,373,076</u>	<u>(263,872)</u>
Fund balance - beginning	<u>28,953,695</u>	<u>14,869,200</u>	<u>2,152,687</u>
Fund balance - ending	<u>\$ 27,785,484</u>	<u>\$ 21,242,276</u>	<u>\$ 1,888,815</u>

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

<u>HOME</u>	<u>CDBG</u>	<u>ARPA COVID Relief Fund</u>	<u>City Hall Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 767,961	\$ 57,914,560
-	-	-	-	2,723,022	9,745,643
161,971	707,723	129,537	-	2,329,440	17,400,595
-	-	-	-	6,706,779	25,912,948
-	-	-	-	46,705	967,942
-	-	-	-	-	4,602,946
-	-	-	-	95,914	418,882
-	8,665	-	(172,970)	(645,219)	(2,495,025)
-	344,031	-	-	115,318	1,399,719
<u>161,971</u>	<u>1,060,419</u>	<u>129,537</u>	<u>(172,970)</u>	<u>12,139,920</u>	<u>115,868,210</u>
-	-	129,537	-	-	9,899,789
-	-	-	-	37,319	52,089,156
-	-	-	-	4,898,328	9,672,619
161,971	1,060,419	-	-	2,260,189	9,448,831
-	-	-	-	170,277	15,736,944
-	-	-	3,016,154	1,285,861	15,005,004
-	-	-	-	1,100,079	1,735,836
-	-	-	-	1,277,158	1,322,891
<u>161,971</u>	<u>1,060,419</u>	<u>129,537</u>	<u>3,016,154</u>	<u>11,029,211</u>	<u>114,911,070</u>
-	-	-	(3,189,124)	1,110,709	957,140
-	-	-	-	2,378,900	2,390,300
-	-	-	-	(303,200)	(2,390,300)
-	-	-	51,306,276	-	51,690,000
-	-	-	10,703,553	-	10,703,553
-	-	-	-	2,011	3,292,919
-	-	-	-	107,917	414,423
<u>-</u>	<u>-</u>	<u>-</u>	<u>62,009,829</u>	<u>2,185,628</u>	<u>66,100,895</u>
-	-	-	58,820,705	3,296,337	67,058,035
-	-	-	(4,415,104)	24,470,785	66,031,263
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,405,601</u>	<u>\$ 27,767,122</u>	<u>\$ 133,089,298</u>

CITY OF LARGO, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Fiscal Year Ended September 30, 2022

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

Net change in fund balances - total governmental funds	\$ 67,058,035
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.	3,938,799
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.	(177,258)
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.	(65,583,641)
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.	1,735,837
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.	2,513,778
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.	<u>196,045</u>
Change in net position of governmental activities (statement of activities)	<u>\$ 9,681,595</u>

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
Fiscal Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 45,074,000	\$ 45,074,000	\$ 45,227,974	\$ 153,974
Licenses, permits and fees	6,505,000	6,505,000	7,022,621	517,621
Intergovernmental	11,137,100	11,137,100	13,327,515	2,190,415
Charges for services	19,077,100	19,077,100	19,206,169	129,069
Fines	591,500	591,500	921,237	329,737
Interfund charges	4,574,700	4,574,700	4,602,946	28,246
Contributions and donations	187,400	187,400	322,968	135,568
Investment earnings (losses)	160,000	160,000	(1,211,261)	(1,371,261)
Other	232,200	232,200	277,127	44,927
Total revenues	<u>87,539,000</u>	<u>87,539,000</u>	<u>89,697,296</u>	<u>2,158,296</u>
EXPENDITURES				
Current				
General government	10,002,500	10,539,899	9,770,252	769,647
Public safety	54,855,300	55,860,591	52,051,837	3,808,754
Public works	5,414,700	5,749,848	4,774,291	975,557
Economic development	4,791,500	4,962,253	4,760,383	201,870
Culture and recreation	17,136,900	17,637,283	15,566,667	2,070,616
Capital outlay	2,844,400	4,280,637	4,325,301	(44,664)
Debt service				
Principal	-	-	510,054	(510,054)
Interest	-	-	36,444	(36,444)
Total expenditures	<u>95,045,300</u>	<u>99,030,511</u>	<u>91,795,229</u>	<u>7,235,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,506,300)</u>	<u>(11,491,511)</u>	<u>(2,097,933)</u>	<u>9,393,578</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,400	11,400	11,400	-
Transfers out	(1,984,700)	(1,984,700)	(2,087,100)	(102,400)
Bond proceeds	-	-	383,724	383,724
Lease financing	-	-	2,602,325	2,602,325
Sale of capital assets	75,000	75,000	19,373	(55,627)
Total other financing uses	<u>(1,898,300)</u>	<u>(1,898,300)</u>	<u>929,722</u>	<u>2,828,022</u>
Net change in fund balance	<u>\$ (9,404,600)</u>	<u>\$ (13,389,811)</u>	<u>(1,168,211)</u>	<u>\$ 12,221,600</u>
Fund Balance - beginning			<u>28,953,695</u>	
Fund Balance - ending			<u>\$ 27,785,484</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Local Option Sales Tax Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 9,906,500	\$ 9,906,500	\$ 11,918,625	\$ 2,012,125
Intergovernmental	1,114,500	1,114,500	310,645	(803,855)
Investment earnings (losses)	40,000	40,000	(424,524)	(464,524)
Other	-	-	105,294	105,294
Total revenues	<u>11,061,000</u>	<u>11,061,000</u>	<u>11,910,040</u>	<u>849,040</u>
EXPENDITURES				
Current:				
Public works	-	490,000	-	490,000
Capital outlay	18,802,600	22,456,815	6,377,688	16,079,127
Debt service:				
Principal	-	-	125,703	(125,703)
Interest	-	-	9,289	(9,289)
Total expenditures	<u>18,802,600</u>	<u>22,946,815</u>	<u>6,512,680</u>	<u>16,434,135</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,741,600)</u>	<u>(11,885,815)</u>	<u>5,397,360</u>	<u>17,283,175</u>
OTHER FINANCING SOURCES (USES)				
Lease financing	-	-	688,583	688,583
Sale of capital assets	100,000	100,000	287,133	187,133
Net other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>975,716</u>	<u>875,716</u>
Net change in fund balance	<u>\$ (7,641,600)</u>	<u>\$ (11,785,815)</u>	<u>6,373,076</u>	<u>\$ 18,158,891</u>
Fund Balance - beginning			<u>14,869,200</u>	
Fund Balance - ending			<u>\$ 21,242,276</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
SHIP Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 558,300	\$ 558,300	\$ 433,764	\$ (124,536)
Investment earnings (losses)	10,000	10,000	(49,716)	(59,716)
Other	<u>240,000</u>	<u>240,000</u>	<u>557,949</u>	<u>317,949</u>
Total revenues	<u>808,300</u>	<u>808,300</u>	<u>941,997</u>	<u>133,697</u>
EXPENDITURES				
Current:				
Economic development	<u>808,300</u>	<u>1,939,440</u>	<u>1,205,869</u>	<u>733,571</u>
Total expenditures	<u>808,300</u>	<u>1,939,440</u>	<u>1,205,869</u>	<u>733,571</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,131,140)</u>	<u>(263,872)</u>	<u>\$ 867,268</u>
Fund Balance - beginning			<u>2,152,687</u>	
Fund Balance - ending			<u>\$ 1,888,815</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
HOME Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 724,200	\$ 724,200	\$ 161,971	\$ (562,229)
Total revenues	<u>724,200</u>	<u>724,200</u>	<u>161,971</u>	<u>(562,229)</u>
EXPENDITURES				
Current:				
Economic development	<u>724,200</u>	<u>851,907</u>	<u>161,971</u>	<u>689,936</u>
Total expenditures	<u>724,200</u>	<u>851,907</u>	<u>161,971</u>	<u>689,936</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (127,707)</u>	-	<u>\$ 127,707</u>
Fund Balance - beginning			-	
Fund Balance - ending			<u>\$ -</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
CDBG Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 1,438,100	\$ 1,438,100	\$ 707,723	\$ (730,377)
Investment earnings (losses)	5,000	5,000	8,665	3,665
Other	195,000	195,000	344,031	149,031
Total revenues	<u>1,638,100</u>	<u>1,638,100</u>	<u>1,060,419</u>	<u>(577,681)</u>
EXPENDITURES				
Current:				
Economic development	1,443,100	2,502,142	1,060,419	1,441,723
Capital outlay	195,000	195,000	-	195,000
Total expenditures	<u>1,638,100</u>	<u>2,697,142</u>	<u>1,060,419</u>	<u>1,636,723</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,059,042)</u>	-	<u>\$ 1,059,042</u>
Fund Balance - beginning			-	
Fund Balance - ending			<u>\$ -</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
ARPA COVID Relief Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 4,064,100	\$ 4,064,100	\$ 129,537	\$ (3,934,563)
Total revenues	<u>4,064,100</u>	<u>4,064,100</u>	<u>129,537</u>	<u>(3,934,563)</u>
EXPENDITURES				
Current:				
General government	1,554,400	1,624,400	129,537	1,494,863
Capital outlay	<u>2,509,700</u>	<u>2,509,700</u>	-	<u>2,509,700</u>
Total expenditures	<u>4,064,100</u>	<u>4,134,100</u>	<u>129,537</u>	<u>4,004,563</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (70,000)</u>	-	<u>\$ 70,000</u>
Fund Balance - beginning			-	
Fund Balance - ending			<u>\$ -</u>	

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

CITY OF LARGO, FLORIDA
Statement Net Position
Proprietary Funds
September 30, 2022

	Business-type Activities-Enterprise Funds				Internal Service Funds
	Wastewater Utility	Solid Waste Utility	Nonmajor Golf Course	Total	
Assets					
Current assets					
Cash and investments	\$ 14,016,202	\$ 6,077,583	\$ 1,108,514	\$ 21,202,299	\$ 5,662,336
Restricted-Cash and investments	9,050,058	-	-	9,050,058	-
Accrued interest receivable	111,784	15,463	2,981	130,228	14,288
Restricted-Accrued interest receivable	23,400	-	-	23,400	-
Accounts receivable, billed, net	2,223,988	1,443,974	-	3,667,962	2,985
Accounts receivable, unbilled, net	2,378,407	862,341	-	3,240,748	-
Other receivables	1,058	-	-	1,058	20,420
Inventories, at cost	834,623	-	5,337	839,960	64,980
Other assets	-	-	2,000	2,000	842,945
Total current assets	28,639,520	8,399,361	1,118,832	38,157,713	6,607,954
Noncurrent assets					
Capital assets:					
Land and improvements	1,573,206	375,000	875,832	2,824,038	-
Buildings and improvements	14,229,078	402,726	1,198,534	15,830,338	-
Improvements other than buildings	203,925,518	60,057	2,019,839	206,005,414	78,292
Machinery and equipment	15,104,067	16,092,945	565,513	31,762,525	465,802
Intangible assets	529,195	403,325	-	932,520	13,784
Right-to-use assets	13,045	1,003	-	14,048	-
Less accumulated depreciation	(92,270,396)	(9,151,743)	(3,277,250)	(104,699,389)	(394,747)
Construction in progress	75,415,018	247,856	-	75,662,874	19,492
Capital assets, net	218,518,731	8,431,169	1,382,468	228,332,368	182,623
Total noncurrent assets	218,518,731	8,431,169	1,382,468	228,332,368	182,623
Total assets	247,158,251	16,830,530	2,501,300	266,490,081	6,790,577
Deferred outflows					
Deferred outflow-OPEB	684,795	400,732	61,855	1,147,382	136,775
Total deferred outflows	684,795	400,732	61,855	1,147,382	136,775
Liabilities					
Current liabilities					
Accounts payable	3,521,958	442,945	8,595	3,973,498	275,113
Accrued payroll and vacation	281,820	201,120	19,289	502,229	58,653
Accrued interest payable	100,898	2	-	100,900	-
Long-term debt, current portion	6,234,146	510	-	6,234,656	-
Other	29,909	-	-	29,909	-
Total current liabilities	10,168,731	644,577	27,884	10,841,192	333,766
Noncurrent liabilities					
Unearned revenue	-	-	51,741	51,741	187,656
Estimated claims and contracts payable	-	-	-	-	2,070,000
Compensated absences	305,890	184,236	28,671	518,797	-
OPEB Liability	2,142,487	1,257,534	196,342	3,596,363	426,170
Long-term debt	111,911,327	64,493	-	111,975,820	76,280
Total noncurrent liabilities	114,359,704	1,506,263	276,754	116,142,721	2,760,106
Total liabilities	124,528,435	2,150,840	304,638	126,983,913	3,093,872
Deferred inflows					
Deferred Inflow - OPEB	624,303	366,356	57,137	1,047,796	124,241
Total deferred inflows	624,303	366,356	57,137	1,047,796	124,241
Net Position					
Net investment in capital assets	98,323,163	8,394,252	1,382,468	108,099,883	171,410
Restricted for wastewater connection purposes	9,077,425	-	-	9,077,425	-
Unrestricted	15,289,720	6,319,814	818,912	22,428,446	3,537,829
Total net position	\$ 122,690,308	\$ 14,714,066	\$ 2,201,380	139,605,754	\$ 3,709,239
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.				(30,382)	
NET POSITION BUSINESS-TYPE ACTIVITIES				<u>\$ 139,575,372</u>	

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

CITY OF LARGO, FLORIDA
Statement Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Wastewater Utility	Solid Waste Utility	Nonmajor Golf Course	Total	
Operating revenues					
Charges for services	\$ 26,271,275	\$ 15,388,728	\$ 1,428,015	\$ 43,088,018	\$ 19,624,452
Charges for effluent water	1,507,611	-	-	1,507,611	-
Sales of reclaimed materials	36,338	316,746	-	353,084	-
Total operating revenues	27,815,224	15,705,474	1,428,015	44,948,713	19,624,452
Operating expenses					
Personnel services	7,238,483	4,927,894	558,200	12,724,577	1,737,994
Cost of goods sold	-	-	84,828	84,828	1,063,715
Contractual services	925,609	4,241,552	60,658	5,227,819	398,484
Supplies	1,948,789	384,466	133,909	2,467,164	78,898
Repairs and maintenance	2,251,686	97,861	45,754	2,395,301	415,991
Utilities	2,461,523	43,803	71,005	2,576,331	14,458
Professional services	464,405	16,780	2,605	483,790	640,400
Fuel	94,173	803,891	11,745	909,809	17,655
Charges by the Fleet Services Fund	88,098	1,328,337	4,700	1,421,135	10,334
Charges by the General Fund	2,507,356	1,416,290	-	3,923,646	152,300
Charges by the Risk Management Fund	519,000	255,600	20,900	795,500	44,300
Depreciation and amortization	5,891,402	1,837,464	153,635	7,882,501	33,905
Claims	-	5,893	-	5,893	573,144
Insurance	-	-	-	-	14,032,219
Other	149,376	60,585	66,292	276,253	(1,935)
Total operating expenses	24,539,900	15,420,416	1,214,231	41,174,547	19,211,862
Operating income or (loss)	3,275,324	285,058	213,784	3,774,166	412,590
Nonoperating revenues (expenses)					
Investment earnings (losses)	(1,291,616)	(162,694)	(27,386)	(1,481,696)	(149,378)
Interest expense	(575,388)	(30)	-	(575,418)	-
Gain or loss on disposal of capital assets	(719,558)	163,424	-	(556,134)	85
Grants	-	59,858	-	59,858	-
Debt service costs	(322,671)	-	-	(322,671)	-
Other	327,360	22,010	26,628	375,998	5,949
Net non-operating revenues (expenses)	(2,581,873)	82,568	(758)	(2,500,063)	(143,344)
Income or (loss) before transfers and contributions	693,451	367,626	213,026	1,274,103	269,246
Transfers and contributions					
Capital contributions - impact fees	288,234	-	-	288,234	-
Total transfers and contributions	288,234	-	-	288,234	-
Change in net position	981,685	367,626	213,026	1,562,337	269,246
Total net position - beginning	121,708,623	14,346,440	1,988,354	138,043,417	3,439,993
Total net position - ending	\$ 122,690,308	\$ 14,714,066	\$ 2,201,380	\$ 139,605,754	\$ 3,709,239
Change in Net Position of Proprietary Funds				\$ 1,562,337	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				73,202	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES				\$ 1,635,539	

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

CITY OF LARGO, FLORIDA
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2022

	Business-type Activities-Enterprise Funds				Internal Service Funds
	Wastewater Utility	Solid Waste Utility	Nonmajor Golf Course	Total	
Operating activities					
Cash received from customers	\$ 28,121,274	\$ 15,722,537	\$ 1,553,086	\$ 45,396,897	\$ 18,706,957
Cash received from internal departments	-	-	-	-	2,297,399
Cash paid to employees	(7,193,013)	(4,695,363)	(550,713)	(12,439,089)	(1,689,574)
Cash paid to vendors	(10,710,210)	(6,934,999)	(583,526)	(18,228,735)	(19,188,641)
Cash paid for internal services	(3,026,356)	(1,671,890)	(20,900)	(4,719,146)	(196,600)
Net cash provided by (used in) operating activities	7,191,695	2,420,285	397,947	10,009,927	(70,459)
Non-capital financing activities					
Cash received from granting agencies	-	59,858	-	59,858	-
Net cash provided by (used in) non-capital financing activities	-	59,858	-	59,858	-
Capital and related financing activities					
Contributed capital and grants	288,234	-	-	288,234	-
Loan proceeds	16,133,551	-	-	16,133,551	-
Sale of capital assets	131,690	163,424	-	295,114	86
Acquisition of capital assets	(13,373,615)	(2,381,850)	(35,903)	(15,791,368)	(19,493)
Debt issuance costs	(322,671)	-	-	(322,671)	-
Principal repayment on long-term debt	(4,530,729)	-	-	(4,530,729)	-
Interest payments on long-term debt	(583,941)	(30)	-	(583,971)	-
Net cash provided by (used in) capital and related financing activities	(2,257,481)	(2,218,456)	(35,903)	(4,511,840)	(19,407)
Investing activities					
Investment earnings	(1,285,529)	(160,895)	(28,056)	(1,474,480)	(146,965)
Net cash provided by investing activities	(1,285,529)	(160,895)	(28,056)	(1,474,480)	(146,965)
Net increase (decrease) in cash and investments	3,648,685	100,792	333,988	4,083,465	(236,831)
Cash and investments					
Beginning of year	19,417,575	5,976,791	774,526	26,168,892	5,899,167
End of year	\$ 23,066,260	\$ 6,077,583	\$ 1,108,514	\$ 30,252,357	\$ 5,662,336
Reconciliation of operating income (loss) to net cash provided by/(used in) operating activities					
Operating income (loss)	\$ 3,275,324	\$ 285,058	\$ 213,784	\$ 3,774,166	\$ 412,590
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Other non operating revenue/(expenses)	327,360	22,010	26,628	375,998	5,949
Depreciation and amortization	5,891,402	1,837,464	153,635	7,882,501	33,905
(Increase) decrease in assets and increase (decrease) in liabilities:					
Accounts receivable	(400,395)	(1,604)	9,744	(392,255)	24,162
Due from other funds	-	-	-	-	-
Inventories	(6,537)	-	-	(6,537)	(6,807)
Accrued interest	-	2	-	-	-
Prepaid expenses and other assets	-	-	-	-	(70,816)
Accounts payable and accrued expenses	(1,941,384)	44,824	1,895	(1,894,665)	(118,597)
Accrued payroll and vacation	45,470	232,021	7,487	284,978	(10,845)
Deposits	455	-	-	455	-
Restricted accounts payable and accrued expenses	-	510	-	-	-
Unearned revenue	-	-	(15,226)	(15,226)	-
Estimated claims payable	-	-	-	-	(340,000)
Total adjustments	3,916,371	2,135,227	184,163	6,235,761	(483,049)
Net cash provided by (used in) operating activities	\$ 7,191,695	\$ 2,420,285	\$ 397,947	\$ 10,009,927	\$ (70,459)

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

CITY OF LARGO, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2022

	Pension Trust Funds
Assets	
Cash and investments	\$ 19,048,005
Accrued interest receivable	107,645
Due from other funds	37,319
Investments, at fair value:	
Loans receivable	979,286
U.S. Treasury & U.S. Agency securities	6,740,000
Corporate bonds	11,884,361
Mutual funds	81,523,133
Common stock	<u>90,798,454</u>
Total assets	<u>211,118,203</u>
Liabilities	
Due to employee investment accounts	10,578,619
Due to other funds	37,319
Unearned revenue	<u>101,540</u>
Total liabilities	<u>10,717,478</u>
Net position	
Restricted for:	
Pension benefits	<u>200,400,725</u>
Total net position	<u><u>\$ 200,400,725</u></u>

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

CITY OF LARGO, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2022

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 7,305,300
Plan members	3,047,310
State	1,501,684
Forfeitures added	84,327
Interest on loans repaid	50,931
Total contributions	<u>11,989,552</u>
Investment earnings:	
Net increase (decrease) in investment value	(52,165,359)
Interest and dividends	23,153,674
	<u>(29,011,685)</u>
Less investment costs	<u>(798,635)</u>
Net investment earnings	<u>(29,810,320)</u>
Net additions	<u>(17,820,768)</u>
Deductions:	
Benefits	16,495,824
Refund of contributions	72,039
Loans transferred out	115,731
Administrative	273,429
Forfeitures	82,463
Insurance	65,098
Total deductions	<u>17,104,584</u>
Change in net position	(34,925,352)
Total net position - beginning	<u>235,326,077</u>
Total net position - ending	<u><u>\$ 200,400,725</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS



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City of Largo, Florida
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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 2022.

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.

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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.

City of Largo, Florida
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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.

City of Largo, Florida
Notes to the Financial Statements
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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 known 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.

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

City of Largo, Florida
Notes to the Financial Statements
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COVID-19 pandemic pursuant to the American Rescue Act of 2021.

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 be completed during fiscal year 2024.

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

City of Largo, Florida
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collateral as may be prescribed by law; obligations of certain federal agencies and instrumentalities; and repurchase agreements.

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. Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

4. 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.

City of Largo, Florida
Notes to the Financial Statements
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5. 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.

6. 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.

7. 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 \$1,334,972 was recorded during the current fiscal year.

City of Largo, Florida
Notes to the Financial Statements
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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

8. 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.

9. 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.

10. 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.

11. 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 \$64,724,426 of restricted net position, of which \$9,077,425 is restricted by enabling legislation.

12. 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.

13. 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).

14. 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.

15. 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.

City of Largo, Florida
Notes to the Financial Statements
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16. 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.

17. 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.

18. 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.

City of Largo, Florida
Notes to the Financial Statements
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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	\$ 63,306,240
Leases payable	2,656,172
Accrued interest payable	<u>427,796</u>
Net adjustment to decrease Fund Balance - total governmental funds to arrive at Net Position - governmental activities	<u>\$ 66,390,208</u>

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 two financial statements are as follows:

Net pension liability	\$ 24,628,601
Compensated absences excluding internal service funds	3,086,571
OPEB liability excluding internal service funds	<u>15,635,677</u>
Net adjustment to decrease Fund Balance - total governmental funds to arrive at Net Position - governmental activities	<u>\$ 43,350,849</u>

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.

City of Largo, Florida
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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 excluding internal service funds are, as follows:

CIP and Land increases	\$ 11,193,539
Increases in depreciable fixed assets	25,388,085
Decreases in CIP	(22,090,410)
Increases in accumulated depreciation	<u>(10,552,415)</u>
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 3,938,799</u>

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 excluding internal service funds are, as follows:

Remaining undepreciated cost of capital assets sold/retired	<u>\$ 177,258</u>
Net adjustment to decrease Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 177,258</u>

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:

Bond proceeds	\$ (51,690,553)
Premium on bond proceeds	(10,703,000)
Adjustment for deferred revenues	109,705
Change in utility taxes receivable:	(8,043)
Change in special assessments receivable	1,168
Lease financing received	<u>(3,292,918)</u>
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ (65,583,641)</u>

Another element of this reconciliation is 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 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:

City of Largo, Florida
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Debt principal repayment	\$ 1,099,091
Lease principal payment	636,746
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 1,735,837</u>

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	\$ 4,674,327
Adjustment to long-term compensated absences	(82,644)
Change in accrued interest	(425,818)
Adjustment for OPEB liability	<u>(1,652,087)</u>
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 2,513,778</u>

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 2022. 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	\$ 555,400
Transportation Impact Fee	175,000
Multimodal Impact Fee	140,000
CDBG - Community Development Block Grant	2,200
SHIP - State Housing Initiative Partnership	600,000
CRA - Community Redevelopment Agency	480,000
County Gas Tax	371,000
Construction Services	10,800
Stormwater	40,300
LOST - Local Option Sales Tax	610,000
ARP COVID Recovery Fund	70,000
Program Special Revenue	66,400
Wastewater Operations	47,300
Solid Waste	59,800
Golf Course	1,300
Fleet Services	88,600
Total	<u>\$ 3,318,100</u>

City of Largo, Florida
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September 30, 2022

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, 2022 the City did not have any funds with deficit balances.

New Accounting Pronouncements. For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases", Implementation Guide No. 2019-3 "Leases", No. 92 "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates". 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", and No. 98, "The Annual Comprehensive Financial Report".

GASB Statement No. 87 Leases and Implementation Guide No. 2019-3 Leases - Issued in June 2017, this Statement and implementation guide will be effective for the City beginning with its fiscal year ending September 30, 2022. This Statement increases the usefulness of the City's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. under ths Statements, the City, as a lessee, is required to recognize a lease liability and an intangible right-to-use lease asset, and as a relevance and consistency of information about the City's leasing activities. The changes were incorporated into the City's 2022 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 92 Omnibus 2020 enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. These items include leases, intra-entity transfers of assets, reporting assets accumulated for postemployment benefits, reporting by public entity risk pools and terminology used to refer to derivative instruments. The changes were incorporated into the City's 2022 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 93 addresses accounting and other financial reporting obligations that result from the replacement of an interbank offered rate. The changes were incorporated into the City's 2022 financial statements; however, there was no effect on beginning net position.

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GASB Statement No. 97 increases consistency and comparability related to reporting of fiduciary component units. The changes were incorporated into the City's 2022 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 98, establishes the term annual comprehensive financial report and its acronym ACFR. The changes were incorporated into the City's 2022 financial statements.

Future Accounting Pronouncements. The Governmental Accounting Board has issued statements that will become effective in FY 2023 and FY2024. The statements include:

- 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. 99, Omnibus 2022
- GASB Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62
- GASB Statement No. 101, Compensated Absences
- 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.

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IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

City of Largo

As of September 30, 2022 the City of Largo held the following investments measured at fair value:

Investment Type	Fair Value (\$000) & Maturities				% Total	Fair Value Level
	Less Than 1 year	1-2 Years	2 -5 Years	Total		
US Treasuries	\$ 33,650	\$ 19,944	\$ 2,830	\$ 56,424	32.1%	1
US GSE (1)						
FHLB	4,971	941	14,371	20,283	12.1%	2
FHLMC	-	-	5,909	5,909	4.7%	2
FFCB	20,581	4,813	13,884	39,278	14.8%	2
FAMCA	-	1,882	3,610	5,492	4.4%	2
Certificates of Deposit	9,000	-	-	9,000	7.1%	N/A
Demand Deposits (2)	17,279	-	-	17,279	13.7%	N/A
Money Market Deposit	3,045	-	-	3,045	2.4%	N/A
LGIT	25,803	-	-	25,803	8.7%	2
	<u>\$ 114,329</u>	<u>\$ 27,580</u>	<u>\$ 40,604</u>	<u>\$ 182,513</u>	<u>100.0%</u>	
% of Total	<u>62.7%</u>	<u>15.1%</u>	<u>22.2%</u>	<u>100.0%</u>		

(1) Governmental Sponsored Enterprises are privately held corporations created by the U.S. Congress

(2) Total balance reflects actual bank balances at September 30, 2022 including \$812,282 in bank to book reconciling items.

(3) The City also maintains petty cash and change balances in the amount of \$19,050 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

City of Largo, Florida
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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 ladder (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 Statute 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:

City of Largo, Florida
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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 institution, chartered by the United States Government or the State of Florida.
2. 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, 2022, the carrying amount of the City's deposits with financial institutions was \$54,314,727 and the total of the bank balances was \$55,127,010. 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, 2022
U.S. Treasury Obligations	50%	32.1%
U.S. Agencies and Instrumentalities	40%	36.0%
Time Deposits and Savings Accounts (Public Depositories)	40%	7.1%
Checking Accounts (Public Depositories)	20%	13.7%
Government Investment Pools	20%	8.7%
Money Market Funds	20%	2.4%
% of Total		100%

City of Largo, Florida
Notes to the Financial Statements
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General 401(a) and Executive Management 401(a) Plans

At September 30, 2022, the General and Executive Management 401(a) Plans invested in the following cash and investments:

	Balance at 09/30/22	Credit Rating	General	Executive	Concentration Total	Fair Value Level
Investments Measured at Net Asset Value (NAV)						
Mutual Funds						
Domestic Common Stock Funds	\$ 14,631,898	Not Reported	31.9%	22.0%	31.1%	N/A
International Common Stock Funds	2,476,380		5.6%	1.3%	5.3%	N/A
Fixed Income Fund (Bonds)	3,811,656	Not Reported	8.5%	2.9%	8.1%	N/A
Asset Allocation (Stocks & Fixed Inc.)	16,902,384		34.0%	59.2%	36.0%	N/A
Other	478,730		1.1%	0.1%	1.0%	N/A
Total Investments Measured at NAV	38,301,048					
Investments at Amortized Cost						
Cash and Cash Equivalents	8,703,472	Not Reported	18.9%	14.3%	18.5%	N/A
Total Investments Measured at Amortized Cost	8,703,472					
Total Cash & Investments	\$ 47,004,520		100%	100%	100%	
Per Fiduciary Statement of Net Position:						
Executive Employees' Retirement	\$ 3,628,576					
General Employees' Retirement	43,375,944					
Total Cash & Investments	\$ 47,004,520					

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 Plans, 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 performance results, remain true to the fund's stated investment style, maintain an appropriate asset

City of Largo, Florida
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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 not 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.

City of Largo, Florida
Notes to the Financial Statements
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Police Officers' and Firefighters' Retirement

At September 30, 2022, the Police Officers' and Firefighter's Retirement System invested in the following cash and investments:

	Balance at 09/30/22	Credit Rating (Moody's)	Weighted Average Maturity (Years)	Concentration	Fair Value Level
Investments at Fair Value Level					
U.S. Treasury Securities			7.22		
U.S. Treasury Bonds	\$ 769,199	Aaa		0.47%	1
U.S. Treasury Bonds	538,955	Aaa		0.33%	2
U.S. Treasury Notes	80,501	Aaa		0.05%	2
U.S. Government Sponsored Agencies			14.19		
Federal Home Loan Mortgage Corp.	313,443	Aaa		0.19%	2
Federal National Mortgage Assoc.	4,027,567	Aaa		2.47%	2
Government National Mortgage Assoc.	362,605	Aaa		0.22%	2
Municipal Obligations	47,961	Aaa		0.03%	2
Collateralized Mortgage Obligations	613,272	Aaa		0.38%	2
Collateralized Mortgage Obligations	12,876	A3		0.01%	2
Corporate Obligations			16.56		
Bonds	189,212	Aaa		0.12%	
Bonds	336,819	Aa2		0.21%	1
Bonds	739,419	Aa3		0.45%	1
Bonds	1,043,754	A1		0.64%	1
Bonds	3,309,561	A2		2.04%	1
Bonds	1,920,718	A3		1.18%	1
Bonds	106,478	AA1		0.07%	1
Bonds	1,814,538	Baa1		1.12%	1
Bonds	967,002	Baa2		0.60%	1
Bonds	72,154	Baa3		0.04%	1
Foreign Bonds	385,272			0.24%	1
Domestic Common Stock Funds	87,197,778			53.65%	N/A
Foreign Common Stock Funds	3,643,138			2.24%	N/A
Total Investments at Fair Value Level	108,492,222				
Investments at Net Asset Value (NAV)					
Real Estate Investment Trusts	17,402,107			10.71%	N/A
Mutual Funds					
Balanced Funds (Stocks & Fixed)	25,819,977			15.89%	N/A
Total Investments at NAV	43,222,084				
Investments at Amortized Cost					
Stable Value Fund	7,372,959			4.54%	N/A
Government Money Market	3,428,479			2.11%	N/A
Total Investments at Amortized Cost	10,801,438				
Total Cash & Investments	\$ 162,515,744			100.00%	

City of Largo, Florida
Notes to the Financial Statements
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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, 2022, 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, 2022, 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, 2022, 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.

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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, 2022, the cash balance in the fund was \$473,689 .

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.

City of Largo, Florida
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C. Capital Assets

1. Capital asset activity

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 28,247,186	\$ -	\$ -	\$ 28,247,186
Construction in progress	22,285,489	11,213,031	22,090,410	11,408,110
Total non-depreciable capital assets	<u>50,532,675</u>	<u>11,213,031</u>	<u>22,090,410</u>	<u>39,655,296</u>
Depreciable/Amortizable capital assets:				
Building	82,008,583	-	105,966	81,902,617
Improvements other than buildings	77,656,698	15,809,866	-	93,466,564
Machinery and equipment	45,609,940	6,280,551	4,568,692	47,321,799
Intangible	3,746,599	-	-	3,746,599
Right-to-use machinery and equipment	-	3,297,668	-	3,297,668
Total depreciable/amortizable capital assets	<u>209,021,820</u>	<u>25,388,085</u>	<u>4,674,658</u>	<u>229,735,247</u>
Less accumulated depreciation/amortization for:				
Building	32,254,289	2,348,523	105,393	34,497,419
Improvements other than buildings	40,539,261	3,903,413	-	44,442,674
Machinery and equipment	32,956,400	3,649,381	4,392,007	32,213,774
Intangible	887,152	315,565	-	1,202,717
Right-to use machinery and equipment	-	369,438	-	369,438
Total accumulated depreciation/amortization	<u>106,637,102</u>	<u>10,586,320</u>	<u>4,497,400</u>	<u>112,726,022</u>
Net depreciable/amortizable capital assets	<u>102,384,718</u>	<u>14,801,765</u>	<u>177,258</u>	<u>117,009,225</u>
Net governmental activities capital assets	<u>\$ 152,917,393</u>	<u>\$ 26,014,796</u>	<u>\$ 22,267,668</u>	<u>\$ 156,664,521</u>

City of Largo, Florida
Notes to the Financial Statements
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Non-depreciable capital assets:				
Land	\$ 2,824,038	\$ -	\$ -	\$ 2,824,038
Construction in progress	80,673,966	15,661,395	20,672,487	75,662,874
Total non depreciable capital assets	83,498,004	15,661,395	20,672,487	78,486,912
Depreciable/amortizable capital assets				
Building and improvements	7,270,688	9,103,357	543,707	15,830,338
Improvements other than buildings	211,807,257	6,799,560	12,601,381	206,005,436
Machinery and equipment	28,028,606	4,802,062	1,068,144	31,762,524
Intangible	849,085	83,435	-	932,520
Right-to-use machinery and equipment	-	14,048	-	14,048
Total depreciable/amortizable capital assets	247,955,636	20,802,462	14,213,232	254,544,866
Less accumulated depreciation/amortization for:				
Building and improvements	2,795,193	413,893	335,789	2,873,297
Improvements other than building	91,996,964	4,578,321	11,961,055	84,614,230
Machinery and equipment	15,309,639	2,797,305	1,065,138	17,041,806
Intangible	77,095	85,957	-	163,052
Right-to-use machinery and equipment	-	7,025	-	7,025
Total accumulated depreciation/amortization	110,178,891	7,882,501	13,361,982	104,699,410
Net depreciable/amortizable capital assets	137,776,745	12,919,961	851,250	149,845,456
Net business type activities capital assets	221,274,749	28,581,356	21,523,737	228,332,368

2. Depreciation and amortization expense

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

Governmental activities		Business-type activities	
General government	\$ 1,633,085	Wastewater	\$ 5,891,402
Economic development	286,703	Solid waste	1,837,464
Public safety	2,397,348	Golf course	153,635
Public works	3,474,795		-
Culture and recreation	2,760,484		-
Internal service funds charged to various functions	33,905		-
Total depreciation/amortization expense	\$ 10,586,320		\$ 7,882,501

City of Largo, Florida
Notes to the Financial Statements
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3. Construction commitments

The City has active construction projects as of September 30, 2022. The projects include a new City Hall complex, various building, 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:

	Incurred	Remaining Commitment
Biological Treatment System Improvements	\$ 61,937,316	\$ 8,263,766
Community Streets - Rosery Rd NE	141,858	1,169,300
ES Operations Building & Biosolids Hardening Project - Design	9,082,311	1,364,779
Horizon West Bay (New City Hall And Public Parking Garage)	7,807,156	70,480,091
Lift Station #2 Sanitary Sewer Sub Basin #1 Thru #4	4,833,796	3,025,202
Lift Station 19 Sanitary Sewer Basin Inflow & Infiltration Rehabilitation	938,022	964,265
Lift Station 26 Sanitary Sewer Basin Inflow & Infiltration Rehabilitation	482,601	637,449
Parks Administration Building Reconstruction	52,764	516,694
Parking Lot Reconstruction for Parks		599,097
Sanitary Lift Station Basin 16 Sanitary Sewer Overflow Prevention Project	1,967,359	555,785
Southwest Rec. Aquatic Center Re-Design And Rehabilitation - ARP Funding		697,758
Total	\$ 87,243,183	\$ 88,274,186

The commitments shown above are financed from existing and future 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 Amount	Purpose
General (major)	Transportation Capital		
General (major)	Projects (non-major)	\$ 7,632	Awaiting receipt and billing of Rosery Road Joint Project with Pinellas County receivable
LOST (major)	CDBG (major)	45,678	Awaiting receipt of housing related receivable
Non-Major (Parkland Dedication)	Non-Major (CRA)	343,000	Financing for redevelopment property to be sold
	Non-Major (CRA)	189,000	Financing for redevelopment property to be sold
		\$ 585,310	

City of Largo, Florida
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2. Interfund transfers

Transfer from	Transfer to	Total Amount	Purpose
General	Debt Service	\$ 463,900	For ERP debt service payments
Stormwater	Debt Service	25,900	For ERP debt service payments
Construction Services	Debt Service	25,900	For ERP debt service payments
General	Debt Service	1,623,200	For Series A & B bonds debt service payments
CRA	Debt Service	240,000	For Series A & B bonds debt service payments
Program Special Revenue	General	11,400	For cost of school resource officers
	Total	<u>\$ 2,390,300</u>	

E. Leases

The City has entered into several leases which were previously classified as capital or operating leases. These lease agreements qualify as other than short-term leases under GASB Statement No. 87, *Leases*. These leases contain cancellation provisions and are subject to annual appropriation clauses. Implementation of GASB 87 requires recognition of certain leased assets and liabilities, previously classified as operating leases, to recognize inflows of resources or outflows of resources based on the payment provisions of the contract. The City establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset.

On October 12, 2018, the City entered into a lease agreement to acquire copiers/printers for 48 months with an additional 12 month renewal. Total monthly payments, not including variable costs, are \$4,343. Total variable costs for additional printers and printing usage not included in the measurement of lease liability are \$86,325 for the reporting period ended September 30, 2022. Lease assets and liabilities for this lease were split between governmental and business-type activities, 86% and 14% respectively. Lease liability is measured at a discount rate of 4%, which is the City's incremental borrowing rate.

On June 1, 2019, the City entered into a lease agreement to acquire a minibus for 36 months, which includes all maintenance with annual payments of \$10,331. The City agreed to extend the lease one year at an additional cost of \$11,225. Lease liability is measured at a discount rate of 4%, which is the City's incremental borrowing rate. This is a right-to-use lease with no option of transferable ownership at the end of the lease.

On May 1, 2022, the City entered into a lease agreement to acquire body camera bundles for the police department. The total lease term is 60 months and includes three annual payments of \$626,489 followed by two payments of \$798,427. Lease liability is measured at a discount rate of 4%, which is the City's incremental borrowing rate.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

A summary of future minimum lease payments are as follows:

Year Ending September 30	Governmental Activities		Business Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 574,434	\$ 96,874	\$ 7,141	\$ 156	\$ 581,575	\$ 97,030
2024	552,187	74,302	-	-	552,187	74,302
2025	749,507	48,920	-	-	749,507	48,920
2026	780,043	18,384	-	-	780,043	18,384
Total lease payments	<u>\$ 2,656,171</u>	<u>\$ 238,480</u>	<u>\$ 7,141</u>	<u>\$ 156</u>	<u>\$ 2,663,312</u>	<u>\$ 238,636</u>

Lease Revenue

The City of Largo owns two radio/technology equipment tower sites classified as real property.

On January 27, 2019, the City of Largo entered into an agreement with a cell tower vendor to lease a portion of real property at 1000 2nd Street SE, Largo, FL for 60 months. Under the lease, the vendor pays the City \$33,383 annually which includes a 4% interest rate. Total lease revenue of \$27,775 and interest revenue of \$1,625 was reported for the year ended September 30, 2022.

On June 24, 2021, the City of Largo entered into an agreement with a second cell tower vendor to lease a portion of real property at 5100 150 Ave N, Clearwater, FL for 60 months. Under the lease, the vendor pays the City \$2,804 monthly, which escalates 3% each year. Payments from the tenant include 4% interest. Total lease revenue of \$33,867 and interest revenue of \$4,411 was reported for the year ended September 30, 2022.

Minimum future rentals on other than short-term leases are as follows:

Year Ending September 30	Principal	Interest	Total
2023	\$ 65,771	\$ 3,472	\$ 69,243
2024	35,269	1,775	37,044
2025	27,963	375	28,338
Total lease receivables	<u>\$ 129,003</u>	<u>\$ 5,622</u>	<u>\$ 134,625</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

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 loans are paid solely from the net revenues of the wastewater utility system and are payable through June 2036, and September 2041, respectively. Net operating revenues for the current year were \$9,817,305.

The SRL#3 loan agreement is for drawdowns totaling \$66,158,187 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 \$49,678,274 and is for biological treatment plant upgrades. The total amount borrowed as of September 30, 2022 is \$50,837,003 including capitalized interest and a 2% loan service cost. Repayments on the loan are to begin in April 2023.

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 \$6,845,199.

In January 2022 the City issued Series A and Series B Capital Improvement Revenue Bonds to fund the construction of a new City Hall complex, titled Horizon, payable through 2051 and 2026, respectively. The Series A Bonds are non taxable with a PAR value of \$47,655,000 and a premium of \$10,703,553. The Series B Bonds are taxable and the PAR value issued was \$4,035,000. The bonds carry variable interest rates ranging from 0.86% to 5%. The City has pledged non ad valorem revenues to repay the bonds. Non ad valorem means all governmental funds revenues except those generated from ad valourm taxation on real or personal property, which are legally available to make the payments required under the resolution. The City has calculated no rebate amount due on bond proceeds as of September 30, 2022.

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. Both of these liabilities were removed in 2022.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

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	\$ 2,012	\$ -	\$ 494	\$ 1,518	\$ 494
Capital Improvement Revenue Bonds - Series A	-	47,656	-	47,656	-
Variable interest rate. Balance Due September 1, 2051		10,703	-	10,703	-
Unamortized bond premiums					
Capital Improvement Revenue Bonds - Series B	-	4,035	605	3,430	995
Variable interest rate. Balance Due September 1, 2026					
Lease Liability	-	3,293	637	2,656	574
Net pension liability	41,464	-	16,835	24,629	-
Compensated absences	3,087	2,615	2,539	3,163	2,539
Total OPEB liability	18,674	-	2,612	16,062	-
Property/Liability and Workers Compensation	2,410	570	910	2,070	414
City Commissioner/ Police Chief annuity payable	88	-	88	-	-
Total Governmental activities debt	<u>\$ 67,735</u>	<u>\$ 68,872</u>	<u>\$ 24,720</u>	<u>\$ 111,887</u>	<u>\$ 5,016</u>
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	71,798	-	4,546	67,252	4,579
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	34,253	16,583	-	50,836	2,445
Lease Liability	-	14	7	7	7
Compensated absences	637	516	519	634	519
Total OPEB liability	4,188	-	592	3,596	-
Net business-type activities debt	<u>\$ 110,876</u>	<u>\$ 17,113</u>	<u>\$ 5,664</u>	<u>\$ 122,325</u>	<u>\$ 7,550</u>

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.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

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

Governmental Activities Debt Service Requirements

Year Ending September 30	Series A Bonds		Series B Bonds		Regions ERP Loan		Totals		Total Debt
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Service
2023	\$ -	\$ 2,020,980	\$ 995,000	\$ 25,217	\$ 499,947	\$ 15,702	\$ 1,494,947	\$ 2,061,899	\$ 3,556,846
2024	-	2,017,779	1,005,000	19,047	505,872	9,776	1,510,872	2,046,602	3,557,474
2025	-	2,014,848	1,015,000	12,199	511,868	3,781	1,526,868	2,030,828	3,557,696
2026	610,000	2,005,424	415,000	3,974	-	-	1,025,000	2,009,398	3,034,398
2027	1,065,000	1,968,450	-	-	-	-	1,065,000	1,968,450	3,033,450
2028-2032	6,175,000	8,989,000	-	-	-	-	6,175,000	8,989,000	15,164,000
2033-2037	7,780,000	7,378,650	-	-	-	-	7,780,000	7,378,650	15,158,650
2038-2042	9,485,000	5,676,200	-	-	-	-	9,485,000	5,676,200	15,161,200
2043-2047	11,535,000	3,621,200	-	-	-	-	11,535,000	3,621,200	15,156,200
2048-2051	11,005,000	1,122,200	-	-	-	-	11,005,000	1,122,200	12,127,200
Total	\$ 47,655,000	\$ 36,814,731	\$ 3,430,000	\$ 60,437	\$ 1,517,687	\$ 29,259	\$ 52,602,687	\$ 36,904,427	\$ 89,507,114

Note: The table above does not include the \$10,703,000 of bond premium revenues.

Business-type Activities Debt Service Requirements

FY	SRL #3-CW520210		SRL #4-WW520270		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2023	\$ 4,579,449	\$ 484,084	\$ 2,445,128	\$ 98,465	\$ 7,024,577	\$ 582,549	\$ 7,607,126
2024	4,612,780	450,753	2,450,021	93,572	7,062,801	544,325	7,607,126
2026	4,646,395	417,138	2,454,924	88,670	7,101,319	505,808	7,607,127
2026	4,680,296	383,237	2,459,836	83,757	7,140,132	466,994	7,607,126
2027	4,714,486	349,047	2,464,758	78,835	7,179,244	427,882	7,607,126
2028-2032	24,095,577	1,222,088	12,397,967	319,999	36,493,544	1,542,087	38,035,631
2033-2037	19,922,359	331,773	12,522,507	195,460	32,444,866	527,233	32,972,099
2038-2042	-	-	12,648,297	69,670	12,648,297	69,670	12,717,967
Total	\$ 67,251,342	\$ 3,638,120	\$ 49,843,438	\$ 1,028,428	\$ 117,094,780	\$ 4,666,548	\$ 121,761,328

Note: The above table does not include the 2% loan service fee on SRL #4 which amounts to \$993,565 as of September 30, 2022.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

G. Fund equity

Governmental fund balances reported on the fund financial statements at September 30, 2022 include the following:

	General	LOST	SHIP	City Hall Capital Project	Nonmajor Funds	Total
Nonspendable:						
Deposits and Prepaids	\$ 142,050	\$ -	\$ -	\$ -	\$ -	142,050
Receivables	275,653	-	-	-	-	275,653
Property Held for Resale	-	-	-	-	979,669	979,669
Restricted:						
Capital improvements and public works	-	21,242,276	-	54,405,601	18,220,396	93,868,273
Economic development	-	-	1,888,815	-	3,360,375	5,249,190
Public safety programs	-	-	-	-	634,020	634,020
Youth and adult library/ recreation programs	-	-	-	-	280,410	280,410
Parkland dedication	-	-	-	-	3,962,398	3,962,398
Debt Service	-	-	-	-	40,298	40,298
Assigned:						
Subsequent year's operations including encumbrances	11,550,688	-	-	-	-	11,550,688
Accrued employee benefits	2,886,419	-	-	-	-	2,886,419
Other purposes	-	-	-	-	289,556	289,556
Unassigned	12,930,674	-	-	-	-	12,930,674
	<u>\$ 27,785,484</u>	<u>\$ 21,242,276</u>	<u>\$ 1,888,815</u>	<u>\$ 54,405,601</u>	<u>\$ 27,767,122</u>	<u>\$ 133,089,298</u>

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, 2022 are as follows:

Major governmental funds:	
General	\$ 4,183,589
Local Option Sales Tax	6,363,867
SHIP	456,372
CDBG	697,697
ARP Covid Recovery	842,118
City Hall Capital Project	71,434,388
Total Major Funds	<u>83,978,031</u>
Non-major governmental funds	<u>5,023,664</u>
Total Encumbrances	<u>\$ 89,001,695</u>

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, 2022, 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.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

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:

	Workers Compensation	Property and Liability	Total
Claims reserve, September 30, 2020	\$ 1,725,000	\$ 465,000	\$ 2,190,000
Plus: Incurred claims and reserve adjustments	671,000	365,000	1,036,000
Less: Paid claims and reserve adjustments	(466,000)	(350,000)	(816,000)
Claims reserve, September 30, 2021	1,930,000	480,000	2,410,000
Plus: Incurred claims and reserve adjustments	400,000	170,000	570,000
Less: Paid claims and reserve adjustments	(735,000)	(175,000)	(910,000)
Claims reserve, September 30, 2022	\$ 1,595,000	\$ 475,000	\$ 2,070,000

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.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2022

	Executive Employees' Retirement	General Employees' Retirement	Police Officers' and Firefighters' Retirement	General Employees' Disability	Total
Assets					
Cash and Investments	\$ 1,152,196	\$ 7,551,275	\$ 9,870,845	\$ 473,689	\$ 19,048,005
Accrued interest receivable	-	106,388	-	1,257	107,645
Due from other funds	-	-	-	37,319	37,319
Loans receivable	-	979,286	-	-	979,286
U.S. Treasury securities & agencies	-	-	6,740,000	-	6,740,000
Corporate bonds	-	-	11,884,361	-	11,884,361
Mutual funds	2,476,380	35,824,669	43,222,084	-	81,523,133
Common stock	-	-	90,798,454	-	90,798,454
Total Assets	<u>3,628,576</u>	<u>44,461,618</u>	<u>162,515,744</u>	<u>512,265</u>	<u>211,118,203</u>
Liabilities					
Due to employee investment accounts	-	37,319	10,541,300	-	10,578,619
Due to other funds	-	37,319	-	-	37,319
Accounts payable	-	-	-	-	-
Unearned revenue	-	-	101,540	-	101,540
Total liabilities	<u>-</u>	<u>74,638</u>	<u>10,642,840</u>	<u>-</u>	<u>10,717,478</u>
Net position					
Restricted for:					
Participant benefits	3,628,576	44,386,980	151,872,904	512,265	200,400,725
Total net position	<u>\$ 3,628,576</u>	<u>\$ 44,386,980</u>	<u>\$ 151,872,904</u>	<u>\$ 512,265</u>	<u>\$ 200,400,725</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2022

	Executive Employees' Retirement	General Employees' Retirement	Police Officers' and Firefighters' Retirement	General Employees' Disability	Total
Additions					
Contributions:					
Employer	\$ 219,424	\$ 1,613,256	\$ 5,472,620	\$ -	\$ 7,305,300
Plan members	137,237	1,246,275	1,663,798	-	3,047,310
State contributions	-	-	1,501,684	-	1,501,684
Forfeitures	-	46,419	-	37,908	84,327
Service purchase contributions	-	-	-	-	-
Rollover contributions	-	-	-	-	-
Interest on loans repaid	-	50,931	-	-	50,931
Total contributions	356,661	2,956,881	8,638,102	37,908	11,989,552
Investment earnings:					
Net increase/(decrease) in investment value	(748,112)	(12,005,559)	(39,396,153)	(15,535)	(52,165,359)
Interest and dividends	-	2,831,796	20,318,771	3,107	23,153,674
	(748,112)	(9,173,763)	(19,077,382)	(12,428)	(29,011,685)
Less investment expense	-	(99,418)	(699,217)	-	(798,635)
Net investment earnings	(748,112)	(9,273,181)	(19,776,599)	(12,428)	(29,810,320)
Net additions	(391,451)	(6,316,300)	(11,138,497)	25,480	(17,820,768)
Deductions					
Benefits	628,122	4,771,580	11,096,122	-	16,495,824
Refund of contributions	-	-	72,039	-	72,039
Loans transferred out	-	115,731	-	-	115,731
Administrative	-	-	273,429	-	273,429
Forfeitures deduction	-	82,463	-	-	82,463
Insurance	-	-	-	65,098	65,098
Total deductions	628,122	4,969,774	11,441,590	65,098	17,104,584
Change in net position	(1,019,573)	(11,286,074)	(22,580,087)	(39,618)	(34,925,352)
Total net position – beginning	4,648,149	55,673,054	174,452,991	551,883	235,326,077
Total net position - ending	\$ 3,628,576	\$ 44,386,980	\$ 151,872,904	\$ 512,265	\$ 200,400,725

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.

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.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

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, 2022, the City abated property taxes totaling \$18,815 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

The City began construction upgrades to the Biological Treatment Facilities in September 2018. A contract with the State of Florida Department of Environmental Protection was finalized and executed in December 2019 for this project providing funding under the Clean Water State Revolving Fund Loan Agreement. The State of Florida has approved 4 total amendments to this agreement, most recently in January 2023 allowing for a current borrowing amount of up to \$57,441,261 excluding capitalized interest.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2022

VI. Pension and Benefit Plans

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:

	October 1	
	2020	2021
Active employees	261	274
Retirees and beneficiaries currently receiving normal & disability benefits	231	237
Terminated employee's entitled to benefits, but not yet receiving benefits	22	22
DROP participants receiving benefits into their DROP accounts	21	20
Total plan membership	535	553

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

City of Largo, Florida
Notes to the Financial Statements
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- 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 eligible 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, 2022 were \$5,472,620 and \$1,663,798, respectively. The City's contribution was made in accordance with actuarially determined contribution requirements ascertained through an actuarial valuation performed at October 1, 2021 (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 \$1,501,684. This amount was recorded as an intergovernmental revenue and an expenditure in the General Fund.

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Net Pension Liability. The net pension liability was measured as of October 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020.

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	October 1, 2020
Actuarial Cost Method (Funding)	Entry Age Normal Standard actuarial update procedures were used to "roll forward" the Total Pension Liability to the September 30, 2021 Measurement Date.
Roll Forward Methodology	Experience-based table of rates that are specific to the type of eligibility condition.
Retirement Age	The same versions of PUB-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class Members in the July 1, 2020 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.
Mortality Rates	
Actuarial assumptions:	
Investment rate of return	6.50%
Projected salary increases	3.75% to 5.75% depending on Member Age
Inflation	2.5%
Cost-of-living adjustments	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

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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, 2021:

Asset Class	Target Allocation	Actual Allocation
Domestic equities		
Small Cap Blend	10.0%	9.5%
Large Cap Growth	20.0%	20.9%
Large Cap Value	20.0%	19.8%
International equities		
Developed markets	5.0%	4.5%
Emerging markets	7.5%	7.2%
Fixed income	30.0%	29.8%
Real estate	7.5%	8.4%
	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 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, 2021 are summarized in the following table:

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Asset Class	Long-term Expected Real Rate of Return	Weighted Average
Domestic equities		
Small Cap Blend	7.25%	1.44%
Small Cap Growth	7.50%	4.19%
Small Cap Value	7.50%	9.60%
International equities		
Developed markets	6.75%	1.24%
Emerging markets	7.75%	1.14%
Fixed income	2.00%	(1.73)%
Real estate	5.75%	2.09%
Total		<u>17.97%</u>

Rate of return. For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.5%. 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 6.50% 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 (6.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

City of Largo, Florida
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Changes in the Total Pension Liability and the Net Pension Liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at of September 30, 2020	<u>\$ 199,816,563</u>	<u>\$ 158,353,001</u>	<u>\$ 41,463,562</u>
Changes for the year:			
Service cost	4,071,667	-	4,071,667
Interest	13,384,531	-	13,384,531
Benefit changes	-	-	-
Difference between actual & expected experience	2,722,420	-	2,722,420
Assumption changes	262,134	-	262,134
Contributions - employer	-	5,207,448	(5,207,448)
Contributions - employer (through state)	-	1,398,226	(1,398,226)
Contributions - member	-	1,634,222	(1,634,222)
Net investment income	-	29,292,807	(29,292,807)
Benefit payments	(10,766,741)	(10,766,741)	-
Refunds	(431,018)	(431,018)	-
Administrative expense	-	(256,990)	256,990
Other	-	-	-
Net changes	<u>9,242,993</u>	<u>26,077,954</u>	<u>(16,834,961)</u>
Balance at of September 30, 2021	<u><u>\$ 209,059,556</u></u>	<u><u>\$ 184,430,955</u></u>	<u><u>\$ 24,628,601</u></u>

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 88.22%.

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 6.50%, 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):

1% Decrease 5.50%	Current Single Discount Rate Assumption 6.50%	1% Increase 7.50%
<u>\$ 48,560,609</u>	<u>\$ 24,628,601</u>	<u>\$ 4,702,122</u>

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Pension expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended September 30, 2022 the City recognized pension expense of \$2,299,977. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows or Resources	Net Deferred Outflows (Inflows)
Difference between expected and actual experience	\$ 2,929,931	\$ -	\$ 2,929,931
Changes in assumptions	203,882	-	203,882
Net difference between projected and actual earnings on pension plan investments	1,848,114	15,871,882	(14,023,768)
Employer contributions made subsequent to the measurement date	6,974,304	-	6,974,304
Total	<u>\$ 11,956,231</u>	<u>\$ 15,871,882</u>	<u>\$ (3,915,651)</u>

Deferred outflows of resources related to the Plan, including \$6,974,304 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:

2023	\$ (2,557,186)
2024	(1,878,947)
2025	(3,042,943)
2026	(3,410,879)
	<u>\$ (10,889,955)</u>

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

City of Largo, Florida
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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:

	FY2021	FY2022
Active employees (vested and non-vested)	562	548
Disabled participants currently receiving benefits	22	25
Total	584	573

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:

	FY2021	FY2022
Active employees (vested and non-vested)	534	535
Retired and terminated members maintaining balances	301	332
Total	835	867

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 2022 Members are required to contribute between 5% of covered salary (regular pay only) to the Plan, and the City is required to contribute between 6% and 7.5%, depending on position classification, of covered salary. During FY 2022, actual contributions were \$1,246,275 from employees and \$1,613,256 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.

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 23 active members.

Funding Policy. For fiscal year 2022 the City contribution is 8.0% of covered pay and member contributions are 5% of covered pay. Actual contributions were \$137,237 from employees and \$219,424 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.

City of Largo, Florida
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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, 2021	\$ 41,618,988
Employee contributions	1,763,017
Employer contributions	8,036
Rollover contributions	581,773
Loan repayment interest	27,138
Earnings (losses)	(6,863,879)
Distributions	(3,870,830)
Loans redeemed	-
Net plan assets, September 30, 2022	<u>\$ 33,264,242</u>

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, 2021	\$ 45,872
Employee Contributions	-
Earnings/(Loss)	(64)
Distributions	(5,602)
Net Plan Assets, September 30, 2022	<u>\$ 40,206</u>

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, 2022.

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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 27 retired participants and dependents receiving health benefits and 685 employees 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, 2022. The measurement period for the OPEB cost was October 1, 2021 to September 30, 2022. The City’s total OPEB liability is \$19,658,210.

Changes in the Total Net OPEB Liability is as follows:

	<u>Fiscal Year ending September 30, 2022</u>
Total OPEB Liability	
Service cost	\$ 1,452,409
Expected interest growth	1,144,825
Demographic experience	(106,980)
Benefit payments and refunds	(635,510)
Assumption changes	212,233
Net change in balance of deferred inflows and outflows	<u>(5,270,939)</u>
Total change in net OPEB liability	(3,203,962)
Total OPEB liability, beginning	<u>22,862,172</u>
Total OPEB liability, ending	<u><u>\$ 19,658,210</u></u>

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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 4.77%, 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):

1% Decrease	Current Single	1% Increase
1.00%	Discount Rate	1.00%
	4.77%	
\$ 21,734,625	\$ 19,658,210	\$ 17,848,521

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 8.5% 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):

Trend rates	Current Healthcare	Trend rates
minus 1%	Cost Trend Rate	plus 1%
	8.5% graded down to 5%	
\$ 17,197,430	\$ 19,658,210	\$ 22,603,245

OPEB expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended September 30, 2022 the City recognized OPEB expense of \$2,066,798. At September 30, 2022, the City reported \$6,255,749 in deferred outflows and \$5,725,642 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	Net Deferred Outflows (Inflows)
2022	\$ 776,489	\$ 671,236	\$ 105,253
2023	776,489	671,236	105,253
2024	776,489	671,236	105,253
2025	776,489	671,236	105,253
2026 and thereafter	3,149,793	3,040,698	109,095
	<u>\$ 6,255,749</u>	<u>\$ 5,725,642</u>	<u>\$ 530,107</u>

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

Valuation Date	October 1, 2020
Measurement Date	September 30, 2022
Discount rate	4.77% per annum
Salary increases	3.00% per annum
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 discount rate was increased from 2.43% to 4.77% per annum;

City of Largo, Florida
Required Supplementary Information
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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	2022
Service cost	\$ 2,575	\$ 2,572	\$ 2,778	\$ 3,080	\$ 3,572	\$ 3,745	\$ 3,913	\$ 4,072
Interest	11,080	11,499	11,916	12,269	12,066	12,391	12,902	13,385
Difference between expected and actual experience	(427)	-	(1,057)	1,429	11	855	942	2,722
Changes in benefit terms	-	-	-	-	-	461	(1)	-
Changes of assumptions	-	-	-	8,537	-	-	-	262
Benefit payments, including refunds of employee contributions	(7,325)	(7,965)	(9,478)	(8,981)	(12,291)	(9,736)	(10,342)	(11,198)
Other	5	-	-	-	-	-	-	-
Net change in total pension liability	5,908	6,106	4,159	16,334	3,358	7,716	7,414	9,243
Total pension liability-beginning	148,821	154,729	160,835	164,994	181,328	184,686	192,402	199,817
Total pension liability-ending	154,729	160,835	164,994	181,328	184,686	192,402	199,816	209,060
Plan fiduciary net position								
Contributions-employer	\$ 4,591	\$ 5,025	\$ 4,648	\$ 5,373	\$ 6,262	\$ 6,047	\$ 6,202	\$ 6,606
Contributions-employee	706	940	1,208	1,272	1,414	1,353	1,467	1,634
Net investment income	10,838	497	9,877	15,043	13,052	5,296	10,336	29,293
Benefit payments, including refunds of employee contributions	(7,325)	(7,965)	(9,478)	(8,980)	(12,291)	(9,736)	(10,342)	(11,198)
Other	-	-	-	-	54	-	-	-
Administrative expense	(154)	(149)	(134)	(155)	(230)	(195)	(243)	(257)
Net change in fiduciary net position	8,656	(1,652)	6,121	12,553	8,261	2,765	7,420	26,078
Plan fiduciary net position-beginning	114,230	122,885	121,233	127,354	139,907	148,168	150,933	158,353
Plan fiduciary net position-ending	122,886	121,233	127,354	139,907	148,168	150,933	158,353	184,431
Net pension liability	\$ 31,843	\$ 39,602	\$ 37,640	\$ 41,421	\$ 36,518	\$ 41,469	\$ 41,463	\$ 24,629
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%	88.22%
Covered payroll	12,456	13,311	13,660	15,419	16,315	16,910	17,693	19,329
Net pension liability as a percentage of covered payroll	255.64%	297.51%	275.55%	268.64%	223.83%	245.23%	234.35%	127.42%

Notes to Schedule:

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

The Net Pension liability of the plans recorded to the City's financial statements at September 30, 2022 is based on a measurement date of September 20, 2021.

City of Largo, Florida
Required Supplementary Information
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POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
(\$ in thousands)

Actuarial Valuation	10/1/2012	10/1/2013	10/1/2014	10/1/2015	10/1/2016	10/1/2017	10/1/2018	10/1/2019	10/1/2020
Fiscal Year Contributed to Plans	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 4,987	\$ 5,025	\$ 4,648	\$ 5,373	\$ 6,261	\$ 6,047	\$ 6,202	\$ 6,606	\$ 6,974
Contributions in relation to the actuarially determined contribution	4,591*	5,025**	4,648	5,373	6,261	6,047	6,202	6,606	6,974
Covered payroll	12,624	12,733	13,660	15,419	16,315	16,910	17,693	19,329	19,931
Contributions as a percentage of covered payroll	36.4%	39.5%	34.0%	34.8%	38.4%	35.8%	35.1%	34.2%	35.0%

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

** -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.

Notes to Schedule:

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	6.5%
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, 2020 Actuarial Valuation Report dated April 5, 2021 and the Actuarial Impact Statement dated October 18, 2021.

City of Largo, Florida
Required Supplementary Information
September 30, 2022

POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS

	2015	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return	10.66%	0.33%	9.09%	13.43%	10.29%	3.83%	7.30%	19.50%

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

City of Largo, Florida
Required Supplementary Information
September 30, 2022

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Service cost	\$ 876	886	1,458	2,190	1,452
Expected interest growth	410	439	297	472	1,145
Demographic experience	-	-	233	(1,360)	(107)
Difference between expected and actual experience	-	-	-	-	-
Change in assumptions and other inputs	-	-	-	-	-
Benefit payments and refunds	(267)	(326)	(431)	(472)	(636)
Assumption changes	-	78	3,288	4,561	212
Change in deferred outflows of resources	-	-	-	-	(776)
Change in deferred inflows of resources	-	-	-	-	(4,494)
Net change in total OPEB liability	<u>1,019</u>	<u>1,077</u>	<u>4,845</u>	<u>5,391</u>	<u>(3,204)</u>
Total OPEB liability, beginning	10,530	11,549	12,626	17,471	22,862
Total OPEB liability, ending	<u>\$ 11,549</u>	<u>12,626</u>	<u>17,471</u>	<u>22,862</u>	<u>19,658</u>
Covered employee payroll	\$ 31,235	31,235	40,022	38,098	38,098
Total OPEB liability as a percentage of covered employee payroll	36.98%	40.42%	43.65%	60.01%	51.60%

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.

**COMMUNITY REDEVELOPMENT
AGENCY**

CITY OF LARGO, FLORIDA
Largo Community Redevelopment Agency
Balance Sheet
September 30, 2022

Assets

Cash and investments	\$ 3,783,962
Receivables	
Accrued interest	10,617
Property held for resale	979,669
Total assets	<u>\$ 4,774,248</u>

Liabilities

Accounts payable	\$ 28,696
Accrued payroll	3,380
Due to other funds	532,000
Total liabilities	<u>564,076</u>

Fund balances

Nonspendable	979,669
Restricted	3,230,503
Total fund balances	<u>4,210,172</u>
Total liabilities and fund balances	<u>\$ 4,774,248</u>

CITY OF LARGO, FLORIDA
Largo Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance
Fiscal Year Ended September 30, 2022

Revenues

Taxes	\$ 767,961
Intergovernmental	898,268
Investment earnings	(85,682)
Other	46,950
Total revenues	<u>1,627,497</u>

Expenditures

Current:	
Economic development	<u>172,502</u>
Total expenditures	<u>172,502</u>

Other financing sources/uses

Transfers out	<u>(240,000)</u>
Total other financing sources/uses	<u>(240,000)</u>

Net change in fund balance	1,214,995
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Fund balance - beginning	<u>2,995,177</u>
Fund balance - ending	<u><u>\$ 4,210,172</u></u>

**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, 2022

	Original Budget	Final Budget	Actual	Final Budget Variances Positive (Negative)
Revenues				
Taxes	\$ 45,074,000	\$ 45,074,000	\$ 45,227,974	\$ 153,974
Licenses, permits and fees	6,505,000	6,505,000	7,022,621	517,621
Intergovernmental	11,137,100	11,137,100	13,327,515	2,190,415
Charges for services	19,077,100	19,077,100	19,206,169	129,069
Fines	591,500	591,500	921,237	329,737
Interfund charges	4,574,700	4,574,700	4,602,946	28,246
Contributions and donations	187,400	187,400	322,968	135,568
Investment earnings (losses)	160,000	160,000	(1,211,261)	(1,371,261)
Other	232,200	232,200	277,127	44,927
Total revenues	<u>87,539,000</u>	<u>87,539,000</u>	<u>89,697,296</u>	<u>2,158,296</u>
Expenditures				
Current:				
Administration	3,589,300	3,744,797	3,572,300	172,497
Community Development	2,680,500	2,787,721	2,405,328	382,393
Public Works	5,414,700	5,749,848	4,774,291	975,557
Engineering	1,074,400	1,130,545	1,041,037	89,508
Finance	1,061,800	1,089,364	1,034,582	54,782
Fire Rescue	22,809,100	23,083,892	22,146,756	937,136
General Operating	303,900	323,177	507,392	(184,215)
Human Resources	1,031,200	1,039,971	931,398	108,573
Information Technology	4,629,300	4,960,575	4,643,930	316,645
Legislative	423,600	426,002	394,668	31,334
Library	3,749,400	3,835,397	3,664,343	171,054
Police	32,046,200	32,776,699	29,905,081	2,871,618
Recreation, Parks & Arts	13,387,500	13,801,886	11,902,324	1,899,562
Capital outlay	2,844,400	4,280,637	4,325,301	(44,664)
Principal	-	-	510,054	(510,054)
Interest	-	-	36,444	(36,444)
Total expenditures	<u>95,045,300</u>	<u>99,030,511</u>	<u>91,795,229</u>	<u>7,235,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,506,300)</u>	<u>(11,491,511)</u>	<u>(2,097,933)</u>	<u>9,393,578</u>
Other Financing Sources (Uses)				
Transfers in	11,400	11,400	11,400	-
Transfers out	(1,984,700)	(1,984,700)	(2,087,100)	(102,400)
Bond proceeds	-	-	383,724	383,724
Lease financing	-	-	2,602,325	2,602,325
Sale of capital assets	75,000	75,000	19,373	(55,627)
Total other financing sources (uses)	<u>(1,898,300)</u>	<u>(1,898,300)</u>	<u>929,722</u>	<u>2,828,022</u>
Net change in fund balance	<u>\$ (9,404,600)</u>	<u>\$ (13,389,811)</u>	<u>(1,168,211)</u>	<u>\$ 12,221,600</u>
Fund balance - beginning			<u>28,953,695</u>	
Fund balance - ending			<u>\$ 27,785,484</u>	

City of Largo, Florida
Nonmajor Governmental Funds
September 30, 2022

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 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 the 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, 2022

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.

Debt Service Funds. A debt service fund is created to record the accumulation of resources and payment of principal and interest on general long-term obligations.

The Debt Service Fund was established to account for the ERP System replacement loan and payments on the Bonds issued in 2022 for the City Hall capital project debt service payments.

CITY OF LARGO, FLORIDA
Combining Balance Sheet
Nonmajor Funds
September 30, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 25,833,907	\$ 470,266	\$ 40,297	\$ 26,344,470
Receivables:				
Accrued interest	87,731	1,241	-	88,972
Accounts, billed	628,400	33,860	-	662,260
Accounts, unbilled	529,904	-	-	529,904
Special assessments	14,604	-	-	14,604
Due from other governments	178,721	-	-	178,721
Other	42,925	-	-	42,925
Due from other funds	189,000	-	-	189,000
Property held for resale	979,669	-	-	979,669
Notes and loans receivable	703,177	-	-	703,177
Total assets	<u>\$ 29,188,038</u>	<u>\$ 505,367</u>	<u>\$ 40,297</u>	<u>\$ 29,733,702</u>
Liabilities				
Accounts payable	\$ 502,924	\$ -	\$ -	\$ 502,924
Accrued payroll	143,818	-	-	143,818
Due to other funds	532,000	7,632	-	539,632
Deposits	272	-	-	272
Unearned revenue	273,796	-	-	273,796
Total liabilities	<u>1,452,810</u>	<u>7,632</u>	<u>-</u>	<u>1,460,442</u>
Deferred inflows				
Unavailable revenue	506,138	-	-	506,138
Total deferred inflows	<u>506,138</u>	<u>-</u>	<u>-</u>	<u>506,138</u>
Fund Balances				
Nonspendable	979,669	-	-	979,669
Restricted	25,959,865	497,735	40,297	26,497,897
Assigned	289,556	-	-	289,556
Total fund balances	<u>27,229,090</u>	<u>497,735</u>	<u>40,297</u>	<u>27,767,122</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 29,188,038</u>	<u>\$ 505,367</u>	<u>\$ 40,297</u>	<u>\$ 29,733,702</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Funds
Fiscal Year Ended September 30, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 767,961	\$ -	\$ -	\$ 767,961
Licenses, permits and fees	2,723,022	-	-	2,723,022
Intergovernmental	2,329,440	-	-	2,329,440
Charges for services	6,706,779	-	-	6,706,779
Fines	46,705	-	-	46,705
Contributions and donations	95,914	-	-	95,914
Investment earnings (losses)	(631,425)	(13,733)	(61)	(645,219)
Other	66,009	49,309	-	115,318
Total revenues	12,104,405	35,576	(61)	12,139,920
Expenditures				
Current:				
Public safety	37,319	-	-	37,319
Public works	4,898,328	-	-	4,898,328
Economic development	2,260,189	-	-	2,260,189
Culture and recreation	170,277	-	-	170,277
Capital outlay	1,401,191	(115,330)	-	1,285,861
Principal	988	-	1,099,091	1,100,079
Interest	56	-	1,277,102	1,277,158
Total expenditures	8,768,348	(115,330)	2,376,193	11,029,211
Excess (deficiency) of revenues over (under) expenditures	3,336,057	150,906	(2,376,254)	1,110,709
Other financing sources (uses)				
Transfers in	-	-	2,378,900	2,378,900
Transfers out	(303,200)	-	-	(303,200)
Lease financing	2,011	-	-	2,011
Sale of capital assets	107,917	-	-	107,917
Total other financing sources (uses)	(193,272)	-	2,378,900	2,185,628
Net change in fund balances	3,142,785	150,906	2,646	3,296,337
Fund balances - beginning	24,086,305	346,829	37,651	24,470,785
Fund balances - ending	\$ 27,229,090	\$ 497,735	\$ 40,297	\$ 27,767,122

CITY OF LARGO, FLORIDA
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2022

	County Gas Tax	Transportation Impact Fee	Multimodal Impact Fee	Construction Services	Stormwater	Community Redevelopment Agency
Assets						
Cash and investments	\$ 2,599,027	\$ 1,215,477	\$ 1,607,659	\$ 6,543,932	\$ 4,970,774	\$ 3,783,962
Receivables:						
Accrued interest	26,703	3,210	4,161	17,228	12,541	10,617
Accounts, billed	-	-	-	100	628,294	-
Accounts, unbilled	-	-	-	-	529,904	-
Special assessments	14,604	-	-	-	-	-
Due from other governments	177,732	-	-	-	-	-
Other	-	-	-	-	540	-
Due from other funds	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	979,669
Notes and loans receivable	-	-	-	-	-	-
Total assets	<u>\$ 2,818,066</u>	<u>\$ 1,218,687</u>	<u>\$ 1,611,820</u>	<u>\$ 6,561,260</u>	<u>\$ 6,142,053</u>	<u>\$ 4,774,248</u>
Liabilities						
Accounts payable	\$ 26,010	\$ 64,141	\$ 227,386	\$ 14,591	\$ 122,016	\$ 28,696
Accrued payroll	-	-	-	59,069	81,369	3,380
Due to other funds	-	-	-	-	-	532,000
Deposits	-	-	-	272	-	-
Unearned revenue	34,372	-	-	-	-	-
Total liabilities	<u>60,382</u>	<u>64,141</u>	<u>227,386</u>	<u>73,932</u>	<u>203,385</u>	<u>564,076</u>
Deferred inflows						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	-	-	-	979,669
Restricted	2,757,684	1,154,546	1,384,434	6,487,328	5,938,668	3,230,503
Assigned	-	-	-	-	-	-
Total fund balances	<u>2,757,684</u>	<u>1,154,546</u>	<u>1,384,434</u>	<u>6,487,328</u>	<u>5,938,668</u>	<u>4,210,172</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,818,066</u>	<u>\$ 1,218,687</u>	<u>\$ 1,611,820</u>	<u>\$ 6,561,260</u>	<u>\$ 6,142,053</u>	<u>\$ 4,774,248</u>

PCH	Neighborhood Stabilization Program 2	Program Special Revenue	Trees	Parkland Dedication	Florida Opioid Settlement	Total Nonmajor Special Revenue Funds
\$ 77,331	\$ -	\$ 1,266,869	\$ 858,808	\$ 2,910,068	\$ -	\$ 25,833,907
-	-	3,346	2,259	7,666	-	87,731
-	-	6	-	-	-	628,400
-	-	-	-	-	-	529,904
-	-	-	-	-	-	14,604
-	-	989	-	-	-	178,721
-	-	-	-	-	42,385	42,925
-	-	-	-	189,000	-	189,000
-	-	-	-	-	-	979,669
655,402	47,775	-	-	-	-	703,177
<u>\$ 732,733</u>	<u>\$ 47,775</u>	<u>\$ 1,271,210</u>	<u>\$ 861,067</u>	<u>\$ 3,106,734</u>	<u>\$ 42,385</u>	<u>\$ 29,188,038</u>
\$ -	\$ -	\$ 14,681	\$ 5,403	\$ -	\$ -	\$ 502,924
-	-	-	-	-	-	143,818
-	-	-	-	-	-	532,000
-	-	-	-	-	-	272
191,649	47,775	-	-	-	-	273,796
191,649	47,775	14,681	5,403	-	-	1,452,810
463,753	-	-	-	-	42,385	506,138
463,753	-	-	-	-	42,385	506,138
-	-	-	-	-	-	979,669
77,331	-	966,973	855,664	3,106,734	-	25,959,865
-	-	289,556	-	-	-	289,556
77,331	-	1,256,529	855,664	3,106,734	-	27,229,090
<u>\$ 732,733</u>	<u>\$ 47,775</u>	<u>\$ 1,271,210</u>	<u>\$ 861,067</u>	<u>\$ 3,106,734</u>	<u>\$ 42,385</u>	<u>\$ 29,188,038</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended September 30, 2022

	County Gas Tax	Transportation Impact Fee	Multimodal Impact Fee	Construction Services	Stormwater	Community Redevelopment Agency
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	767,961
Licenses, permits and fees	-	-	226,926	2,201,093	-	-
Intergovernmental	1,431,172	-	-	-	-	898,268
Charges for services	-	-	-	-	6,639,443	-
Fines	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Investment earnings (losses)	(57,110)	(34,784)	(36,644)	(172,083)	(113,557)	(85,682)
Other	6,210	-	-	(38)	5,000	46,950
Total revenues	1,380,272	(34,784)	190,282	2,028,972	6,530,886	1,627,497
Expenditures						
Current						
Public safety	-	-	-	-	-	-
Public works	358,192	-	-	-	4,540,136	-
Economic development	-	-	-	2,083,397	-	172,502
Culture and recreation	-	-	-	-	-	-
Capital outlay	157,087	339,087	14,342	19,000	800,393	-
Principal	-	-	-	-	988	-
Interest	-	-	-	-	56	-
Total expenditures	515,279	339,087	14,342	2,102,397	5,341,573	172,502
Excess (deficiency) of revenues over (under) expenditures	864,993	(373,871)	175,940	(73,425)	1,189,313	1,454,995
Other financing sources/(uses)						
Transfers out	-	-	-	(25,900)	(25,900)	(240,000)
Lease financing	-	-	-	-	2,011	-
Sale of capital assets	79,267	-	-	-	350	-
Total other financing sources/(uses)	79,267	-	-	(25,900)	(23,539)	(240,000)
Net change in fund balances	944,260	(373,871)	175,940	(99,325)	1,165,774	1,214,995
Fund balances - beginning	1,813,424	1,528,417	1,208,494	6,586,653	4,772,894	2,995,177
Fund balances - ending	<u>\$ 2,757,684</u>	<u>\$ 1,154,546</u>	<u>\$ 1,384,434</u>	<u>\$ 6,487,328</u>	<u>\$ 5,938,668</u>	<u>\$ 4,210,172</u>

PCH	Neighborhood Stabilization Program 2	Program Special Revenue	Trees	Parkland Dedication	Florida Opioid Settlement	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	767,961
-	-	-	187,850	107,153	-	2,723,022
-	-	-	-	-	-	2,329,440
-	-	67,336	-	-	-	6,706,779
-	-	46,705	-	-	-	46,705
-	-	95,914	-	-	-	95,914
-	-	(34,600)	(20,665)	(76,300)	-	(631,425)
7,887	-	-	-	-	-	66,009
7,887	-	175,355	167,185	30,853	-	12,104,405
-	-	37,319	-	-	-	37,319
-	-	-	-	-	-	4,898,328
860	-	3,430	-	-	-	2,260,189
-	-	133,183	37,094	-	-	170,277
-	-	66,328	4,954	-	-	1,401,191
-	-	-	-	-	-	988
-	-	-	-	-	-	56
860	-	240,260	42,048	-	-	8,768,348
7,027	-	(64,905)	125,137	30,853	-	3,336,057
-	-	(11,400)	-	-	-	(303,200)
-	-	-	-	-	-	2,011
-	-	28,300	-	-	-	107,917
-	-	16,900	-	-	-	(193,272)
7,027	-	(48,005)	125,137	30,853	-	3,142,785
70,304	-	1,304,534	730,527	3,075,881	-	24,086,305
\$ 77,331	\$ -	\$ 1,256,529	\$ 855,664	\$ 3,106,734	\$ -	\$ 27,229,090

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
County Gas Tax Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 1,545,600	\$ 1,545,600	\$ 1,431,172	\$ (114,428)
Investment earnings (losses)	10,000	10,000	(57,110)	(67,110)
Other	-	-	6,210	6,210
Total revenues	<u>1,555,600</u>	<u>1,555,600</u>	<u>1,380,272</u>	<u>(175,328)</u>
Expenditures				
Current:				
Public works	500,800	908,765	358,192	550,573
Capital outlay	<u>626,000</u>	<u>877,721</u>	<u>157,087</u>	<u>720,634</u>
Total expenditures	<u>1,126,800</u>	<u>1,786,486</u>	<u>515,279</u>	<u>1,271,207</u>
Excess (deficiency) of revenues over (under) expenditures	<u>428,800</u>	<u>(230,886)</u>	<u>864,993</u>	<u>1,095,879</u>
Other Financing Sources/(Uses)				
Sale of capital assets	-	-	79,267	79,267
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>79,267</u>	<u>79,267</u>
Net change in fund balance	<u>\$ 428,800</u>	<u>\$ (230,886)</u>	<u>944,260</u>	<u>\$ 1,175,146</u>
Fund Balance - beginning			<u>1,813,424</u>	
Fund Balance - ending			<u>\$ 2,757,684</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Transportation Impact Fee Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings (losses)	\$ 4,400	\$ 4,400	\$ (34,784)	\$ (39,184)
Total revenues	<u>4,400</u>	<u>4,400</u>	<u>(34,784)</u>	<u>(39,184)</u>
Expenditures				
Capital outlay	<u>638,000</u>	<u>1,125,158</u>	<u>339,087</u>	<u>786,071</u>
Total expenditures	<u>638,000</u>	<u>1,125,158</u>	<u>339,087</u>	<u>786,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(633,600)</u>	<u>(1,120,758)</u>	<u>(373,871)</u>	<u>746,887</u>
Net change in fund balance	<u>\$ (633,600)</u>	<u>\$ (1,120,758)</u>	<u>(373,871)</u>	<u>\$ 746,887</u>
Fund Balance - beginning			<u>1,528,417</u>	
Fund Balance - ending			<u>\$ 1,154,546</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Multimodal Impact Fee Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Licenses, permits and fees	\$ 455,000	\$ 455,000	\$ 226,926	\$ (228,074)
Investment earnings (losses)	8,400	8,400	(36,644)	(45,044)
Total revenues	<u>463,400</u>	<u>463,400</u>	<u>190,282</u>	<u>(273,118)</u>
Expenditures				
Capital outlay	-	140,000	14,342	125,658
Total expenditures	<u>-</u>	<u>140,000</u>	<u>14,342</u>	<u>125,658</u>
Excess (deficiency) of revenues over (under) expenditures	<u>463,400</u>	<u>323,400</u>	<u>175,940</u>	<u>(147,460)</u>
Net change in fund balance	<u>\$ 463,400</u>	<u>\$ 323,400</u>	175,940	<u>\$ (147,460)</u>
Fund Balance - beginning			<u>1,208,494</u>	
Fund Balance - ending			<u>\$ 1,384,434</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Construction Services Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Licenses, permits and fees	\$ 1,900,000	\$ 1,900,000	\$ 2,201,093	\$ 301,093
Investment earnings (losses)	40,000	40,000	(172,083)	(212,083)
Other	-	-	(38)	(38)
Total revenues	<u>1,940,000</u>	<u>1,940,000</u>	<u>2,028,972</u>	<u>88,972</u>
Expenditures				
Current:				
Economic development	2,336,400	2,405,038	2,083,397	321,641
Capital outlay	<u>1,215,800</u>	<u>1,215,800</u>	<u>19,000</u>	<u>1,196,800</u>
Total expenditures	<u>3,552,200</u>	<u>3,620,838</u>	<u>2,102,397</u>	<u>1,518,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,612,200)</u>	<u>(1,680,838)</u>	<u>(73,425)</u>	<u>1,607,413</u>
Other Financing Sources/(Uses)				
Transfers out	<u>(231,000)</u>	<u>(231,000)</u>	<u>(25,900)</u>	<u>205,100</u>
Total other financing sources (uses)	<u>(231,000)</u>	<u>(231,000)</u>	<u>(25,900)</u>	<u>205,100</u>
Net change in fund balance	<u>\$ (1,843,200)</u>	<u>\$ (1,911,838)</u>	<u>(99,325)</u>	<u>\$ 1,812,513</u>
Fund Balance - beginning			<u>6,586,653</u>	
Fund Balance - ending			<u>\$ 6,487,328</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Stormwater Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for services	\$ 6,760,000	\$ 6,760,000	\$ 6,639,443	\$ (120,557)
Investment earnings (losses)	15,000	15,000	(113,557)	(128,557)
Other	-	-	5,000	5,000
Total revenues	<u>6,775,000</u>	<u>6,775,000</u>	<u>6,530,886</u>	<u>(244,114)</u>
Expenditures				
Current:				
Public works	5,070,600	5,651,589	4,540,136	1,111,453
Capital outlay	4,043,900	4,992,703	800,393	4,192,310
Principal	-	-	988	(988)
Interest	-	-	56	(56)
Total expenditures	<u>9,114,500</u>	<u>10,644,292</u>	<u>5,341,573</u>	<u>5,302,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,339,500)</u>	<u>(3,869,292)</u>	<u>1,189,313</u>	<u>5,058,605</u>
Other Financing Sources/(Uses)				
Transfers out	(309,700)	(309,700)	(25,900)	283,800
Lease financing	-	-	2,011	2,011
Sale of capital assets	50,000	50,000	350	(49,650)
Total other financing sources (uses)	<u>(259,700)</u>	<u>(259,700)</u>	<u>(23,539)</u>	<u>236,161</u>
Net change in fund balance	<u>\$ (2,599,200)</u>	<u>\$ (4,128,992)</u>	<u>1,165,774</u>	<u>\$ 5,294,766</u>
Fund Balance - beginning			<u>4,772,894</u>	
Fund Balance - ending			<u>\$ 5,938,668</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Community Redevelopment Agency Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes	\$ 769,100	\$ 769,100	\$ 767,961	\$ (1,139)
Intergovernmental	741,900	741,900	898,268	156,368
Investment earnings (losses)	10,000	10,000	(85,682)	(95,682)
Other	-	-	46,950	46,950
Total revenues	<u>1,521,000</u>	<u>1,521,000</u>	<u>1,627,497</u>	<u>106,497</u>
Expenditures				
Public works	2,500	2,500	-	2,500
Economic development	467,800	588,800	172,502	416,298
Capital outlay	-	254,512	-	254,512
Total expenditures	<u>470,300</u>	<u>845,812</u>	<u>172,502</u>	<u>673,310</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,050,700</u>	<u>675,188</u>	<u>1,454,995</u>	<u>779,807</u>
Other Financing Sources/(Uses)				
Transfers out	<u>(38,100)</u>	<u>(278,100)</u>	<u>(240,000)</u>	<u>38,100</u>
Total other financing sources (uses)	<u>(38,100)</u>	<u>(278,100)</u>	<u>(240,000)</u>	<u>38,100</u>
Net change in fund balance	<u>\$ 1,012,600</u>	<u>\$ 397,088</u>	<u>1,214,995</u>	<u>\$ 817,907</u>
Fund Balance - beginning			<u>2,995,177</u>	
Fund Balance - ending			<u>\$ 4,210,172</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Pinellas County Housing Authority Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Other	\$ 7,900	\$ 7,900	\$ 7,887	\$ (13)
Total revenues	<u>7,900</u>	<u>7,900</u>	<u>7,887</u>	<u>(13)</u>
Expenditures				
Current:				
Economic development	<u>68,400</u>	<u>69,270</u>	<u>860</u>	<u>68,410</u>
Total expenditures	<u>68,400</u>	<u>69,270</u>	<u>860</u>	<u>68,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,500)</u>	<u>(61,370)</u>	<u>7,027</u>	<u>68,397</u>
Net change in fund balance	<u>\$ (60,500)</u>	<u>\$ (61,370)</u>	<u>7,027</u>	<u>\$ 68,397</u>
Fund Balance - beginning			<u>70,304</u>	
Fund Balance - ending			<u>\$ 77,331</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Neighborhood Stabilization Program 2
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Current:				
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u>-</u>	 <u><u>\$ -</u></u>
 Fund Balance - beginning			 <u>-</u>	
 Fund Balance - ending			 <u><u>\$ -</u></u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Program Special Revenue Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for services	\$ 115,500	\$ 115,500	\$ 67,336	\$ (48,164)
Fines	84,000	84,000	46,705	(37,295)
Contributions and donations	68,000	68,000	95,914	27,914
Investment earnings (losses)	8,700	8,700	(34,600)	(43,300)
Total revenues	<u>276,200</u>	<u>276,200</u>	<u>175,355</u>	<u>(100,845)</u>
Expenditures				
Current:				
Public safety	138,500	141,292	37,319	103,973
Economic development	5,000	5,000	3,430	1,570
Culture and recreation	246,500	257,879	133,183	124,696
Capital outlay	55,000	190,035	66,328	123,707
Total expenditures	<u>445,000</u>	<u>594,206</u>	<u>240,260</u>	<u>353,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,800)</u>	<u>(318,006)</u>	<u>(64,905)</u>	<u>253,101</u>
Other Financing Sources/(Uses)				
Transfers out	(11,400)	(11,400)	(11,400)	-
Sale of capital assets	-	28,300	28,300	-
Total other financing sources (uses)	<u>(11,400)</u>	<u>16,900</u>	<u>16,900</u>	<u>-</u>
Net change in fund balance	<u>\$ (180,200)</u>	<u>\$ (301,106)</u>	<u>(48,005)</u>	<u>\$ 253,101</u>
Fund Balance - beginning			<u>1,304,534</u>	
Fund Balance - ending			<u>\$ 1,256,529</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Tree Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Licenses, permits and fees	\$ 50,000	\$ 50,000	\$ 187,850	\$ 137,850
Investment earnings (losses)	4,000	4,000	(20,665)	(24,665)
Total revenues	<u>54,000</u>	<u>54,000</u>	<u>167,185</u>	<u>113,185</u>
Expenditures				
Culture and recreation	120,000	125,915	37,094	88,821
Capital outlay	28,000	42,937	4,954	37,983
Total expenditures	<u>148,000</u>	<u>168,852</u>	<u>42,048</u>	<u>126,804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,000)</u>	<u>(114,852)</u>	<u>125,137</u>	<u>239,989</u>
Net change in fund balance	<u>\$ (94,000)</u>	<u>\$ (114,852)</u>	<u>125,137</u>	<u>\$ 239,989</u>
Fund Balance - beginning			<u>730,527</u>	
Fund Balance - ending			<u>\$ 855,664</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Parkland Dedication Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Licenses, permits and fees	\$ 850,000	\$ 850,000	\$ 107,153	\$ (742,847)
Investment earnings (losses)	13,000	13,000	(76,300)	(89,300)
Total revenues	<u>863,000</u>	<u>863,000</u>	<u>30,853</u>	<u>(832,147)</u>
Expenditures				
Capital outlay	400,000	400,000	-	400,000
Total expenditures	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>463,000</u>	<u>463,000</u>	<u>30,853</u>	<u>(432,147)</u>
Net change in fund balance	<u>\$ 463,000</u>	<u>\$ 463,000</u>	<u>30,853</u>	<u>\$ (432,147)</u>
Fund Balance - beginning			<u>3,075,881</u>	
Fund Balance - ending			<u>\$ 3,106,734</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Florida Opioid Settlement
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - beginning			<u>-</u>	
Fund Balance - ending			<u>\$ -</u>	

CITY OF LARGO, FLORIDA
Combining Balance Sheet
Nonmajor Capital Project Funds
September 30, 2022

	Transportation Capital Projects	Technology Capital Projects	Total Nonmajor Capital Projects Funds
Assets			
Cash and investments	\$ -	\$ 470,266	\$ 470,266
Receivables:			
Accrued interest	-	1,241	1,241
Accounts, billed	33,860	-	33,860
Total assets	<u>\$ 33,860</u>	<u>\$ 471,507</u>	<u>\$ 505,367</u>
Liabilities			
Due to other funds	\$ 7,632	\$ -	\$ 7,632
Total Liabilities	<u>7,632</u>	<u>-</u>	<u>7,632</u>
Fund balances			
Restricted	26,228	471,507	497,735
Total fund balances	<u>26,228</u>	<u>471,507</u>	<u>497,735</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 33,860</u>	<u>\$ 471,507</u>	<u>\$ 505,367</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Fiscal Year Ended September 30, 2022

	<u>Transportation Capital Projects</u>	<u>Technology Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues			
Investment earnings (losses)	\$ (1,177)	\$ (12,556)	\$ (13,733)
Other	49,309	-	49,309
Total revenues	<u>48,132</u>	<u>(12,556)</u>	<u>35,576</u>
Expenditures			
Current:			
Capital outlay	(115,330)	-	(115,330)
Total expenditures	<u>(115,330)</u>	<u>-</u>	<u>(115,330)</u>
Net change in fund balances	163,462	(12,556)	150,906
Fund balances - beginning	<u>(137,234)</u>	<u>484,063</u>	<u>346,829</u>
Fund balances - ending	<u>\$ 26,228</u>	<u>\$ 471,507</u>	<u>\$ 497,735</u>

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
City Hall Capital Project Fund- Major Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment earnings (losses)	\$ -	\$ -	\$ (172,970)	\$ (172,970)
Total revenues	<u>-</u>	<u>-</u>	<u>(172,970)</u>	<u>(172,970)</u>
EXPENDITURES				
Capital outlay	<u>58,100,000</u>	<u>58,100,000</u>	<u>3,016,154</u>	<u>55,083,846</u>
Total expenditures	<u>58,100,000</u>	<u>58,100,000</u>	<u>3,016,154</u>	<u>55,083,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,100,000)</u>	<u>(58,100,000)</u>	<u>(3,189,124)</u>	<u>54,910,876</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	<u>60,000,000</u>	<u>60,000,000</u>	<u>51,306,276</u>	<u>(8,693,724)</u>
Premium on bond proceeds	<u>-</u>	<u>-</u>	<u>10,703,553</u>	<u>10,703,553</u>
Net other financing sources (uses)	<u>60,000,000</u>	<u>60,000,000</u>	<u>62,009,829</u>	<u>2,009,829</u>
Net change in fund balance	<u>\$ 1,900,000</u>	<u>\$ 1,900,000</u>	<u>58,820,705</u>	<u>\$ 56,920,705</u>
Fund Balance - beginning			<u>(4,415,104)</u>	
Fund Balance - ending			<u>\$ 54,405,601</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Transportation Capital Projects
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variances Positive (Negative)</u>
REVENUES				
Investment earnings (losses)	\$ 20,000	\$ 20,000	\$ (1,177)	\$ (21,177)
Other	-	-	49,309	49,309
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>48,132</u>	<u>28,132</u>
EXPENDITURES				
Capital outlay	-	1,115,904	(115,330)	1,231,234
Total expenditures	<u>-</u>	<u>1,115,904</u>	<u>(115,330)</u>	<u>1,231,234</u>
Net change in fund balance	<u>\$ 20,000</u>	<u>\$ (1,095,904)</u>	163,462	<u>\$ 1,259,366</u>
Fund Balance - beginning			<u>(137,234)</u>	
Fund Balance - ending			<u>\$ 26,228</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Technology Capital Projects
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variances Positive (Negative)</u>
REVENUES				
Investment earnings (losses)	\$ -	\$ -	\$ (12,556)	\$ (12,556)
Total revenues	-	-	(12,556)	(12,556)
EXPENDITURES				
Capital outlay	-	46,269	-	46,269
Total expenditures	-	46,269	-	46,269
Net change in fund balance	<u>\$ -</u>	<u>\$ (46,269)</u>	(12,556)	<u>\$ 33,713</u>
Fund Balance - beginning			<u>484,063</u>	
Fund Balance - ending			<u>\$ 471,507</u>	

CITY OF LARGO, FLORIDA
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2022

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets		
Cash and investments	\$ 40,297	\$ 40,297
Total assets	<u>\$ 40,297</u>	<u>\$ 40,297</u>
Fund balances		
Restricted	\$ 40,297	\$ 40,297
Total fund balances	<u>40,297</u>	<u>40,297</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Fiscal year Ended September 30, 2022

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues		
Investment earnings (losses)	\$ (61)	\$ (61)
Total revenues	<u>(61)</u>	<u>(61)</u>
Expenditures		
Principal	1,099,091	1,099,091
Interest	<u>1,277,102</u>	<u>1,277,102</u>
Total expenditures	<u>2,376,193</u>	<u>2,376,193</u>
Excess (deficiency) of revenues over expenditures	<u>(2,376,254)</u>	<u>(2,376,254)</u>
Other financing sources (uses)		
Transfers in	<u>2,378,900</u>	<u>2,378,900</u>
Total other financing sources (uses)	<u>2,378,900</u>	<u>2,378,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,646</u>	<u>2,646</u>
Fund balances - beginning	<u>37,651</u>	<u>37,651</u>
Fund balances - ending	<u><u>\$ 40,297</u></u>	<u><u>\$ 40,297</u></u>

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Debt Service Fund
Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variances Positive (Negative)</u>
REVENUES				
Investment earnings (losses)	\$ -	\$ -	\$ (61)	\$ (61)
Total Revenues	-	-	(61)	(61)
EXPENDITURES				
Principal	2,117,300	2,117,300	1,099,091	1,018,209
Interest	21,600	21,600	1,277,102	(1,255,502)
Total expenditures	2,138,900	2,138,900	2,376,193	(237,293)
Excess (deficiency) of revenues over (under) expenditures	<u>(2,138,900)</u>	<u>(2,138,900)</u>	<u>(2,376,254)</u>	<u>(237,354)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,138,900	2,138,900	2,378,900	240,000
Total other financing sources (uses)	2,138,900	2,138,900	2,378,900	240,000
Net change in fund balance	\$ -	\$ -	2,646	\$ 2,646
FUND BALANCES:				
Fund Balance - beginning			37,651	
Fund Balance - ending			<u>\$ 40,297</u>	

INTERNAL SERVICE FUNDS

City of Largo, Florida
Internal Service Funds
September 30, 2022

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, 2022

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Total</u>
Assets			
Current assets			
Cash and investments	\$ 876,814	\$ 4,785,522	\$ 5,662,336
Accrued interest receivable	2,111	12,177	14,288
Accounts receivable, billed, net	-	2,985	2,985
Other receivables	420	20,000	20,420
Inventories, at cost	64,980	-	64,980
Prepaid expenses and deposits	-	842,945	842,945
Total current assets	<u>944,325</u>	<u>5,663,629</u>	<u>6,607,954</u>
Capital assets			
Improvements other than buildings	78,292	-	78,292
Machinery and equipment	465,802	-	465,802
Intangible assets	1,723	12,061	13,784
Less accumulated depreciation	(388,013)	(6,734)	(394,747)
Construction in progress	19,492	-	19,492
Total capital assets	<u>177,296</u>	<u>5,327</u>	<u>182,623</u>
Deferred Outflows			
Deferred outflow-OPEB	99,486	37,289	136,775
Total assets	<u>1,221,107</u>	<u>5,706,245</u>	<u>6,927,352</u>
Liabilities			
Current liabilities			
Accounts payable	81,777	193,336	275,113
Accrued payroll and vacation	50,188	8,465	58,653
Total current liabilities	<u>131,965</u>	<u>201,801</u>	<u>333,766</u>
Noncurrent liabilities			
Unearned revenue	-	187,656	187,656
Estimated claims and contracts payable	-	2,070,000	2,070,000
OPEB Liability	310,096	116,074	426,170
Long-term debt	45,995	30,285	76,280
Total noncurrent liabilities	<u>356,091</u>	<u>2,404,015</u>	<u>2,760,106</u>
Deferred Inflow - OPEB	90,402	33,839	124,241
Total liabilities	<u>578,458</u>	<u>2,639,655</u>	<u>3,218,113</u>
Net position			
Net investment in capital assets	166,083	5,327	171,410
Unrestricted	476,566	3,061,263	3,537,829
Total net position	<u>\$ 642,649</u>	<u>\$ 3,066,590</u>	<u>\$ 3,709,239</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Fiscal Year Ended September 30, 2022

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 2,701,260	\$ 16,923,192	\$ 19,624,452
Total operating revenues	<u>2,701,260</u>	<u>16,923,192</u>	<u>19,624,452</u>
Operating expenses			
Personnel services	1,169,812	568,182	1,737,994
Cost of goods sold	1,063,715	-	1,063,715
Contractual services	27,932	370,552	398,484
Supplies	76,339	2,559	78,898
Repairs and maintenance	414,491	1,500	415,991
Utilities	14,458	-	14,458
Professional services	3,870	636,530	640,400
Fuel	17,655	-	17,655
Charges by the Fleet Services Fund	10,334	-	10,334
Charges by the General Fund	152,300	-	152,300
Charges by the Risk Management Fund	44,300	-	44,300
Depreciation and amortization	32,699	1,206	33,905
Claims	-	573,144	573,144
Insurance	-	14,032,219	14,032,219
Other	47,916	(49,851)	(1,935)
Total operating expenses	<u>3,075,821</u>	<u>16,136,041</u>	<u>19,211,862</u>
Operating income (loss)	<u>(374,561)</u>	<u>787,151</u>	<u>412,590</u>
Nonoperating revenues			
Investment earnings (losses)	(24,408)	(124,970)	(149,378)
Gain or loss on disposal of capital assets	85	-	85
Other, net	-	5,949	5,949
Total nonoperating revenues	<u>(24,323)</u>	<u>(119,021)</u>	<u>(143,344)</u>
Change in net position	(398,884)	668,130	269,246
Total net position - beginning	<u>1,041,533</u>	<u>2,398,460</u>	<u>3,439,993</u>
Total net position - ending	<u>\$ 642,649</u>	<u>\$ 3,066,590</u>	<u>\$ 3,709,239</u>

CITY OF LARGO, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended September 30, 2022

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Total</u>
Operating activities			
Cash received from customers	\$ 4,497,990	\$ 14,208,967	\$ 18,706,957
Cash received from internal departments	-	2,297,399	2,297,399
Cash paid to employees	(1,133,505)	(556,069)	(1,689,574)
Cash paid to vendors	(3,497,885)	(15,690,756)	(19,188,641)
Cash paid for internal services	(196,600)	-	(196,600)
Net cash provided by (used in) operating activities	<u>(330,000)</u>	<u>259,541</u>	<u>(70,459)</u>
Capital and related financing activities			
Sale of capital assets	86	-	86
Acquisition of capital assets	(19,493)	-	(19,493)
Net cash provided by (used in) capital and related financing activities	<u>(19,407)</u>	<u>-</u>	<u>(19,407)</u>
Investing activities			
Investment earnings	(23,153)	(123,812)	(146,965)
Net cash provided by investing activities	<u>(23,153)</u>	<u>(123,812)</u>	<u>(146,965)</u>
Net increase (decrease) in cash investments	<u>(372,560)</u>	<u>135,729</u>	<u>(236,831)</u>
Cash and investments			
Beginning of year	<u>1,249,374</u>	<u>4,649,793</u>	<u>5,899,167</u>
End of year	<u>\$ 876,814</u>	<u>\$ 4,785,522</u>	<u>\$ 5,662,336</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (374,561)	\$ 787,151	\$ 412,590
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Other revenue	-	5,949	5,949
Depreciation and amortization	32,699	1,206	33,905
(Increase)/decrease in assets and increase/(decrease) in liabilities:			
Accounts receivable	(52)	24,214	24,162
Inventories	(6,807)	-	(6,807)
Prepaid expenses and other assets	-	(70,816)	(70,816)
Accounts payable	(17,586)	(101,011)	(118,597)
Accrued payroll and vacation	36,307	(47,152)	(10,845)
Estimated claims payable	-	(340,000)	(340,000)
Total adjustments	<u>44,561</u>	<u>(527,610)</u>	<u>(483,049)</u>
Net cash provided by (used in) operating activities	<u>\$ (330,000)</u>	<u>\$ 259,541</u>	<u>\$ (70,459)</u>

SUPPLEMENTARY INFORMATION

CITY OF LARGO, FLORIDA
Supplemental to Financial Statements
September 30, 2022

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	Belleair Bluffs	High Point
Total Expenditures by Contractor	\$ 17,618,799	\$ 3,007,508	\$ 3,297,159
Other Funding Sources			
EMS	6,086,038	711,953	1,278,092
Overhead Cost Reimbursement	55,734	7,431	11,147
EMS and Fire Rescue Vehicles	310,645	-	-
Hazmat	61,097	7,156	12,825
Tech Rescue Reimbursement	21,059	2,467	4,421
CME Reimbursement	126,471	14,814	26,548
State Pension	554,324	73,910	110,865
City of Belleair Bluffs	358,716	-	-
Town of Belleair	-	682,262	-
Fire Inspections Fees	101,961	-	-
Plan Review Fees	271,911	-	-
State Education Incentive	-	-	-
Total Other Funding Sources	7,947,956	1,499,993	1,443,898
Net Outlay by Contractor	9,670,843	1,507,515	1,853,261
Pinellas County Percentage of District	14.23%	61.50%	73.27%
Total Pinellas County Share	1,376,161	927,122	1,357,885
Major Capital Share not yet reimbursed (1)	-	490,562	-
Amount Paid to City by Pinellas County	1,368,494	487,232	1,419,685
Total Due to Pinellas County (overexpended)	\$ (7,667)	\$ 50,672	\$ 61,800

(1) Note: During FY2022 the Belleair Bluffs Fire District spent \$797,661 towards the purchase of a new rescue vehicle. The respective contribution amount (61.50% used for FY22) will not be submitted to Pinellas County until FY2023 or FY2024 when delivery is taken on the vehicle. This is a timing issue and should be factored in.

CITY OF LARGO, FLORIDA
Schedule of Revenue and Expenditures and Changes in Reserves -
Largo Fire and Emergency Medical Services
Fiscal Year Ended September 30, 2022 and 2021

	2022			2021		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenue						
County:						
Fire	\$ 1,359,800	\$ 1,368,494	\$ 8,694	\$ 1,432,600	\$ 1,411,163	\$ (21,437)
EMS	6,086,000	6,086,038	38	5,524,600	5,524,600	-
Overhead Costs	-	55,734	55,734	-	51,551	51,551
Capital Contribution	914,500	310,645	(603,855)	1,296,000	574,930	(721,070)
State:						
Pension contribution	488,500	517,369	28,869	508,000	492,666	(15,334)
Education incentive	40,400	-	(40,400)	40,400	43,497	3,097
Hazmat, Tech Rescue, CME and Other reimbursement	154,403	208,627	54,224	163,000	214,846	51,846
Municipality:						
Belleair Bluffs mgmt. contract	352,600	358,716	6,116	335,800	342,282	6,482
Town of Belleair mgmt. contract	-	-	-	-	-	-
Current	13,393,410	8,713,176	(4,680,234)	14,401,921	10,163,611	(4,238,310)
Total revenue	<u>22,789,613</u>	<u>17,618,799</u>	<u>(5,170,814)</u>	<u>23,702,321</u>	<u>18,819,146</u>	<u>(4,883,175)</u>
Expenditures						
General Fund:						
Salaries and benefits	15,634,300	15,091,687	542,613	14,819,200	14,155,150	664,050
Operating	1,732,547	1,548,054	184,493	2,051,572	1,561,345	490,227
Capital outlay	-	1,495	(1,495)	55,000	62,448	(7,448)
Local Option Sales Tax Fund:						
Capital outlay	5,422,766	977,563	4,445,203	6,776,549	3,040,203	3,736,346
Total expenditures	<u>22,789,613</u>	<u>17,618,799</u>	<u>5,170,814</u>	<u>23,702,321</u>	<u>18,819,146</u>	<u>4,883,175</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Largo Fire Reserve:			2022			2021
Reserved fund balance at beginning of year			\$ 2,735,430			\$ 2,735,430
Changes to reserves			689,960			-
Reserved fund balance at end of year			<u>\$ 3,425,390</u>			<u>\$ 2,735,430</u>

Notes:

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas.
FY2022 and FY2021 reductions were \$0, 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, 2022 and 2021

	2022			2021		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenue						
County:						
Fire	\$ 507,300	\$ 487,232	\$ (20,068)	\$ 546,700	\$ 470,225	\$ (76,475)
EMS	712,000	711,953	(47)	692,500	692,455	(45)
Overhead Costs	-	7,431	7,431	-	6,873	6,873
Capital Contribution	-	-	-	-	-	-
State:						
Pension contribution	65,100	73,910	8,810	67,700	70,381	2,681
Education incentive	5,600	-	(5,600)	6,000	6,502	502
Hazmat, Tech Rescue and CME reimbursement	18,085	24,436	6,351	15,600	26,945	11,345
Municipality:						
Town of Belleair mgmt contract	669,300	682,262	12,962	637,400	649,764	12,364
Current	324,668	1,020,284	695,616	253,100	146,270	(106,830)
Total revenue	<u>2,302,053</u>	<u>3,007,508</u>	<u>705,455</u>	<u>2,219,000</u>	<u>2,069,415</u>	<u>(149,585)</u>
Expenditures						
General Fund:						
Salaries and benefits	2,028,700	2,004,429	24,271	1,936,100	1,861,746	74,354
Operating	273,353	205,418	67,935	272,900	207,669	65,231
Capital outlay	-	-	-	10,000	-	10,000
Local Option Sales Tax Fund:						
Capital outlay	-	797,661	(797,661)	-	-	-
Total expenditures	<u>2,302,053</u>	<u>3,007,508</u>	<u>(705,455)</u>	<u>2,219,000</u>	<u>2,069,415</u>	<u>149,585</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Belleair Bluffs Fire Reserve:			2022			2021
Reserved fund balance at beginning of year			\$ 715,870			\$ 624,870
Changes to reserves			(397,090)			91,000
Reserved fund balance at end of year			<u>\$ 318,780</u>			<u>\$ 715,870</u>

Notes:

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas. FY2022 and FY2021 reductions were \$127,478 and \$31,650, 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, 2022 and 2021

	2022			2021		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenue						
County:						
Fire	\$ 1,428,000	\$ 1,419,685	\$ (8,315)	\$ 1,497,000	\$ 1,399,345	\$ (97,655)
EMS	1,278,100	1,278,092	(8)	1,214,100	1,214,095	(5)
Overhead Costs	-	11,147	11,147	-	10,310	10,310
Capital contribution	-	-	-	-	-	-
State:						
Pension contribution	97,700	147,820	50,120	101,600	105,571	3,971
Education incentive	8,000	-	(8,000)	8,600	9,405	805
Hazmat, Tech Rescue and CME reimbursement	32,412	43,794	11,382	26,400	30,266	3,866
Municipality:						
Current	1,420,776	396,621	(1,024,155)	450,100	383,968	(66,132)
Total revenue	<u>4,264,988</u>	<u>3,297,159</u>	<u>(967,829)</u>	<u>3,297,800</u>	<u>3,152,960</u>	<u>(144,840)</u>
Expenditures						
General Fund:						
Salaries and benefits	3,089,200	3,046,480	42,720	2,968,600	2,878,269	90,331
Operating	325,788	250,679	75,109	314,200	265,059	49,141
Capital outlay	-	-	-	15,000	9,632	5,368
Local Option Sales Tax Fund:						
Capital outlay	850,000	-	850,000	-	-	-
Total expenditures	<u>4,264,988</u>	<u>3,297,159</u>	<u>967,829</u>	<u>3,297,800</u>	<u>3,152,960</u>	<u>144,840</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
High Point Fire Reserve:			2022			2021
Reserved fund balance at beginning of year			\$ 1,505,280			\$ 1,371,540
Changes to reserves			710,000			133,740
Reserved fund balances at end of year			<u>\$ 2,215,280</u>			<u>\$ 1,505,280</u>

Notes:

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas. FY2022 and FY2021 reductions were \$188,902 and \$39,757, 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.

STATISTICAL SECTION

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.

Schedule H	Assessed Value, Taxable Value and Estimated Actual Value of Taxable Property
Schedule I	Property Tax Rates Direct and Overlapping Governments
Schedule J	Principal Real Property Taxpayers
Schedule J	Principal Personal Property Taxpayers
Schedule K	Property Tax Levies and Collections
Schedule U	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)

	2013	2014	2015 (1)	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net invested in capital assets	\$ 117,811	\$ 122,265	\$ 122,159	\$ 124,369	\$ 126,873	\$ 134,422	\$ 139,175	\$ 145,009	\$ 150,905	\$ 132,573
Restricted	34,495	33,541	37,313	41,783	40,747	36,719	39,309	40,139	42,272	55,647
Unrestricted	9,690	11,350	(20,187)	(20,472)	(18,660)	(19,373)	(15,700)	(16,604)	(17,413)	(2,774)
Total governmental activities net position	<u>161,996</u>	<u>167,156</u>	<u>139,285</u>	<u>145,680</u>	<u>148,960</u>	<u>151,768</u>	<u>162,784</u>	<u>168,544</u>	<u>175,764</u>	<u>185,446</u>
Business-type activities:										
Net invested in capital assets	61,381	65,018	78,180	99,029	88,411	78,869	88,010	95,458	110,289	108,100
Restricted	12,386	7,406	8,390	8,992	9,114	9,378	10,388	10,820	9,025	9,077
Unrestricted	36,621	42,270	33,892	17,516	30,241	39,573	34,964	29,448	18,626	22,398
Total business-type activities net position	<u>110,388</u>	<u>114,694</u>	<u>120,462</u>	<u>125,537</u>	<u>127,766</u>	<u>127,820</u>	<u>133,362</u>	<u>135,726</u>	<u>137,940</u>	<u>139,575</u>
Primary government:										
Net invested in capital assets	179,192	187,283	200,339	223,398	215,284	213,291	227,185	240,467	261,194	240,673
Restricted	46,881	40,947	45,703	50,775	49,861	46,097	49,697	50,959	51,297	64,724
Unrestricted	46,311	53,620	13,705	(2,956)	11,581	20,200	19,264	12,844	1,213	19,624
Total primary government net position	<u>\$ 272,384</u>	<u>\$ 281,850</u>	<u>\$ 259,747</u>	<u>\$ 271,217</u>	<u>\$ 276,726</u>	<u>\$ 279,588</u>	<u>\$ 296,146</u>	<u>\$ 304,270</u>	<u>\$ 313,704</u>	<u>\$ 325,021</u>

Notes: (1) 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 an implicit subsidy and is not being funded.

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

	Fiscal Year									
	(amounts expressed in thousands)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 6,736	\$ 6,311	\$ 6,650	\$ 7,567	\$ 8,273	\$ 9,353	\$ 8,937	\$ 10,723	\$ 11,855	\$ 13,244
Public safety	36,352	35,695	36,685	39,663	41,291	44,690	45,615	50,011	51,597	50,324
Public Works	8,372	8,735	9,253	8,805	10,088	10,388	10,551	11,987	12,606	13,317
Economic development	5,603	5,282	5,121	5,511	6,855	7,362	6,400	6,194	6,690	7,747
Culture and recreation	13,517	14,714	16,118	15,912	15,882	16,548	17,482	16,815	17,989	19,277
Interest on long-term debt	516	447	376	298	232	160	78	3	27	1,694
Total governmental activities expenses	71,096	71,184	74,203	77,756	82,621	88,501	89,063	95,733	100,764	105,603
Business-type activities:										
Wastewater	17,005	18,647	18,356	19,111	21,238	21,094	21,970	22,472	24,053	25,271
Solid Waste	9,788	10,358	10,586	10,542	11,596	12,149	12,358	13,374	13,875	15,333
Golf Course	969	1,007	996	1,012	1,133	1,065	1,070	1,184	1,138	1,395
Total business-type activities expenses	27,762	30,012	29,938	30,665	33,967	34,308	35,398	37,030	39,066	41,999
Total primary government expenses	\$ 98,858	\$ 101,196	\$ 104,141	\$ 108,421	\$ 116,588	\$ 122,809	\$ 124,461	\$ 132,763	\$ 139,830	\$ 147,602
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,864	\$ 3,067	\$ 3,097	\$ 3,172	\$ 3,241	\$ 3,570	\$ 3,762	\$ 3,840	\$ 4,120	\$ 4,820
Public safety	8,093	8,596	8,282	9,057	9,976	10,756	12,293	12,493	13,993	14,464
Public works	4,498	4,541	4,699	5,869	5,849	5,569	5,686	5,753	6,039	6,645
Economic development	2,619	3,156	3,578	2,921	2,390	3,074	3,906	4,052	3,411	4,685
Culture and recreation	4,181	4,768	4,837	4,642	5,076	5,430	5,432	3,531	4,021	4,836
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,930	2,757	2,594	2,817	3,008	2,531	3,625	3,705	3,697	3,193
Capital grants and contributions	2,083	439	786	1,587	726	1,521	1,493	824	661	852
Total governmental activities program revenues	26,268	27,324	27,873	30,065	30,266	32,451	36,197	34,198	35,942	39,495
Business-type activities:										
Charges for services:										
Wastewater	22,970	22,290	22,514	22,631	22,900	22,920	22,892	22,979	25,154	27,780
Solid Waste	10,165	10,359	10,452	10,773	11,118	10,960	13,007	13,351	13,965	15,389
Golf Course	874	847	872	863	972	945	1,036	913	1,237	1,428
Operating grants and contributions	60	73	61	60	99	60	233	204	95	60
Capital grants and contributions	106	47	882	535	387	190	798	273	311	288
Total business-type activities program revenues	34,175	33,616	34,781	34,862	35,476	35,075	37,966	37,720	40,762	44,945
Total primary government program revenues	\$ 60,443	\$ 60,940	\$ 62,654	\$ 64,927	\$ 65,742	\$ 67,526	\$ 74,163	\$ 71,918	\$ 76,704	\$ 84,440

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

	Fiscal Year									
	(amounts expressed in thousands)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (44,828)	\$ (43,860)	\$ (46,330)	\$ (47,691)	\$ (52,355)	\$ (56,049)	\$ (52,865)	\$ (61,535)	\$ (64,822)	\$ (66,109)
Business-type activities	6,413	3,604	4,843	4,197	1,509	767	2,568	690	1,696	2,946
Total primary government net (expense)/revenue	\$ (38,415)	\$ (40,256)	\$ (41,487)	\$ (43,494)	\$ (50,846)	\$ (55,282)	\$ (50,297)	\$ (60,845)	\$ (63,126)	\$ (63,163)
General Revenues										
Governmental activities:										
Taxes										
Property	\$ 15,691	\$ 16,568	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,054	\$ 27,593	\$ 29,946	\$ 32,151
Utility	7,786	8,202	7,991	8,382	8,440	8,676	9,301	9,788	9,903	10,408
Franchise	5,639	6,005	5,989	5,748	5,712	6,118	6,524	6,426	6,365	7,016
Sales & County Gas Tax	6,767	7,143	7,660	8,066	8,283	8,715	9,184	9,406	11,243	12,980
Communications services	3,374	3,139	3,073	2,914	2,871	2,886	2,659	2,708	2,728	2,819
Shared revenue	6,987	7,372	7,854	8,168	8,461	8,736	8,997	8,494	9,878	11,480
Investment earnings	331	320	621	463	469	568	1,638	1,113	507	(2,658)
Miscellaneous	99	271	394	973	538	1,950	1,050	1,768	1,472	1,594
Transfers in (out)	-	-	(788)	45	-	-	-	-	-	-
Demolition of City property	-	-	-	-	-	-	-	-	-	-
Extraordinary/Special Item	-	-	-	-	(164)	-	(280)	-	-	-
Total governmental activities	46,674	49,020	50,189	54,085	55,636	61,788	65,127	67,296	72,042	75,790
Business-type activities										
Investment earnings	278	313	657	496	443	585	1,737	1,188	162	(1,483)
Miscellaneous	455	389	267	427	276	537	50	485	356	(127)
Transfers in (out)	-	-	-	(45)	-	-	-	-	-	-
Demolition of City property	-	-	-	-	-	-	-	-	-	-
Extraordinary/Special Item	-	-	-	-	-	(1,168)	(59)	-	-	300
Total business-type activities	733	702	924	878	719	(46)	1,728	1,673	518	(1,310)
Total primary government general revenues	\$ 47,407	\$ 49,722	\$ 51,113	\$ 54,963	\$ 56,355	\$ 61,742	\$ 66,855	\$ 68,969	\$ 72,560	\$ 74,480
Change in Net Position										
Governmental activities	\$ 1,846	\$ 5,160	\$ 3,859	\$ 6,394	\$ 3,281	\$ 5,739	\$ 12,262	\$ 5,761	\$ 7,220	\$ 9,681
Business-type activities	7,146	4,306	5,767	5,075	2,228	721	4,296	2,363	2,214	1,636
Total primary government	\$ 8,992	\$ 9,466	\$ 9,626	\$ 11,469	\$ 5,509	\$ 6,460	\$ 16,558	\$ 8,124	\$ 9,434	\$ 11,317

SCHEDULE C

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

	Fiscal Year (amounts expressed in thousands)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Property tax	\$ 15,691	\$ 16,567	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,055	\$ 27,593	\$ 29,946	\$ 32,151
Utility tax	7,786	8,202	7,991	8,382	8,440	8,676	9,301	9,788	9,903	10,408
Franchise tax	5,639	6,005	5,989	5,748	5,712	6,117	6,524	6,426	6,365	7,016
Sales & County Gas tax	6,767	7,143	7,660	8,066	8,283	8,715	9,184	9,406	11,243	12,980
Communications Services tax	3,374	3,139	3,073	2,914	2,871	2,886	2,659	2,708	2,728	2,819
Total	<u>\$ 39,257</u>	<u>\$ 41,056</u>	<u>\$ 42,108</u>	<u>\$ 44,436</u>	<u>\$ 46,332</u>	<u>\$ 50,533</u>	<u>\$ 53,723</u>	<u>\$ 55,921</u>	<u>\$ 60,185</u>	<u>\$ 65,374</u>

SCHEDULE D

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

	Fiscal Year (amounts expressed in thousands)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 56	\$ 49	\$ 49	\$ 95	\$ 59	\$ 73	\$ 116	\$ 219	\$ 722	\$ 418
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	6,516	7,122	6,857	5,375	5,638	5,744	5,158	10,624	15,598	14,437
Unassigned	4,284	5,337	4,925	7,204	9,796	11,284	17,526	15,511	12,634	12,931
Total General Fund	<u>\$ 10,856</u>	<u>\$ 12,508</u>	<u>\$ 11,831</u>	<u>\$ 12,674</u>	<u>\$ 15,493</u>	<u>\$ 17,101</u>	<u>\$ 22,800</u>	<u>\$ 26,354</u>	<u>\$ 28,954</u>	<u>\$ 27,786</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 980	\$ 980
Restricted										
Special revenue	24,909	27,686	31,607	35,324	33,600	30,491	32,869	34,265	40,392	49,639
Capital projects	3,493	-	-	-	-	-	-	-	-	54,405
Committed	-	-	-	-	-	-	-	-	-	-
Assigned										
Special revenue	123	138	135	158	175	128	99	98	258	290
Capital projects	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(13)	(4)	-	-	-	-	(4,552)	-
Total of all other governmental funds	<u>\$ 28,525</u>	<u>\$ 27,824</u>	<u>\$ 31,729</u>	<u>\$ 35,478</u>	<u>\$ 33,775</u>	<u>\$ 30,619</u>	<u>\$ 32,968</u>	<u>\$ 34,363</u>	<u>\$ 37,078</u>	<u>\$ 105,314</u>

SCHEDULE E

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)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 33,470	\$ 35,102	\$ 36,150	\$ 38,753	\$ 40,611	\$ 44,542	\$ 47,201	\$ 49,538	\$ 53,448	\$ 57,915
Licenses and permits	7,262	8,151	8,617	7,720	7,190	8,282	9,321	8,937	8,556	9,745
Shared	10,994	11,071	12,079	13,371	13,363	13,905	15,301	14,474	15,934	17,401
Charges for services	16,519	17,476	17,396	19,109	20,444	21,261	23,114	21,643	24,371	25,913
Fines	429	424	405	390	403	348	338	794	621	968
Interfund charges	2,925	3,100	3,128	3,195	3,298	3,647	3,859	3,919	4,206	4,603
Special assessments	2	4	1	-	-	-	-	-	-	-
Contributions and donations	484	326	401	312	208	282	356	260	236	419
Investment earnings	299	289	557	417	400	508	1,496	1,168	174	(2,495)
Other	702	739	784	1,592	2,414	2,069	1,224	1,418	1,713	1,400
Total revenues	\$ 73,086	\$ 76,682	\$ 79,518	\$ 84,859	\$ 88,331	\$ 94,844	\$ 102,210	\$ 102,151	\$ 109,259	\$ 115,869
Expenditures										
Current:										
General government	\$ 6,230	\$ 5,813	\$ 6,045	\$ 6,747	\$ 7,073	\$ 8,380	\$ 7,841	\$ 9,155	\$ 9,262	\$ 9,900
Public safety	34,255	33,544	35,417	36,487	38,672	41,713	42,932	44,418	47,807	52,089
Public works	7,454	7,333	7,500	7,239	7,931	8,118	8,409	8,327	9,439	9,673
Economic development	4,782	4,570	4,801	5,327	5,955	6,981	6,078	6,761	7,886	9,449
Culture and recreation	11,284	11,908	13,390	13,192	12,828	13,830	14,410	13,600	14,137	15,737
Capital outlay (1)	19,750	9,029	5,602	7,786	11,219	13,830	11,350	16,132	15,051	15,005
Principal	3,001	3,070	3,141	3,214	3,288	3,365	3,444	1,752	503	1,736
Interest	534	465	394	321	247	176	100	12	13	1,323
Other debt service costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 87,290	\$ 75,732	\$ 76,290	\$ 80,313	\$ 87,213	\$ 96,393	\$ 94,564	\$ 100,157	\$ 104,098	\$ 114,912
Excess (deficiency) of revenues over (under) expenditures	\$ (14,204)	\$ 950	\$ 3,228	\$ 4,546	\$ 1,118	\$ (1,549)	\$ 7,646	\$ 1,994	\$ 5,161	\$ 957
Other Financing Sources (Uses)										
Transfers in	887	3,796	33	90	-	101	6,143	824	595	2,390
Transfers out	(887)	(3,796)	(33)	(45)	-	(101)	(6,143)	(824)	(595)	(2,390)
Debt Proceeds	-	-	-	-	-	-	-	-	-	62,394
Sale of capital assets	-	-	-	-	-	-	402	455	153	414
Lease financing	-	-	-	-	-	-	-	-	-	3,293
Capital project loans	-	-	-	-	-	-	-	2,500	-	-
Total other financing sources (uses)	-	-	-	45	-	-	402	2,955	153	66,101
Net Change in Fund Balances	(14,204)	950	3,228	4,591	1,118	(1,549)	8,048	4,949	5,314	67,058
Fund Balances - Beginning	53,586	39,382	40,332	43,560	48,151	49,269	47,720	55,768	60,717	66,031
Fund Balances - Ending	\$ 39,382	\$ 40,332	\$ 43,560	\$ 48,151	\$ 49,269	\$ 47,720	\$ 55,768	\$ 60,717	\$ 66,031	\$ 133,089
Debt service as a percentage of non-capital expenditures, excluding transfers, special items and prior period adjustments (1)	5.2%	5.3%	5.0%	4.9%	4.7%	4.3%	4.3%	2.1%	0.6%	3.1%

Note: (1) The capital outlay on this schedule accounts for all capital items including library books (library books are considered capital items at fund level); however, 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.

SCHEDULE F

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

	Fiscal Year (amounts expressed in thousands)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Property Tax	\$ 15,691	\$ 16,567	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,055	\$ 27,593	\$ 29,946	\$ 31,383
Local Option Sales Tax	5,820	6,195	6,677	7,055	7,264	7,634	8,069	8,402	10,196	11,920
Impact Fees	181	378	382	442	385	603	403	384	431	522
Communication Tax	3,374	3,139	3,073	2,914	2,871	2,886	2,659	2,708	2,728	2,819
Utility Tax:										
Electricity	6,398	6,764	6,522	6,849	6,846	7,058	7,678	8,128	8,191	8,636
Water	1,116	1,142	1,175	1,250	1,305	1,318	1,349	1,390	1,416	1,479
Fuel	267	296	297	290	285	293	283	273	286	301
	<u>7,781</u>	<u>8,202</u>	<u>7,994</u>	<u>8,389</u>	<u>8,436</u>	<u>8,669</u>	<u>9,310</u>	<u>9,791</u>	<u>9,893</u>	<u>10,416</u>
Franchise Tax:										
Electricity	5,435	5,782	5,804	5,546	5,507	5,897	6,314	6,225	6,180	6,813
Gas	205	223	178	202	204	221	210	201	185	203
	<u>5,640</u>	<u>6,005</u>	<u>5,982</u>	<u>5,748</u>	<u>5,711</u>	<u>6,118</u>	<u>6,524</u>	<u>6,426</u>	<u>6,365</u>	<u>7,016</u>
Total	<u>\$ 38,487</u>	<u>\$ 40,486</u>	<u>\$ 41,503</u>	<u>\$ 43,874</u>	<u>\$ 45,693</u>	<u>\$ 50,049</u>	<u>\$ 53,020</u>	<u>\$ 55,304</u>	<u>\$ 59,559</u>	<u>\$ 64,076</u>

SCHEDULE G

CITY OF LARGO, FLORIDA

Wastewater Charges

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Residential within City (1) (2)										
Fixed Cost										
Single Family Units	\$ 24.80 11,109	\$ 24.80 11,131	\$ 24.80 11,331	\$ 24.80 11,424	\$ 24.80 11,375	\$ 18.80 11,406	\$ 18.80 11,413	\$ 18.80 11,431	\$ 20.68 11,456	\$ 22.75 11,462
Multi-family (duplex, triplex) Units (5)	23.85 1,692	23.85 1,659	23.85 1,721	23.85 1,729	23.85 1,824	18.80 1,832	18.80 1,875	18.80 1,932	20.68 3,111	22.75 3,134
High Density (apts., mobile homes, condos) Units (5)	19.35 27,049	19.35 27,196	19.35 27,623	19.35 27,686	19.35 27,731	14.10 27,743	14.10 27,687	14.10 27,764	15.51 26,624	17.06 26,623
Variable Charges (4)	2.12	2.12	2.12	2.12	2.12	2.30	2.30	2.30	2.53	2.78
Residential outside City (1) (2)										
Fixed Cost										
Single Family Units	31.00 4,794	31.00 4,784	31.00 4,586	31.00 4,510	31.00 4,490	23.50 4,489	23.50 4,458	23.50 4,466	25.85 4,446	28.44 4,434
Multi-family (duplex, triplex) Units	29.80 1,259	29.80 1,255	29.80 1,201	29.80 1,195	29.80 1,189	23.50 1,179	23.50 1,181	23.50 1,172	25.85 1,473	28.44 1,454
High Density (apts, mobile homes, condos) Units	24.20 4,488	24.20 4,488	24.20 4,433	24.20 4,420	24.20 4,417	17.63 4,414	17.63 4,482	17.63 4,467	19.39 4,178	21.33 4,180
Variable Charges (4)	2.65	2.65	2.65	2.65	2.65	2.88	2.88	2.88	3.17	3.49
Commercial within City										
Fixed Charge (3) Units	24.80 2,406	24.80 2,664	24.80 2,653	24.80 2,689	24.80 2,699	18.80 2,722	18.80 2,762	18.80 2,782	20.68 2,785	22.75 2,777
Variable charge (4)	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	4.08	4.49
Commercial outside City										
Fixed Charge (3) Units	31.00 984	31.00 978	31.00 973	31.00 972	31.00 970	23.50 964	23.50 959	23.50 958	25.85 959	28.44 957
Variable charge (4)	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	5.10	5.61

- Notes: (1) Residential monthly fixed charges include 3,000 gallons per month. Variable charges are assessed for each additional 1,000 gallons per month above 3,000 gallons (maximum 8,000 gallons per month). This rate structure applies to FY 2013 - FY 2017.
- (2) Residential monthly fixed charges do not include any gallons per month. Variable charges are assessed for each 1,000 gallons per month (maximum 10,000 gallons per month). This rate structure applies to FY 2018 - 2022.
- (3) 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 reclassified 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tax Year (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Real Property:										
Residential	\$ 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	\$ 5,552,604
Commercial	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	1,821,801
Other	425,277	575,387	602,364	662,416	674,253	672,845	692,267	723,899	770,359	862,938
Personal Property	433,694	425,073	406,829	445,876	464,699	413,328	432,364	452,905	475,230	503,168
Central Assessed Property	570	602	962	977	1,038	1,027	1,074	1,035	1,153	1,182
Total Assessed Value	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	8,741,693
Less Tax Exempt Value:										
Homestead	(637,961)	(629,278)	(626,665)	(644,290)	(653,646)	(674,838)	(688,465)	(704,938)	(730,897)	(750,808)
Save Our Home	(43,409)	(95,348)	(250,947)	(439,287)	(547,372)	(629,579)	(744,521)	(829,065)	(896,895)	(1,077,387)
Governmental	(255,192)	(259,283)	(270,700)	(321,257)	(315,696)	(319,892)	(330,267)	(342,902)	(365,834)	(398,913)
Other	(319,358)	(337,425)	(349,777)	(425,203)	(471,349)	(390,560)	(439,286)	(484,801)	(478,873)	(534,281)
Total Taxable Value	<u>\$ 3,244,615</u>	<u>\$ 3,289,066</u>	<u>\$ 3,467,173</u>	<u>\$ 3,724,209</u>	<u>\$ 4,044,508</u>	<u>\$ 4,363,567</u>	<u>\$ 4,698,576</u>	<u>\$ 5,084,568</u>	<u>\$ 5,521,765</u>	<u>\$ 5,980,304</u>
Total Direct Tax Rate (2)	4.9999	5.2139	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200	5.5800
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	\$ 10,927,116
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%	71%	70%	67%	67%	68%	68%	68%	69%	68%

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tax Year (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City of Largo										
General Operating	4.9999	5.2139	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200	5.5800
Special Operating	-	-	-	-	-	-	-	-	-	-
Total City of Largo	4.9999	5.2139	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200	5.5800
General	5.011	5.276	5.276	5.276	5.276	5.276	5.276	5.276	5.276	5.130
Health	0.062	0.062	0.062	0.062	0.062	0.083	0.083	0.083	0.083	0.079
Mosquito Control	-	-	-	-	-	-	-	-	-	-
EMS (2)	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916
Total County	5.989	6.254	6.254	6.254	6.254	6.275	6.275	6.275	6.275	6.125
Other Authorities										
School Board	8.302	8.060	7.841	7.770	7.318	7.009	6.727	6.584	6.427	6.325
Transit Authority (2)	0.730	0.730	0.730	0.730	0.750	0.750	0.750	0.750	0.750	0.750
Water Management										
General	0.393	0.382	0.366	0.349	0.331	0.313	0.296	0.280	0.267	0.254
Anclote Basin	-	-	-	-	-	-	-	-	-	-
Juvenile Welfare										
Board	0.898	0.898	0.898	0.898	0.898	0.898	0.898	0.898	0.898	0.898
Planning Council	0.013	0.016	0.016	0.016	0.015	0.015	0.015	0.015	0.015	0.015
Total Other Authorities	10.336	10.086	9.851	9.763	9.312	8.985	8.686	8.527	8.357	8.242
Total All Authorities	21.325	21.554	21.299	21.388	20.937	21.001	20.702	20.422	20.252	19.947

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

Note: (1) Tax year is calendar year.

(2) 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)

Taxpayer	2022			2013		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Taxable Value
REAL PROPERTY						
Weingarten Realty Investors	\$ 60,956	1	1.02%	\$ 43,065	2	1.33%
Largo Medical Center, Inc.	59,201	2	0.99%	56,137	1	1.73%
MALF LLC	53,000	3	0.89%	N/A	N/A	N/A
VR Gateway North Holdings Ltd Ptnrshp	51,000	4	0.85%	N/A	N/A	N/A
Seminole Blvd Apartments LLC	50,000	5	0.84%	N/A	N/A	N/A
King Cobra Inc	48,500	6	0.81%	N/A	N/A	N/A
Bcore MF 12700 66th St N LLC	48,400	7	0.81%	N/A	N/A	N/A
Clearwater LL LLC	47,950	8	0.80%	N/A	N/A	N/A
Woodland Key Borrower LLC	47,000	9	0.79%	N/A	N/A	0.62%
I.P. Lease Limited Partnership	37,950	10	0.63%	21,150	4	0.65%
CNL Retirement	N/A	N/A	N/A	27,506	3	0.85%
Isram Residential Monterey Lakes LLC	N/A	N/A	N/A	19,300	5	0.59%
Kimco Largo 139 Inc.	N/A	N/A	N/A	19,144	6	0.59%
Reserve at Clearwater Land Trust	N/A	N/A	N/A	17,000	7	0.52%
Houle Family LTD Partnership	N/A	N/A	N/A	16,400	8	0.51%
Medinvest Co. LTD Partnership	N/A	N/A	N/A	16,180	9	0.50%
CH Realty IV/Largo LLC	N/A	N/A	N/A	16,150	10	0.50%
Total Real Property	\$ 503,957		8.43%	\$ 252,032		7.77%
PERSONAL PROPERTY						
Duke Energy Florida (1)	\$ 66,797	1	1.12%	\$ 36,734	1	1.13%
Largo Medical Center, Inc.	31,546	2	0.53%	13,592	4	0.42%
TD Synnex (Tech Data)	20,535	3	0.34%	9,827	6	0.30%
Formulated Solutions	20,456	4	0.34%	N/A	N/A	N/A
F&F Productions	11,260	5	0.19%	10,391	5	0.32%
Spectrum Sunshine State LLC	9,735	6	0.16%	N/A	N/A	N/A
Frontier Florida LLC	9,722	7	0.16%	N/A	N/A	N/A
Vistapharm	7,727	8	0.13%	N/A	N/A	N/A
Publix Super Market	7,596	9	0.13%	6,122	10	0.19%
Corerx Inc	7,427	10	0.12%	N/A	N/A	N/A
Verizon Florida, LLC	N/A	N/A	N/A	18,847	2	0.58%
Gulfstream Natural Gas System LLC	N/A	N/A	N/A	16,007	3	0.49%
Brighthouse Communications	N/A	N/A	N/A	9,185	7	0.28%
Ion Media Management Company	N/A	N/A	N/A	6,697	8	0.21%
Diagnostic Clinic	N/A	N/A	N/A	6,156	9	0.19%
Total Personal Property	\$ 192,801		3.22%	\$ 133,558		4.11%

Notes: (1) Duke Energy Florida was Florida Power Corp in 2013.

SCHEDULE K

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

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tax Year (4)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Millage rate	4.9999	5.2139	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200	5.5800
Gross tax levy (3)	\$ 16,223	\$ 17,149	\$ 18,010	\$ 20,001	\$ 21,721	\$ 25,053	\$ 26,976	\$ 28,575	\$ 31,032	\$ 33,370
Less:										
Discounts—net of penalties(1)	564	593	636	710	775	894	974	1,036	1,122	1,228
Refunds/Other	2	1	5	1	2	-	-	2	5	-
Net tax levy	<u>\$ 15,657</u>	<u>\$ 16,555</u>	<u>\$ 17,369</u>	<u>\$ 19,290</u>	<u>\$ 20,944</u>	<u>\$ 24,159</u>	<u>\$ 26,002</u>	<u>\$ 27,537</u>	<u>\$ 29,905</u>	<u>\$ 32,142</u>
Taxes Collected within fiscal year of levy:										
Percentage of net levy	97.1%	97.6%	97.9%	98.2%	98.2%	98.1%	98.4%	98.0%	98.4%	98.3%
Amount	\$ 15,202	\$ 16,151	\$ 17,002	\$ 18,945	\$ 20,573	\$ 23,693	\$ 25,579	\$ 26,973	\$ 29,414	\$ 31,582
Collections of delinquent taxes in subsequent years (3)	416	393	380	453	446	476	620	533	569	N/A
Total collections to date	\$ 15,618	\$ 16,544	\$ 17,382	\$ 19,398	\$ 21,019	\$ 24,169	\$ 26,199	\$ 27,506	\$ 29,983	\$ 31,582
Total percentage of net levy collected to date (2)	99.8%	99.9%	100.1%	100.6%	100.4%	100.0%	100.8%	99.9%	100.3%	98.3%

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 are 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital leases	-	-	-	-	-	-	-	-	-	2,656
Loans payable	21,273	18,204	15,063	11,849	8,561	5,195	1,750	2,500	2,012	52,603
Internal borrowing	-	-	-	-	-	-	-	-	-	-
Total governmental activities (1)	21,273	18,204	15,063	11,849	8,561	5,195	1,750	2,500	2,012	55,259
Business-type activities										
Sewer bonds and loans (4)	6,871	6,477	3,531	24,364	63,484	75,978	79,386	103,279	105,441	117,095
Capital leases	-	-	-	-	-	-	-	-	-	7
Total business-type activities	6,871	6,477	3,531	24,364	63,484	75,978	79,386	103,279	105,441	117,102
Total primary government	<u>\$ 28,144</u>	<u>\$ 24,681</u>	<u>\$ 18,594</u>	<u>\$ 36,213</u>	<u>\$ 72,045</u>	<u>\$ 81,173</u>	<u>\$ 81,136</u>	<u>\$ 105,779</u>	<u>\$ 107,453</u>	<u>\$ 172,361</u>
Outstanding debt as a percentage of personal income (3)	2.8%	2.0%	2.1%	3.1%	7.1%	7.3%	6.4%	8.7%	8.7%	13.3%
Governmental activities										
Outstanding debt per capita (1)(3)	\$ 271	\$ 229	\$ 187	\$ 145	\$ 104	\$ 62	\$ 21	\$ 30	\$ 24	\$ 656
Business-type activities										
Outstanding debt per capita (2)(3)	61	57	31	216	580	670	741	968	995	1,140
Total outstanding debt per capita (3)	<u>\$ 332</u>	<u>\$ 286</u>	<u>\$ 218</u>	<u>\$ 361</u>	<u>\$ 684</u>	<u>\$ 732</u>	<u>\$ 762</u>	<u>\$ 998</u>	<u>\$ 1,019</u>	<u>\$ 1,796</u>

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

- (1) Current Governmental debt is being serviced primarily by General Fund Non-Ad Valorem revenues.
- (2) 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 102,715 was used to calculate debt per capita.
- (3) 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.
- (4) 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 2022 year-end.

SCHEDULE M

CITY OF LARGO, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2022
(amounts expressed in thousands)

Government Unit	Debt Outstanding	Applicable to City of Largo	
		Percent	Amount
City of Largo	\$ 52,603	100%	\$ 52,603
Subtotal, Direct Debt	\$ 52,603	100%	\$ 52,603
Pinellas County School Board (Overlapping) (2)	\$ -	6.1%(1)	-
Pinellas County School Board Certificates of Participation (Overlapping) (2)	131,137	6.1%(1)	7,999
Pinellas County School Board Capital Leases (Overlapping) (2)	9,315	6.1%(1)	568
Pinellas County (Overlapping) (2)	6,318	6.1%(1)	385
Pinellas County Capital Leases (Overlapping) (2)	35,906	6.1%(1)	2,190
Subtotal, Overlapping Debt	\$ 182,676	6.1%	\$ 11,142
Total Direct and Overlapping Governmental Activities Debt	\$ 235,279		\$ 63,745
Total Direct and Overlapping Governmental Activities Debt Per Capita (2) (3)			\$ 756

Source: Pinellas County, Florida; City of Largo Finance Department; University of Florida.

- Notes: (1) Applicable net debt percentage is based on ratio of City to County-wide taxable values for tax year 2021.
- (2) The City of Largo is not responsible for the debt of the County or School Board.
- (3) FY 2022 permanent Largo population is estimated at 84,286.

SCHEDULE N

CITY OF LARGO, FLORIDA
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit (1)	\$ 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	\$ 5,980,044
Total net debt applicable to limit	21,273	18,204	15,063	11,849	8,561	5,195	1,750	2,500	2,012	52,603
Legal debt margin (1)	<u>\$ 3,223,342</u>	<u>\$ 3,270,862</u>	<u>\$ 3,452,110</u>	<u>\$ 3,712,360</u>	<u>\$ 4,035,947</u>	<u>\$ 4,358,372</u>	<u>\$ 4,696,826</u>	<u>\$ 5,082,068</u>	<u>\$ 5,519,753</u>	<u>\$ 5,927,441</u>
Total net debt applicable to this limit as a percentage of debt limit	<u>0.66%</u>	<u>0.55%</u>	<u>0.43%</u>	<u>0.32%</u>	<u>0.21%</u>	<u>0.12%</u>	<u>0.04%</u>	<u>0.05%</u>	<u>0.04%</u>	<u>0.88%</u>

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 5,980,015
Add back: exempt real property	29
Total assessed value	<u>\$ 5,980,044</u>
Debit limit (100% of total assessed value)	\$ 5,980,044
Debt applicable to limit:	
General obligation bonds	-
Other notes and loans	52,603
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>52,603</u>
Legal debt margin (1)	<u>\$ 5,927,441</u>

- Notes: (1) The City of Largo has not adopted a legal debt limit; however, the City Commission has traditionally practiced conservative debt issuance. Amount 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.
- (3) 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Half-Cent Sales Tax	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,077	\$ 6,845
Interest revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,077	6,845
Less total operating expenses (excludes depreciation)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,077	6,845
Regions Series 2020										
Debt service charges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	516	516
Required coverage %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.25	1.25
Required coverage \$	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	645	645
Remaining net revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5,432	\$ 6,200
Non Ad Valorem Revenues (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 67,815
City Hall Capital Project Bond										
Series A Debt Service Charges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,227
Series B Debt Service Charges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	633
Required coverage %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00
Required coverage \$	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,860
Remaining net revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 65,955

Source: City of Largo Annual Comprehensive Financial Report for the Fiscal Years ended September 30, 2013 – 2022; and applicable bond official statements.

Notes: (1) The City of Largo issued bonds for the building of a City Hall. The bond issue was Covenant to Budget Appropriate which included revenues from the General Fund and Local Option Sales Tax.

SCHEDULE O

CITY OF LARGO, FLORIDA
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sewer revenue (excludes interest)	\$ 22,585	\$ 22,371	\$ 22,680	\$ 22,751	\$ 23,083	\$ 23,460	\$ 23,012	\$ 23,056	\$ 25,141	\$ 28,431
Interest revenue	196	272	574	438	392	528	1,558	1,056	144	(1,292)
Total revenues	22,781	22,643	23,254	23,189	23,475	23,988	24,570	24,112	25,285	27,139
Less total operating expenses (excludes depreciation)	(12,533)	(14,252)	(14,111)	(14,546)	(14,990)	(15,900)	(16,040)	(15,066)	(16,252)	(17,322)
Net revenues	10,248	8,391	9,143	8,643	8,485	8,088	8,530	9,046	9,033	9,817
Gulf Breeze loan (1):										
Debt service charges	1,298	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Required coverage %	1.25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Required coverage \$	1,623	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Remaining net revenues	8,625	8,391	9,143	8,643	8,485	8,088	8,530	9,046	9,033	9,817
State loan (2014) (2)										
Debt service charges	746	746	746	746	1,103	4,595	5,064	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	1,268	5,284	5,824	5,824	5,824	5,824
Remaining net revenues	\$ 7,767	\$ 7,533	\$ 8,285	\$ 7,785	\$ 7,217	\$ 2,804	\$ 2,706	\$ 3,222	\$ 3,209	\$ 3,993

Source: City of Largo Annual Comprehensive Financial Report for the Fiscal Years ended September 30, 2013 – 2022; and applicable bond official statements.

- Notes: (1) 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.
- (2) 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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Permanent population (1)	78,488	79,431	80,747	81,587	81,966	83,526	83,737	84,574	83,071	84,286
Fire/Sewer district population (2)(7)	112,950	113,148	113,148	112,925	109,503	113,450	112,816	112,272	111,539	108,411
Total Housing units (4)	48,722	43,003	45,889	45,689	48,881	45,788	46,370	45,879	46,962	46,112
Owner-occupied housing units (4)	20,060	19,659	19,085	18,411	22,212	21,513	21,835	21,004	21,852	21,603
Renter-occupied housing units (4)	17,430	14,575	17,094	16,781	16,506	15,222	14,776	12,683	15,074	14,676
Vacant housing units (4)	11,232	8,769	9,710	10,497	10,163	9,053	9,759	12,192	10,036	9,833
Personal income										
(expressed in thousands) (4)	\$ 1,003,171	\$ 1,236,439	\$ 884,192	\$ 1,168,878	\$ 1,011,753	\$ 1,119,385	\$ 1,270,497	\$ 1,214,728	\$ 1,229,744	\$ 1,298,984
Per capita personal income (1)(4)	\$ 12,781	\$ 15,566	\$ 10,950	\$ 14,327	\$ 12,344	\$ 13,402	\$ 15,172	\$ 14,363	\$ 14,804	\$ 15,412
Median family income (4)	\$ 48,845	\$ 48,846	\$ 48,231	\$ 53,827	\$ 53,870	\$ 61,433	\$ 55,874	\$ 60,823	\$ 59,800	\$ 64,647
Median age (4)	46.8	48.2	49.0	45.1	50.1	47.3	49.8	48.9	48.7	47.9
Public school enrollment (5)	5,780	5,466	5,504	5,564	5,660	5,787	5,996	5,917	5,937	5,931
Percent high school graduate or higher (4)(6)	87.7%	85.7%	89.5%	89.7%	91.1%	90.6%	91.3%	88.1%	90.6%	91.0%
Percent bachelor's degree or higher (4)(6)	18.8%	20.1%	21.0%	19.9%	20.8%	23.6%	23.9%	25.8%	24.0%	25.4%
Unemployment rate (3)	7.4%	6.4%	5.4%	4.6%	4.2%	3.5%	3.3%	6.3%	4.5%	2.8%

Data Sources:

- (1) University of Florida (2022)
- (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 (2013 – 2022). Bureau of Labor Statistics (www.bls.gov) (12 month average).
- (4) United States Census Bureau (2012); (2013); (2014); (2015); (2016); (2017); (2018); (2019); (2020); (2021).
- (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**

Employer (1)	2022 (2)			2013 (3)		
	Employee Count	Rank	% of Work Force	Employee Range	Rank	% of Work Force
Pinellas Cty Sheriff's Office	2,578	1	6.1	331	10	0.8
TD Synnex (4)	1,724	2	4.1	2,750	1	7.0
Largo Medical Center	1,332	3	3.2	1,191	2	3.0
Empath Health (5)	1,188	4	2.8	900	3	2.3
City of Largo	963	5	2.3	855	5	2.2
Publix Supermarkets Inc	931	6	2.2	730	6	1.9
The Palms of Largo	545	7	1.3	N/A	N/A	N/A
SCC Soft Computer Inc	525	8	1.2	501	9	1.3
Diagnostic Medical Group	428	9	1.0	872	4	2.2
Pinellas County Schools	410	10	1.0	660	7	1.7
Suntasia Marketing Inc	N/A	N/A	N/A	654	8	1.7

Notes: (1) Some organizations also maintain offices outside the City of Largo with additional employees.

(2) FY 2022 data came from the Community Development Department.

(3) FY 2013 data came from the FY 2013 CAFR.

(4) TD Synnex is the new name of Tech Data.

(5) Empath Health is the new name of Florida Suncoast Hospice.

SCHEDULE R

CITY OF LARGO, FLORIDA
Full-Time Equivalent City Governmental Employees by Function
Last Ten Fiscal Years

<u>FUNCTION</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government										
Legislative	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Administration	19.33	19.33	20.48	23.58	24.58	25.58	25.58	28.58	28.58	29.73
Human Resources (2)	11.00	11.00	11.00	11.00	11.00	11.00	12.50	14.50	15.00	14.00
Finance (2)	12.40	12.60	12.60	12.60	12.60	14.60	14.50	16.50	16.00	14.00
Information Technology	19.00	20.00	21.00	25.00	27.00	28.00	28.00	30.00	30.00	31.00
Total General Government	69.73	70.93	73.08	80.18	83.18	87.18	88.58	97.58	97.58	96.73
Public Safety										
Police	195.02	195.27	197.77	200.81	203.81	203.81	208.31	208.31	211.31	216.31
Fire/Rescue	140.25	140.00	141.00	145.00	146.00	152.00	152.00	158.00	158.00	158.00
Total Public Safety	335.27	335.27	338.77	345.81	349.81	355.81	360.31	366.31	369.31	374.31
Environmental Services	88.25	88.25	88.10	87.25	86.25	87.25	87.25	87.25	87.25	88.25
Public Works	139.75	138.75	138.75	142.50	142.83	143.83	144.83	148.33	148.33	149.33
Community Development (1)	61.25	62.25	64.75	63.75	66.25	47.25	47.25	46.50	46.50	47.50
Engineering Services (1)	N/A	N/A	N/A	N/A	N/A	22.00	22.00	23.00	23.00	23.00
Cultural and Recreation										
Recreation, Parks & Arts	119.24	119.14	119.79	121.08	129.75	130.55	133.36	139.86	139.86	143.69
Library	41.40	41.20	41.70	41.70	41.20	40.20	40.30	40.30	40.00	40.00
Total Cultural and Recreation	160.64	160.34	161.49	162.78	170.95	170.75	173.66	180.16	179.86	183.69
Total City	<u>854.89</u>	<u>855.79</u>	<u>864.94</u>	<u>882.27</u>	<u>899.27</u>	<u>914.07</u>	<u>923.88</u>	<u>949.13</u>	<u>951.83</u>	<u>962.81</u>

Source: City of Largo Annual Budget, Fiscal Years 2013 – 2022

- (1) The Engineering Services Department was separated from the Community Development Department in FY 2018.
- (2) 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

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Arrests	3,535	3,055	3,145	3,302	3,099	3,409	3,061	2,250	2,880	2,696
Citations Processed	22,984	23,165	22,369	19,553	18,610	18,741	19,538	16,411	16,518	18,533
Fire/Rescue:										
Inspections	5,294	4,321	4,230	3,024	2,666	4,186	1,937	3,272	3,359	4,804
Structure fires	70	71	53	45	41	22	25	92	85	102
EMS incidents	17,423	18,990	20,085	24,448	26,393	26,838	26,077	24,847	26,436	26,323
All other incidents	4,976	4,169	4,555	2,213	2,674	2,859	3,463	2,678	3,196	3,961
Highways and Streets:										
Street repair (linear feet)	4,850	9,807	8,423	6,855	21,983	35,123	27,709	26,685	14,044	7,934
Potholes repaired (asphalt usage-tons)	124	95	94	120	171	200	540	531	488	215
Sanitation (Solid Waste):										
Refuse collected (tons) (3)	79,322	77,671	81,861	84,537	84,612	82,908	81,374	88,730	91,810	91,605
Recyclables collected (tons) (3)	9,235	10,906	11,861	12,234	11,084	10,959	8,722	5,717	5,468	5,431
Recreation, Parks and Arts (2):										
Attendance:										
Recreation centers (1)	650,005	571,027	589,566	596,626	424,006	544,053	784,941	501,751	436,224	452,637
Special events (1)	125,000	130,000	215,000	175,000	142,485	130,500	128,736	70,375	25,448	120,025
Golf Course (1)	49,000	49,500	49,500	47,500	47,500	43,000	40,878	36,374	43,288	47,311
Cultural Center (1)	57,000	63,700	69,000	74,200	45,646	45,693	40,954	37,523	24,732	30,831
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)	995	357	80	96	158	78	988	-	-	86
Underdrain Pipes										
Replaced (linear feet)	250	120	80	24	850	250	96	695	155	25
Wastewater:										
Average daily sewage										
Treatment (millions/gallons)	11.5	10.9	12.8	12.0	10.8	12.1	12.8	11.7	12.8	11.8

- 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.
- (3) Starting in FY 2020 the yard waste recycling is reported in Refuse collected and not in Recyclables collected.

SCHEDULE T

CITY OF LARGO, FLORIDA
Capital Asset Statistics by Function
Last Ten Fiscal Years

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	107	107	107	110	116	114	113	116	125	126
Fire stations	5	5	5	5	6	6	6	6	6	6
Sanitation (Solid Waste):										
Collection trucks	39	39	39	41	40	42	44	44	44	44
Highways and streets:										
Streets (miles)	158	158	158	158	158	158.3	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	89	89	89	89	89	88
Total gallons reuse (millions/per day)	5.8	5.8	5.2	5.0	5.6	5.2	7.5	6.8	6.0	5.8
Sewer:										
Sanitary sewers (miles)	321	321	335	335	343	343	301	301	285	285
Lift stations maintained	57	57	57	57	57	57	54	54	54	51
Maximum daily treatment 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	122
City lakes / retention ponds (1)	24	24	24	24	24	24	24	24	24	66

Notes: (1) Revised figure due to the updated GIS stormwater pond layer in FY 2022

SCHEDULE U

CITY OF LARGO, FLORIDA MAJOR REVENUE SOURCES 2022

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 14.2% 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
2022**

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 2022 the millage rate was 5.5800 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. 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)

Residential – Fixed monthly charge with additional charges for each additional 1,000 gallons.

Commercial – 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, 2021. The following schedule reflects current monthly rates.

	<u>Within City</u>	<u>Outside City</u>
<u>Residential:</u>		
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
<u>Commercial:</u>		
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	2,841.99

SCHEDULE U

**CITY OF LARGO, FLORIDA
MAJOR REVENUE SOURCES
2022**

Reclaimed Water Charges

	Within City	Outside Sewer District
<u>Residential:</u>		
One acre or less (per month)	\$ 10.00	\$ 12.50
<u>Commercial / Industrial / Golf Course:</u>		
(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, 2021. The following schedule reflects current rates.

Curbside Collection (residential) - \$23.30 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	\$ 66.00	\$ 127.00	\$ 186.00	\$ 243.00
2	140.00	270.00	395.00	515.00
3	210.00	403.00	592.00	772.00
4	279.00	537.00	790.00	1,030.00
5	350.00	672.00	986.00	1,287.00
6	420.00	806.00	1,184.00	1,544.00

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 (\$44.70 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 conditions. The funds are also available for infrastructure 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 years.

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 years.

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 years.

SCHEDULE V

CITY OF LARGO, FLORIDA GENERAL INFORMATION 2022

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 84,286 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 25.6 percent of the City's permanent population is 65 years old and older, with a median age of 47.9 years.

Based on the 2019 American Community Survey, the City's population is 71.6 percent white, 8.5 percent black, 12.9 percent Hispanic or Latino and 7.0 percent from other racial groups.

Largo is 19.23 square miles in size, with 93.4% of the parcels in residential uses and 6.6% 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
2022**

Form of Government:	Commission/Manager
Date Incorporated:	1905
Area:	19.23 sq. miles
Population (estimated) (1):	84,286 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):	84.1% 18 years of age or older; 25.6% 65 years of age or older Median Household Income \$50,948 Median Family Income \$64,647
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:	55,257
Percent Voted in Last Municipal General Election:	2022 – (November) 56.4% 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 2022

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
2022**

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.

COMPLIANCE SECTION



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

Honorable Mayor, Members of the City Commission, and City Manager

City of Largo, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Largo, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated April 14, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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, L.L.C.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

April 14, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited City of Largo, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of City's major federal programs and state projects for the year ended September 30, 2022. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Largo complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program and State Project

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; 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, *Florida Single Audit Act Audits – Local Governmental Entity Audits*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project 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 or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

April 14, 2023

CITY OF LARGO, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2022

Federal or State Grantor/ Pass-Through Grantor/Program	ALN #/ CSFA #	Pass-Through Entity Identifying 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-21-MC-120028	\$ 1,064,752	\$ 502,575
Passed Through Pinellas County				
Home Investment Partnerships Program (HOME)	14.239	M-21-DC-12-0217	161,971	-
Total U.S. Department of Housing and Urban Development			1,226,723	502,575
U.S. Department of Treasury				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	JN6KDJN7YKE7	129,535	-
Total U.S. Department of Treasury			129,535	-
U.S. Department of Justice				
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0562 15PBJA-21-GG-04464-BW CX & 15PBJA-22-GG-00214-BR	24,549	-
Body Worn Camera Policy and Implementation Program	16.835	ND	496,248	-
COVID-19 Coronavirus Emergency Supplemental Funding Grant	16.034	2020-VD-BX-1706	89,336	-
Total U.S. Department of Justice			610,133	-
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	9,457,223	-
Total U.S. Environmental Protection Agency			9,457,223	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 11,423,614	\$ 502,575
Florida Department of Transportation (FDOT)				
Direct Program:				
Florida Highway Beautification Grant Program	55.003	FP# 446145-1-58-01	\$ 101,270	\$ -
Florida Housing Finance Corporation				
Direct Program:				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	1,205,867	302,620
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 1,307,137	\$ 302,620

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, 2022

(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	ALN/CSFA	Amount Provided
Community Development Block Grant	14.218	\$ 502,575
State Housing Initiative Partnership	40.901	\$ 302,620

(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	\$ 215,155
Special revenue funds:	
Community Development Block Grant	707,722
Home Investment Partnership	161,971
American Rescue Plan Act (ARPA)	129,535
Community Redevelopment Agency	178,685
Total Federal	\$ 1,393,068
State:	
Special revenue funds:	
State Housing Initiative Partnership	433,764
Total State	\$ 433,764

CITY OF LARGO, FLORIDA
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2022

(5) Loans Outstanding

The City had the following loan balances including loan service fees outstanding at September 30, 2022. The current year additions related to the loans are included in the Schedule of Federal Awards and State Financial Assistance.

66.458	Florida Department of Environmental Protection program	\$	70,889,462
37.077	Florida Department of Environmental Protection program		50,871,866
	Total Loans Payable		<u>121,761,328</u>
14.218	Community Development Block Grant		1,565,695
14.239	Home investment Partnership		3,209,801
52.901	State Housing Initiative Partnership		4,802,293
	Total Loans Receivable	\$	<u>9,577,789</u>

(6) Noncash Assistance

The City received \$0 in noncash assistance during the year ended September 30, 2022.

(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, 2022, an additional \$9,457,223 has been spent or incurred on the project for a total of \$53,746,907. In January 2023 the City received Amendment 4 to the loan revising the total allowed funding amount of up to \$57,441,261.

(8) American Rescue Plan Act Funding

The City entered into a funding agreement with the U.S. Department of the Treasury to receive federal assistance from Coronavirus State and Local Fiscal Recovery Funds. Eligible items for use of the grant funds include replacing lost public sector revenue, response to far-reaching public health and negative economic impacts of the pandemic, provide premium pay for essential workers and investment in water, sewer and broadband infrastructure. The City received a total amount of \$12,960,041 in recovery funds. The period of availability for the funds began on March 3, 2021 and goes through December 31, 2024.

CITY OF LARGO, FLORIDA
Schedule of Findings and Questioned Costs
Federal Programs
Year Ended September 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS:

	<u>Results</u>
<i>Financial Statements:</i>	
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
<i>Federal Awards:</i>	
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:	
ALN	
<u>Number</u>	<u>Program</u>
66.458	Clean Water State Revolving Funds 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
<i>State Projects:</i>	
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:	
CSFA	
<u>Number</u>	<u>Program</u>
40.901	Shate Housing Initiatives Partnership Program (SHIP)
5. Dollar threshold used to distinguish between type A and type B programs:	\$392,141

CITY OF LARGO, FLORIDA
Schedule of Findings and Questioned Costs
Federal Programs
Year Ended September 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS

None noted

SECTION VI – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year audit findings.



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, 2022, and have issued our report thereon dated April 14, 2023.

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 State Project 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 the Auditor General. Disclosures in those reports and schedule, which are dated April 14, 2023, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.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 review of financial information provided by same.

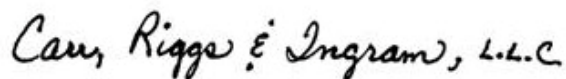
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, LLC". The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
April 14, 2023



INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES

Honorable Mayor, Members of the City Commission, and City Manager

City of Largo, Florida

We have examined the 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, 2022. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether 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.

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

Our examination does not provide a legal determination on 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, 2022.

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, L.L.C.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

April 14, 2023



2013 Highway Commission
1911 Road 2000
Orange, FL 32667
LARGO (727) 586-7421

FINANCE DEPARTMENT

Rebecca Spuhler, Finance Director
E-mail: rspuhler@largo.com
Phone: (727) 587-6747
Fax: (727) 586-7421

Brandon Bevan, Acting Assistant Director
E-mail: bbevan@largo.com
Phone: (727) 586-7422
Fax: (727) 586-7421

March 14, 2023

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.

Sincerely,

Rebecca Spuhler
Finance Director
City of Largo, Florida

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 3/14/2023 (date), by Rebecca Spuhler Finance Director (name, title) who is personally known to me or who has produced City ID (type of identification) as identification.

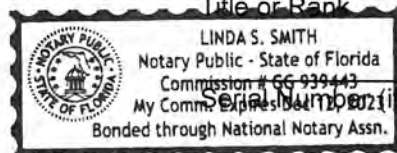
Signature of Person Taking Acknowledgment

Linda S Smith

Name of Acknowledger Typed, Printed or Stamped

Office Administrator

Title or Rank



YOUR COMMUNITY OF CHOICE
Naturally

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