



**Annual  
Comprehensive  
Financial Report**

**For the fiscal year ended  
September 30, 2021**

**City of Largo, FL**



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED 9/30/2021



### CITY COMMISSION

### CITY ADMINISTRATION

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Dr. Woody Brown  
Mayor

Henry P. Schubert  
City Manager

James Robinson  
Vice Mayor

Margaret Paluch  
Assistant City Manager

John L. Carroll

Alan S. Zimmet  
City Attorney

Samantha Fenger

Eric Gerard

Diane Bruner, CMC  
City Clerk

Donna Holck

Kimball R. Adams, CPA  
Finance Director

Michael Smith

Rebecca Spuhler  
Assistant Finance Director







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# INTRODUCTORY SECTION

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PO Box 296  
Largo, FL 33779  
[Largo.com](http://Largo.com)

May 2, 2022

Letter of Transmittal

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

## INTRODUCTION

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

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

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

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

## CITY OF LARGO PROFILE

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

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

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

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

## INDEPENDENT AUDIT AND AUDIT COMMITTEE

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

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

## MANAGEMENT'S FINANCIAL REPORTING RESPONSIBILITY

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

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

## FINANCIAL MANAGEMENT POLICIES

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

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

## BUDGETARY & INTERNAL ACCOUNTING CONTROLS

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

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

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

## LONG-TERM FINANCIAL PLANNING

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

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

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

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

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

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

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

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

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

### AWARDS FOR FINANCIAL REPORTING & BUDGET PRESENTATION

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



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

## ACKNOWLEDGMENTS

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

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

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

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

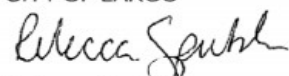
The Director expresses special appreciation to Assistant Finance Director, Rebecca Spuhler, for coordinating all year-end closing activities, managing the audit process and preparing most of the ACFR. Miss Spuhler's efforts resulted in the efficient and timely completion of all audit related activities,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

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

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

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

Respectfully submitted,  
CITY OF LARGO



Rebecca Spuhler  
Assistant Finance Director



Kimball R. Adams, CPA  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Largo  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Largo  
Florida**

For the Fiscal Year Beginning

**October 01, 2020**

*Christopher P. Morrill*

Executive Director

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

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**City Commission**

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

**City Manager**

Henry P. Schubert

**Assistant City Manager**

Margaret Paluch

**City Attorney**

Alan S. Zimmet

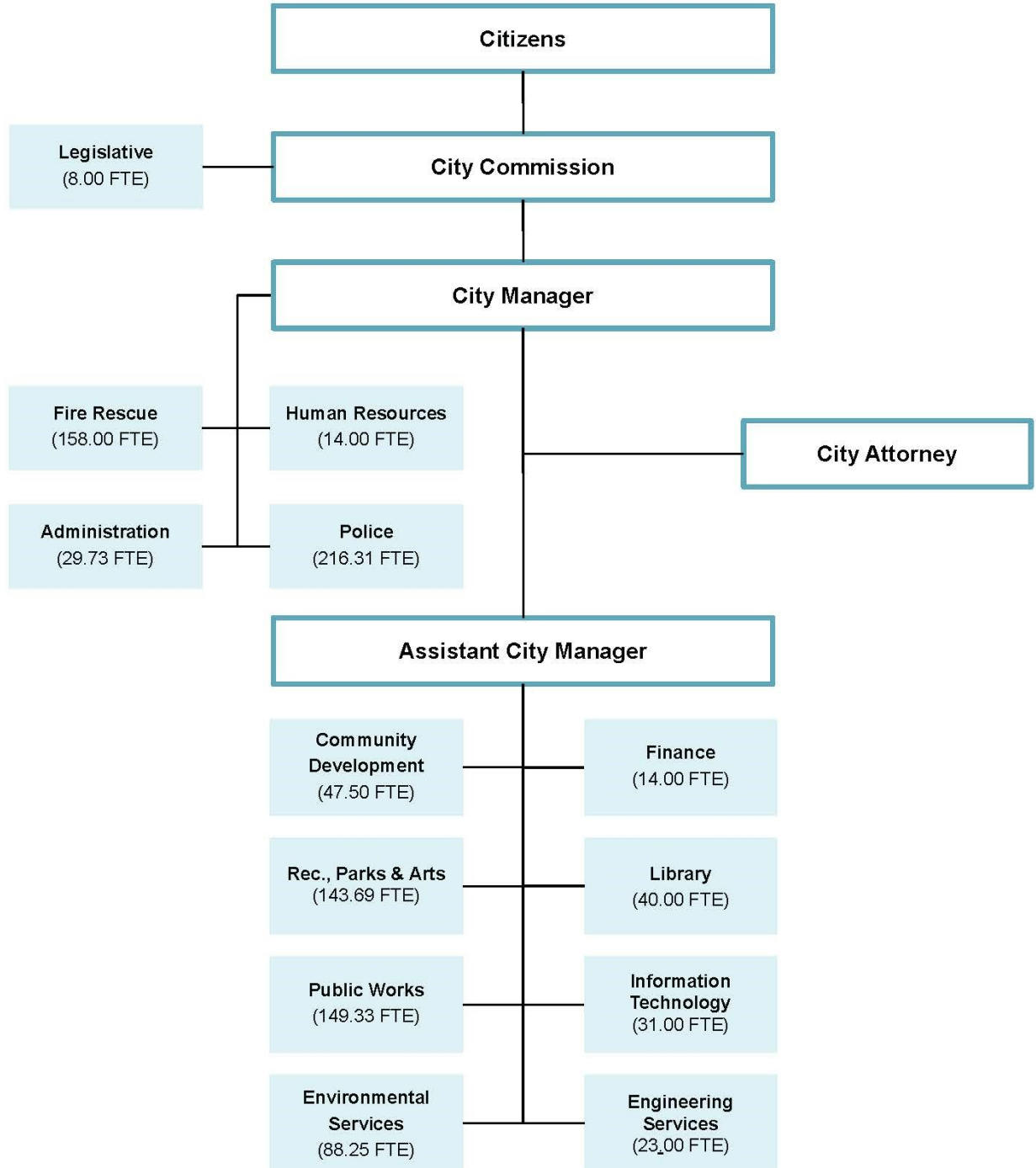
**City Clerk**

Diane L. Bruner

**Executive Leadership Team**

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

**CITY OF LARGO**  
(962.81 FTE)



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# FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

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

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

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



## **Emphasis of a Matter**

### *Change in Accounting Principle*

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

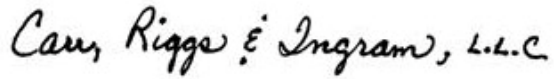
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements and Largo's Redevelopment Agency. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical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

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

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

**Other Reporting Required by Government Auditing Standards**

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

Handwritten signature in cursive script: Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

May 2, 2022

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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 2021.

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

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



### RENAMING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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

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

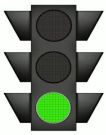
## ANNUAL COMPREHENSIVE FINANCIAL REPORT OVERVIEW (ACFR)

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

The ACFR includes four main sections:

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

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



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

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

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



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

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

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

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



**Debt:** *The financial impacts of borrowing.*

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

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

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

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



**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 were under-budget.



**Trends:** *The degree to which financial conditions are changing.*

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

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

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

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

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

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

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



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

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

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



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

**Answer:** It depends.

- All things equal, a higher net position is good as long as a government is meeting the community's needs.
- A higher net position means a government owns more of its assets, has a potentially larger financial cushion for unforeseen events (cash reserves) and did a better job of living within its means.
- A government can have "too much" net position, depending on whether its stakeholders value having a higher net position for use in emergencies or to seize opportunities instead of receiving additional services or paying lower taxes and fees. So, a higher net position can be good or bad depending on someone's perspective.
- A lower net position may mean a government has not lived within its means, as reflected by the negative unrestricted net position created by the unfunded pension liability and OPEB liability. 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.

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***Major Fund highlights***

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

***Major Governmental Funds (five funds)***

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

***Major Enterprise Funds (two funds)***

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



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



## FINANCIAL STATEMENTS OVERVIEW

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

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



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

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

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

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

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

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

**a. Governmental funds (five).** Includes: General, Special Revenue, Capital Projects, Debt Service and Permanent funds. The City always reports the first two types and the other three as needed.

Governmental fund financial statements focus on short-term inflows and outflows of financial resources (mostly cash) and on available (spendable) financial resources at year end. This information is useful in evaluating the City's short-term financial position and results of operations.

**i. Major Funds.** The reporting focus is on Major Funds (largest funds), which for the City include: the General Fund and four special revenue funds: LOST, SHIP, CDBG and HOME. Information is presented in separate columns for each major fund, while non-major fund information is aggregated into one column. Information on non-major funds is provided after the Notes.

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*ii. Budgets.* Budgets are adopted for all governmental funds. Budget statements are presented for major funds and budget schedules are presented for non-major funds after the Notes.

**b. Proprietary funds (two).** The City reports both types of proprietary funds:

*i. Enterprise funds.* Enterprise funds report the same information as Business-type Activities in the government-wide financial statements, only in greater detail. The City has three enterprise funds: Wastewater, Solid Waste Collection (both major funds) and the Golf Course.

*ii. Internal Service funds.* Internal service funds are used to account for the costs of providing certain services to other City departments. The City uses internal service funds for vehicle repair and maintenance (Fleet Fund) and for risk management operations (Risk Fund).

- Both internal service funds are combined into a single column and presented with enterprise funds in the proprietary fund financial statements. Individual internal service fund data is provided in the Combining Financial Statements located after the Notes.
- Internal service funds are combined with Governmental Activities in the government-wide financial statements, because they predominately serve Governmental Activities.

**c. Fiduciary funds (four).** The City reports one type of fiduciary fund; a pension trust fund.

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

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

**a. Management Discussion and Analysis (MD&A) -** An MD&A is required supplementary information.

**b. Government-wide statements.** Government-wide statements (the City as a whole) include two statements, two Activities and information is reported using the accrual basis of accounting.

- i. Statement of Net Position.* Presents assets, liabilities and deferred inflows/outflows with the difference being *net position* ("equity").
- ii. Statement of Activities.* Presents the changes in net position from revenues and expenses, which are reported as soon as an event occurs, regardless of when cash is received or paid.
  - *Governmental Activities.* These activities are primarily supported by taxes. GA include: general government (administration, etc.), public safety (fire-rescue & police), culture & recreation (library, recreation, parks & arts), public works and economic development.
  - *Business-type Activities.* These activities are primarily supported by charges for services (user fees). BTA services include: wastewater (collection, treatment and disposal), solid waste collection and an 18-hole par 62 executive golf course.

**c. Fund statements.** Individual fund financial information is only reported for major funds, while non-major funds' financial information is aggregated into one column by fund-type for governmental and proprietary funds. Fiduciary fund types are reported in aggregated columns. Individual financial statements for each non-major fund are provided immediately following Other RSI after the Notes.

**d. Financial statement reconciliation.** Governmental Activities and Governmental Fund statements are prepared with different bases of accounting (accrual and modified-accrual, respectively); therefore, a reconciliation of the differences is provided for the position statements and operating statements.

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**e. Notes to the financial statements (the “notes”).** The Notes provide information that is essential to gaining a full understanding of the government-wide and individual fund financial statements.

**f. Other Required Supplementary Information (RSI).** Other RSI is located after the Notes and includes information on pension funding. “Other” means other than the MD&A, which is also RSI.

**g. Optional combining and individual fund financial statements or schedules.** Financial statements are provided for each non-major fund immediately following Other RSI after the Notes.

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

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

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

**Government-wide Statement of Net Position.**

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

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

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

- The largest changes for *Governmental Activities* was in cash, non-current liabilities and net position invested in capital assets.
  - Cash increased (current assets), due to an excess of revenue over expenditures in most funds as the economy recovered from the pandemic, which is discussed in the Fund section.
  - Non-current liabilities increased primarily due to an increase in the OPEB liability (\$4.4 million), based on the latest actuarial report, which included higher projected healthcare costs. The OPEB liability is an estimate of retiree healthcare premium costs based on an "implicit" premium subsidy.

Retirees are permitted to remain on the City's health plan by state law, but they must pay 100% the active employee premiums. Actuarially, retirees tend to incur higher costs than active employees, which results in an implicit premium subsidy, because the City is prohibited from charging retirees higher premiums than regular employees. The estimated extra retiree premium cost that is not paid by retirees becomes a City liability.

- Net position invested in capital assets increased primarily due to new capital projects funded by the Local Option Sales Tax fund, which are discussed in the Fund section:



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

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

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



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

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

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

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

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

**Revenue Summary**

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

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

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

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

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

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

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

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

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

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

GA - Major General Revenue (\$ millions)	FY21	FY20	Increase (Decrease)	
			\$	%
Property Tax	\$ 29.9	\$ 27.6	\$ 2.4	8.5%
Utility and Franchise Tax (mostly electric)	16.3	16.2	0.1	0.3%
Local Option Sales Tax ("Penny for Pinellas")	10.2	8.4	1.8	21.4%
Communications Services Tax	2.7	2.7	-	0.0%
State Shared Revenue (mostly sales tax)	9.9	8.5	1.4	16.3%
	<u>\$ 69.0</u>	<u>\$ 63.4</u>	<u>\$ 5.6</u>	8.8%

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**GA General Revenue (continued)**

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



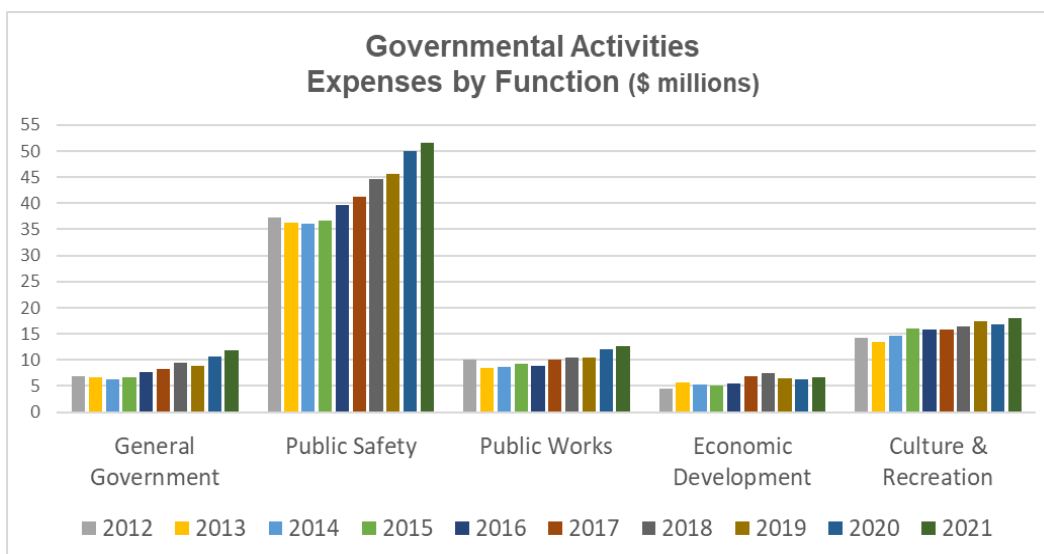
GA Charges for Services exceeded Property Tax revenue in the last two years, which has been true for several years. Many people are surprised that property taxes are not the City's largest revenue.

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



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

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





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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 and Public Safety, which grew faster than average, which is discussed later in the General Fund section.
  - General government grew faster than average, largely due to additional IT expenditures on software, personnel and equipment as more processes were automated.
  - Public safety grew faster, largely because of new positions added over the past five years of the Public Safety Staffing Plan. About 51% of total GA expenses typically relate to Public Safety.

**Governmental Activities (GA) "Net" Expenses** - The GASB requires a presentation of Net Expenses. Net Expenses are total expenses minus program revenue (non-tax), which is mostly charges for services; therefore, Net Expenses are paid with general revenue (mostly taxes).

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

**Governmental Activities (\$ in millions)**

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

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



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

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

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

Key financial BTA metrics include:

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

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

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

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

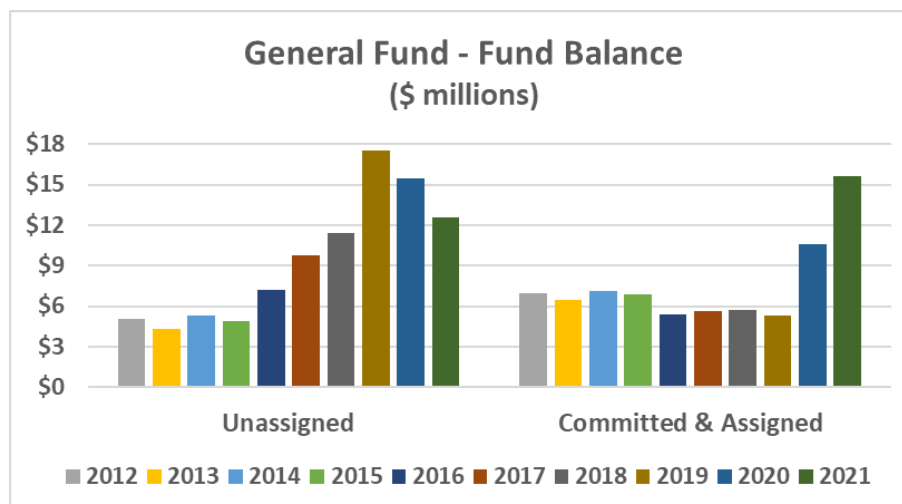
**GOVERNMENTAL FUNDS** (*Focus on individual funds, "small-picture"*)

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

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

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

**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.



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

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

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

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



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

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

*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.

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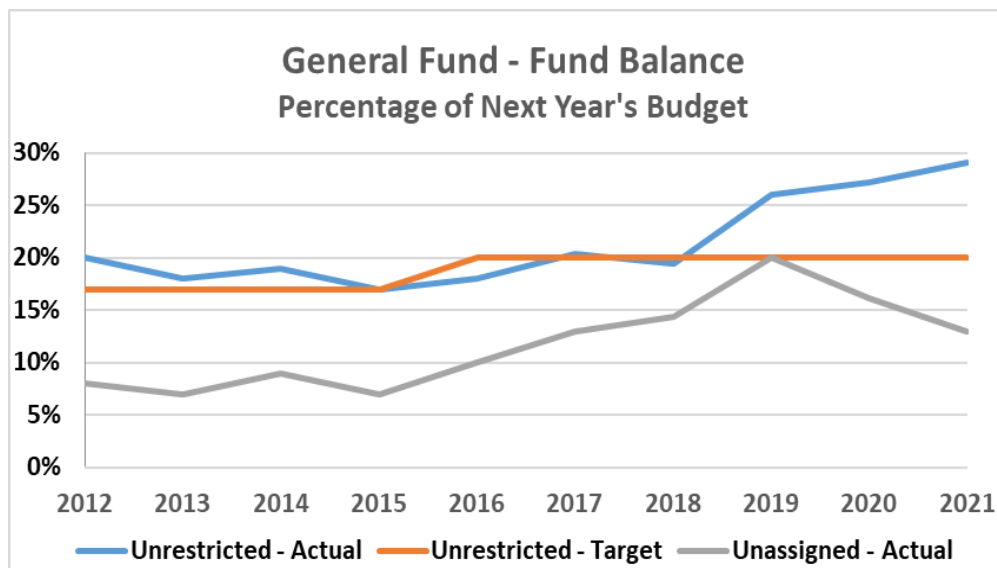
Common methods of determining a target fund balance are:

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

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

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

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



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

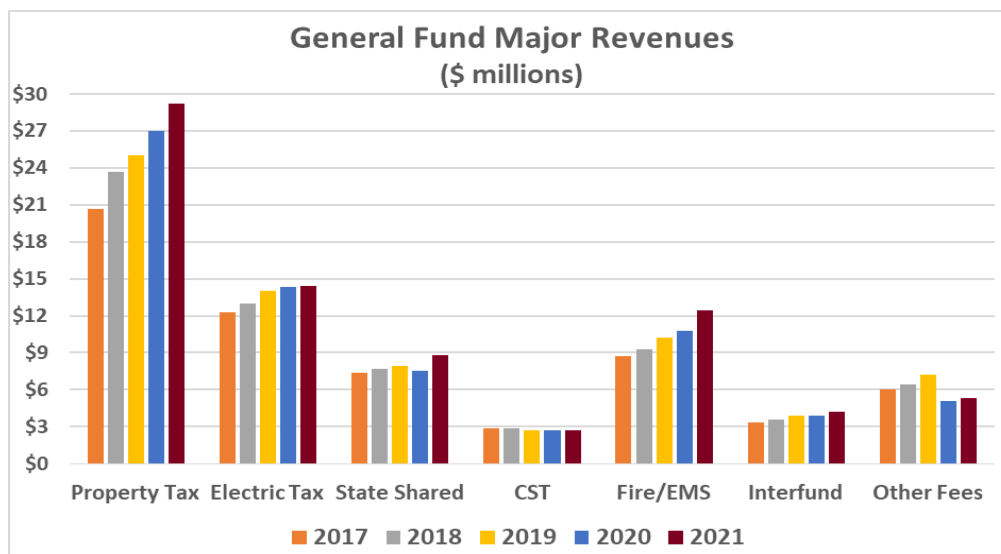
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- State Statutes set no fund balance guidelines, except that the total fund balance cannot be negative
- Most of the unrestricted fund balance is unavailable to appropriate, because of the assignments; therefore, the unassigned fund balance is a better 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.

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



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

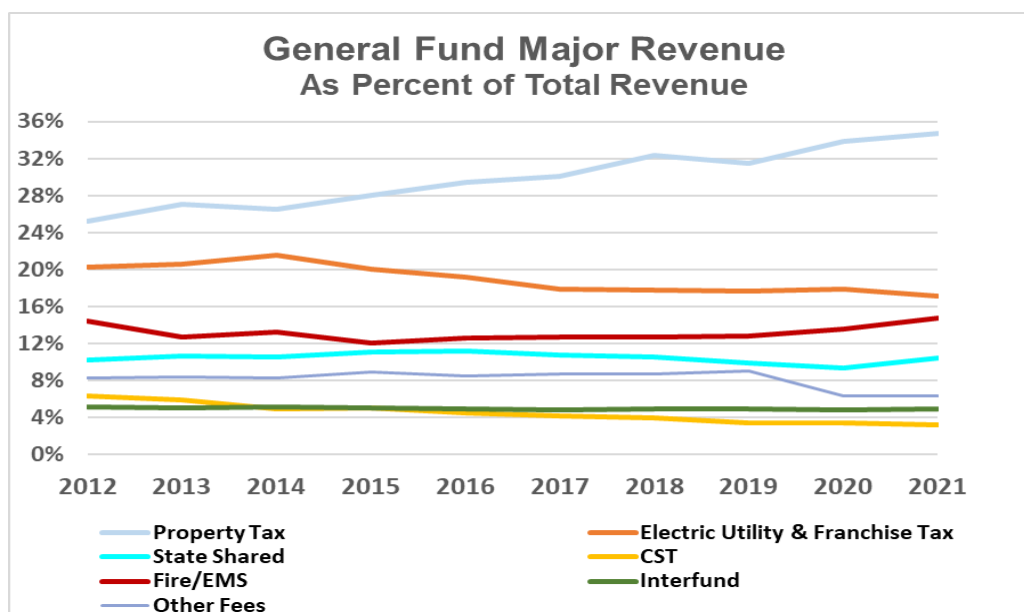


Only Property Tax and Other Fees can be increased by the City, subject to legal restrictions and market conditions. Most other revenues are uncontrollable, because tax rates are set at the maximum amounts allowed by agreement or law.

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- Communications Services Tax (CST) has stabilized, most likely because people were consuming more services during the pandemic. CST growth has been low due to increased competition, bundling of services, and customers moving to other services ("cutting the cord"), which reduces the tax base. Most Florida governments have had similar experience. Five-year projections are flat; however, the state legislature has targeted the CST for reduction as part of so called "tax reform".
- The Electric Tax base had been declining, due mostly to greater consumer conservation efforts, including solar installations and replacements of less efficient electronic equipment, especially HVAC systems. Other factors that can affect the tax base include weather variations (milder or harsher winters and summers). The City cannot increase the tax rate or expand this tax base.
- 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 25% in FY12 to 35% in FY21, mostly due to the affects of the Great Recession on major revenues despite significant expenditure cuts.
- The property tax millage rate increased from 4.5594 in FY12, peaked at 5.7413 in FY18 and is now 5.62. With a ten mill cap and new state restrictions, there is less flexibility to increase the millage rate.
- Placing greater reliance on any revenue means there is a greater impact if a revenue declines. For example, a 20% decline in a revenue that generates 10% of total revenue results in a 2% loss, but a 10% decline in a revenue generating 40% of revenue results in a 4% loss. The trend bears watching.

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

General Fund Expenditures and Encumbrances.

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

<b>General Fund - FY 2021</b>							
<b>Expenditures &amp; Encumbrances - Actual to Budget</b>							
<b>Department</b>	<b>Exp.</b>	<b>Enc.</b>	<b>Total Expended &amp; Encumbered</b>	<b>Final Budget</b>	<b>Variance Under (Over) \$</b>	<b>Variance Under (Over) %</b>	<b>Rebudget in FY22</b>
Police	\$ 26,839	\$ 476	\$ 27,315	\$ 28,029	\$ 714	2.5%	\$ 247
Fire Rescue	21,001	177	21,178	22,478	\$ 1,300	5.8%	-
Rec., Parks & Arts	11,056	860	11,916	17,546	\$ 5,630	32.1%	3,280
Public Works	4,712	959	5,671	5,896	\$ 225	3.8%	-
Information Tech.	4,471	335	4,806	5,864	\$ 1,058	18.0%	452
Library	3,765	167	3,932	4,266	\$ 334	7.8%	-
Administration	3,481	29	3,510	3,510	\$ -	0.0%	*64
Community Devel.	2,424	69	2,493	2,959	\$ 466	15.7%	100
Finance	1,041	3	1,044	1,132	\$ 88	7.8%	-
Human Res.	919	9	928	970	\$ 42	4.3%	-
Engineering	796	49	845	931	\$ 86	9.2%	-
General Operating	695	219	914	1,293	\$ 379	29.3%	-
Legislative	347	2	349	398	\$ 49	12.3%	-
<b>Total</b>	<b>\$ 81,547</b>	<b>\$ 3,354</b>	<b>\$ 84,901</b>	<b>\$ 95,272</b>	<b>\$ 10,371</b>	<b>10.9%</b>	<b>\$ 4,079</b>

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



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Budget variances greater than 10% are discussed below.

- Amounts rebudgeted in the following year explain a large portion of most variances. The total under-spent/under-encumbered variance was 10.9%; however, \$4.1 million was re-budgeted. So, the net under-spent/under-encumbered variance after deducting amounts rebudgeted was 6.6%.
- *Recreation, Parks & Arts:* \$3.3 million of projects were rebudgeted in FY23, including \$3 million for the Parks Administration Complex and several parking lot and fencing projects, partly to reevaluate construction costs, which have been rising throughout the region.

Personnel savings due to pandemic related facilities' closures and normal staff vacancies was \$672,000. Senior trip expenditures of \$130,000 were not spent and the Performing Arts Center (CPPAC) did not spend approximately \$300,000 on productions, both of which were due to pandemic related cancellations.

- *\*Administration:* The \$64,000 of rebudgeted projects relates to projects that had been encumbered at year-end, but the encumbrances were then canceled after year end, because there was an insufficient remaining budget to encumber. So, these projects were not formerly rebudgeted. These projects will be reevaluated and a budget amendment might be requested in FY22.

The encumbrances were canceled after year end when legal fee invoices were received at higher than anticipated amounts. A budget amendment for legal fees had been approved before year-end; however, actual costs were even higher than projections.

- *Information Technology:* \$400,000 for the data network switch replacement project and several smaller infrastructure replacement projects (\$452,000 total) could not be completed during the year and were rebudgeted in FY22, which comprises 43% of the under budget amount.

Salary savings from several extended position vacancies due to a tight job market represent a majority of the remaining unexpended/unencumbered amount.

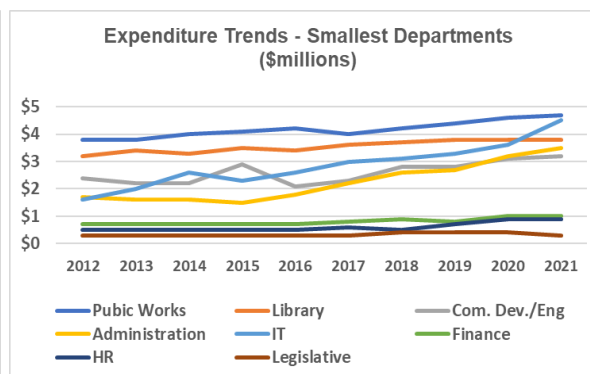
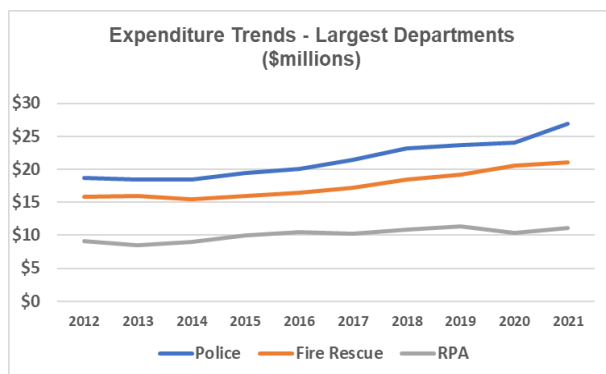
- *Community Development:* Salary savings of about \$300,000 from several extended position vacancies due to a tight job market represented the majority of the unexpended/unencumbered amount, including related travel and training costs.
- *General Operating:* Pre-construction progress payments for the Horizon project (City Hall) Phase I were lower than expected. The ground breaking has been delayed three months, due partly to the reevaluation of rising construction costs, which are affecting projects throughout the region.
- *Legislative:* Covid related cancellations of legislative travel, training and City events including the Advisory Board Appreciation Dinner were responsible to the majority of the unexpended amount.

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

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

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

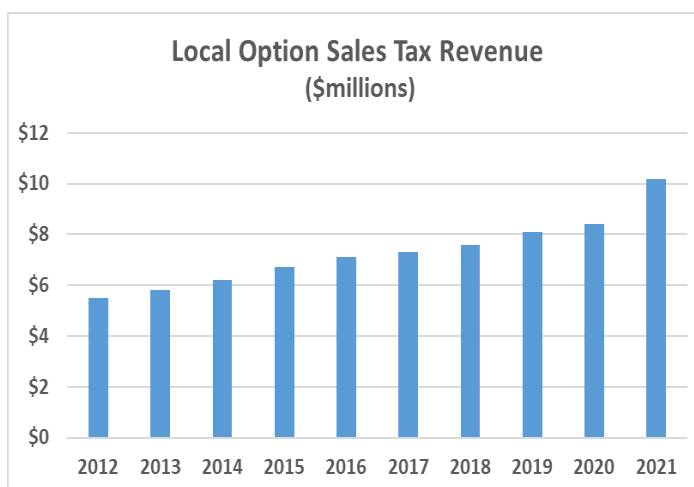
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**Local Option Sales Tax Fund (LOST).** A one-cent Local Option Sales Tax ("Penny for Pinellas") was approved through voter referendum for a ten year period beginning February 1990 and has been extended for three additional ten-year periods. "Penny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

This graph presents LOST revenue.

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



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

**LOST Fund - FY21 Expenditure Summary**

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

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

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

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

[https://www.largo.com/services/residents/housing\\_assistance/index.php](https://www.largo.com/services/residents/housing_assistance/index.php)

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

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

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

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

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

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

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

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

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The following table summarizes key Enterprise Fund activity.

	Enterprise Funds (\$ millions)					
	Wastewater		Solid Waste		Golf Course	
	2021	2020	2021	2020	2021	2020
Operating revenue	\$ 25.1	\$ 23.0	\$ 14.1	\$ 13.4	\$ 1.2	\$ 0.9
Operating expenses	23.0	21.1	13.7	13.3	1.1	1.2
Operating income (loss)	2.1	1.9	0.4	0.1	0.1	(0.3)
Change in net position	\$ 2.0	\$ 2.1	\$ 0.6	\$ 0.7	\$ 0.1	\$ -0.2
Ending total net position	\$ 121.7	\$ 119.7	\$ 14.3	\$ 13.8	\$ 2.0	\$ 1.9
Ending unrestricted net position	\$ 11.9	\$ 21.4	\$ 6.5	\$ 7.4	\$ 0.5	\$ 0.2



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 \$2.7 million in FY21 for construction of the middle plant project, which will be completed in FY 22. Total additional borrowing for this project is projected to be \$20 million. This is the only enterprise fund that reports long-term debt.

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

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

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

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



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

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

## **CAPITAL ASSETS & LONG-TERM DEBT**

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

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

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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.

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

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

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

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

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

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



**Question:** Is having low debt a good thing?

**Answer:** It depends.

## CITY OF LARGO, FLORIDA

### Management's Discussion and Analysis

September 30, 2021

#### Debt pros:

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

#### Debt cons:

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



**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.

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

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

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



**CITY OF LARGO, FLORIDA**  
**Management's Discussion and Analysis**  
September 30, 2021

**Capital Assets (\$ millions)**

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Net capital assets (NCA)	\$ 152.9	\$ 147.5	\$ 221.2	\$ 198.7	\$ 374.1	\$ 346.2
Less related debt	(2.0)	(2.5)	(106.1)	(103.4)	(108.1)	(105.9)
Net Investment in NCA	\$ 150.9	\$ 145.0	\$ 115.1	\$ 95.3	\$ 266.0	\$ 240.3
Portion of NCA financed	1.3%	1.7%	48%	52%	29%	31%



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



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

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

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

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

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

**Other Long-term Liabilities**

*Compensated Absences.*

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

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

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

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

**CITY OF LARGO, FLORIDA**  
**Management's Discussion and Analysis**  
September 30, 2021

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

*Risk Claims (Risk Fund).*

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

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

*Pension Liabilities.*

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

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

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

Actuarial Report Date October 1	Actuarial Funding Method Funded Ratio	Surplus (Deficit)	City's Annual Required Contribution	
		\$ millions	\$ millions	% of pay
1999 <sup>1</sup>	123%	\$(10)	\$ 0	0%
2011 <sup>2</sup>	59%	\$(53)	\$ 5.1	37%
<b>Last Ten Years</b>				
2011 <sup>2</sup>	59%	\$(53)	\$ 4.2	37%
2012	67%	\$(44)	\$ 3.8	32%
2013	74%	\$(35)	\$ 3.8	29%
<b>2014</b>	<b>78%</b>	\$(32)	\$ 3.5	27%
<b>2015</b>	<b>74%</b>	\$(39)	\$ 4.1	30%
<b>2016</b>	<b>71%</b>	\$(48)	\$ 5.0	32%
<b>2017</b>	<b>75%</b>	\$(41)	\$ 4.8	29%
<b>2018</b>	<b>79%</b>	\$(37)	\$ 4.9	28%
<b>2019</b>	<b>77%</b>	\$(42)	\$ 5.3	30%
<b>2020</b>	<b>77%</b>	\$(45)	\$ 5.6	31%

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

(2) Lowest Funded Ratio since 1992

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## CITY OF LARGO, FLORIDA

### Management's Discussion and Analysis

September 30, 2021

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

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

Other changes that have increased pension costs include:

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



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

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

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

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

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

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



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

**CITY OF LARGO, FLORIDA**  
**Management's Discussion and Analysis**  
 September 30, 2021

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

**Sensitivity Analysis - Unfunded Pension Liability  
 GASB #67 Calculation**

<b>1% decrease</b>	<b>Current Rate &amp; Liability</b>	<b>1% increase</b>
5.75%	6.75% *	7.75%
\$65 million	\$41 million	\$22 million

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

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

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

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

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

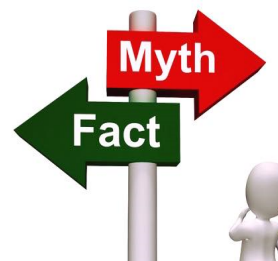


If the pension plan was fully funded, the City's pension contribution would decline by about half, or about \$2.5 million a year over the next 25 years, which is the unfunded liability's amortization period.

**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.

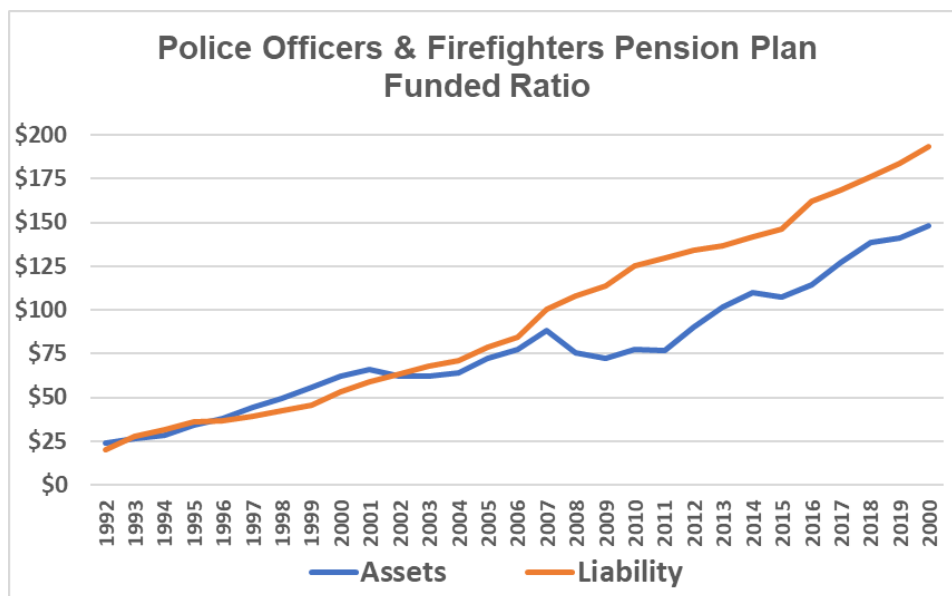


According to the American Academy of Actuaries (AAA):

- 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 \(actu.org\)](http://actu.org/80percent_Myth_Issue_Brief.pdf)

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



## CITY OF LARGO, FLORIDA

### Management's Discussion and Analysis

September 30, 2021

#### Unfunded Pension Liability Impact

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

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

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

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

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

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

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

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

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



#### ADDITIONAL INFORMATION

Additional financial information is available on the City's website, at: [www.largo.com](http://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](mailto:fidirector@largo.com).

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# **BASIC FINANCIAL STATEMENTS**

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**CITY OF LARGO, FLORIDA**  
**Statement of Net Position**  
September 30, 2021

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 75,879,155	\$ 17,087,673	\$ 92,966,828
Receivables:			
Taxes	2,780,905	-	2,780,905
Interest	251,705	160,844	412,549
Accounts, net	12,103,768	6,437,212	18,540,980
Intergovernmental	2,669,236	42,981	2,712,217
Prepaid items and inventories	965,867	835,423	1,801,290
Restricted cash and investments	-	8,977,635	8,977,635
Other assets	1,194,273	-	1,194,273
Notes and loans receivable	240,097	37,320	277,417
Capital assets, net:			
Land	28,247,186	2,824,038	31,071,224
Building and improvements	49,754,294	4,475,495	54,229,789
Improvements other than building	37,117,437	119,810,293	156,927,730
Machinery and equipment	12,653,540	12,718,967	25,372,507
Intangible assets	2,859,447	771,990	3,631,437
Construction in progress	22,285,489	80,673,966	102,959,455
<b>Total assets</b>	<b>249,002,399</b>	<b>254,853,837</b>	<b>503,856,236</b>
<b>Deferred outflows of resources</b>			
Pension contributions paid subsequent to the measurement date	6,605,674	-	6,605,674
Deferred outflows - pension plan	1,689,406	-	1,689,406
Deferred outflows - OPEB	5,742,801	1,289,437	7,032,238
<b>Total deferred outflows of resources</b>	<b>14,037,881</b>	<b>1,289,437</b>	<b>15,327,318</b>
<b>Liabilities</b>			
Accounts and accrued interest payable	2,957,169	6,580,789	9,537,958
Accrued payroll and vacation	2,241,187	363,816	2,605,003
Due to other governments	525,691	-	525,691
Unearned revenue and deposits	12,429,655	96,421	12,526,076
Noncurrent liabilities:			
Due within one year	3,214,407	6,565,003	9,779,410
Due in more than one year	4,353,598	100,183,392	104,536,990
Net pension liability	41,463,562	-	41,463,562
OPEB liability	18,673,712	4,188,460	22,862,172
<b>Total liabilities</b>	<b>85,858,981</b>	<b>117,977,881</b>	<b>203,836,862</b>
<b>Deferred inflows of resources</b>			
Business tax collected in advance	361,257	-	361,257
Deferred inflows - pension plan	50,097	-	50,097
Deferred inflows - OPEB	1,005,632	225,560	1,231,192
<b>Total deferred inflows of resources</b>	<b>1,416,986</b>	<b>225,560</b>	<b>1,642,546</b>
<b>Net position</b>			
Net investment in capital assets	150,905,615	110,189,976	261,095,591
Restricted for:			
Wastewater purposes	-	9,024,728	9,024,728
Capital funded by local sales tax	14,869,200	-	14,869,200
Economic development	12,451,211	-	12,451,211
Technology improvement	484,063	-	484,063
Public works	9,356,434	-	9,356,434
Recreation, parks, arts, public safety	5,110,942	-	5,110,942
Unrestricted	(17,413,152)	18,725,129	1,311,977
<b>Total net position</b>	<b>\$ 175,764,313</b>	<b>\$ 137,939,833</b>	<b>\$ 313,704,146</b>

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, 2021

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

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

**CITY OF LARGO, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
September 30, 2021

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

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

<u>HOME</u>	<u>CDBG</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 128,076	\$ -	\$ 29,942,321	\$ 69,876,403
652	313	105,452	235,003
-	-	90,432	2,780,905
17,381	-	651,018	983,097
-	-	501,276	501,276
-	-	14,604	14,604
-	-	91,024	2,069,197
140,455	213,949	178,685	560,980
-	-	-	199,035
-	-	189,000	4,993,106
-	-	979,669	979,669
-	-	-	331,956
3,495,336	1,858,089	711,064	10,612,890
-	-	-	3,607
<u>\$ 3,781,900</u>	<u>\$ 2,072,351</u>	<u>\$ 33,454,545</u>	<u>\$ 94,141,728</u>
\$ 29	\$ 114,743	\$ 920,769	\$ 2,537,369
-	9,255	108,949	2,195,011
286,535	56,848	-	525,691
-	33,416	4,959,690	4,993,106
-	-	6,482	43,536
3,495,336	1,858,089	6,752,649	12,255,769
<u>3,781,900</u>	<u>2,072,351</u>	<u>12,748,539</u>	<u>22,550,482</u>
-	-	-	361,257
-	-	650,325	5,198,726
-	-	650,325	5,559,983
-	-	979,669	1,701,772
-	-	23,370,264	40,392,151
-	-	258,086	15,855,791
-	-	(4,552,338)	8,081,549
-	-	20,055,681	66,031,263
<u>\$ 3,781,900</u>	<u>\$ 2,072,351</u>	<u>\$ 33,454,545</u>	<u>\$ 94,141,728</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, 2021

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

Ending fund balance - governmental funds	\$ 66,031,263
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	152,720,357
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the funds.	39,056
Internal service funds are used by management to charge the costs of fleet activity and risk costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,543,577
Deferred outflows of resources from pension expenses subsequent to measurement date of net pension liability.	6,605,674
Net deferred outflows of resources resulting from net pension liability	1,639,309
Net deferred outflows of resources resulting from net OPEB liability	4,610,365
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,013,756)
Long-term liabilities, including compensated absences, other post employment benefits (OPEB) and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.	(62,643,463)
Special assessment liens receivable are not financial resources in the current period and therefore are reported as deferred revenues in the funds.	33,205
Unavailable revenue is not a financial resource in the current period and therefore is not reported as such in the funds.	5,198,726
Net position of governmental activities	<u>\$ 175,764,313</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, 2021

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

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

<u>HOME</u>	<u>CDBG</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 717,388	\$ 53,447,717
-	-	2,183,563	8,556,342
204,666	551,623	2,512,624	15,934,451
-	-	6,102,017	24,370,984
-	-	68,628	621,364
-	-	-	4,205,934
-	-	125,374	235,503
-	9,558	53,926	173,596
-	351,137	9,750	1,713,035
<u>204,666</u>	<u>912,318</u>	<u>11,773,270</u>	<u>109,258,926</u>
-	-	15,000	9,261,486
-	-	38,713	47,806,629
-	-	4,778,775	9,439,362
204,666	912,318	2,045,427	7,886,107
-	-	148,785	14,137,393
-	-	7,833,629	15,051,219
-	-	488,221	488,221
-	-	27,428	27,428
<u>204,666</u>	<u>912,318</u>	<u>15,375,978</u>	<u>104,097,845</u>
-	-	(3,602,708)	5,161,081
-	-	583,400	594,800
-	-	(95,400)	(594,800)
-	-	4,701	153,337
-	-	492,701	153,337
-	-	(3,110,007)	5,314,418
-	-	23,165,688	60,716,845
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,055,681</u>	<u>\$ 66,031,263</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, 2021

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

Net change in fund balances - total governmental funds	\$	5,314,418
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expense exceeds depreciation expense.		5,454,784
In the statement of Activities, only the loss/gain on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.		(27,106)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of revenue accruals may increase or decrease net position.		(439,250)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction is reported on the government-wide financial statements.		488,222
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, such as changes in accrued interest, changes in accrued vacation, other post-employment benefits and changes in net pension liability and any related deferred inflows/outflows.		(2,820,734)
Internal service funds are used by management to charge the costs of fleet management and risk activities to individual funds. The net revenues or loss of certain activities of the internal service funds are reported with governmental activities.		<u>(750,103)</u>
Change in net position of governmental activities (statement of activities)	\$	<u><u>7,220,231</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**  
**General Fund**  
Fiscal Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 42,218,800	\$ 42,218,800	\$ 42,534,028	\$ 315,228
Licenses, permits and fees	6,742,700	6,742,700	6,372,779	(369,921)
Intergovernmental	9,700,800	9,700,800	12,249,978	2,549,178
Charges for services	18,225,200	18,225,200	17,694,037	(531,163)
Fines	788,500	788,500	552,736	(235,764)
Interfund charges	4,175,300	4,175,300	4,205,934	30,634
Contributions and donations	143,700	143,700	110,129	(33,571)
Investment earnings	250,000	250,000	72,732	(177,268)
Other	608,800	699,100	276,691	(422,409)
Total revenues	<u>82,853,800</u>	<u>82,944,100</u>	<u>84,069,044</u>	<u>1,124,944</u>
<b>EXPENDITURES</b>				
General government	10,381,800	10,769,678	9,246,486	1,523,192
Public safety	49,494,100	50,183,213	47,767,916	2,415,297
Public works	5,006,000	5,066,409	4,660,587	405,822
Economic development	4,881,300	5,026,582	4,325,675	700,907
Culture and recreation	16,776,300	17,348,028	13,988,608	3,359,420
Capital outlay	9,105,400	6,518,005	1,034,714	5,483,291
Total expenditures	<u>95,644,900</u>	<u>94,911,915</u>	<u>81,023,986</u>	<u>13,887,929</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(12,791,100)</u>	<u>(11,967,815)</u>	<u>3,045,058</u>	<u>15,012,873</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,400	11,400	11,400	-
Transfers out	(360,300)	(360,300)	(484,100)	(123,800)
Capital project loan	6,300,000	6,300,000	-	(6,300,000)
Sale of capital assets	75,000	75,000	27,359	(47,641)
Total other financing uses	<u>6,026,100</u>	<u>6,026,100</u>	<u>(445,341)</u>	<u>(6,471,441)</u>
<b>Net change in fund balance</b>	<u>\$ (6,765,000)</u>	<u>\$ (5,941,715)</u>	<u>2,599,717</u>	<u>\$ 8,541,432</u>
<b>Fund Balance - beginning</b>			<u>26,353,978</u>	
<b>Fund Balance - ending</b>			<u>\$ 28,953,695</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 7,326,700	\$ 7,326,700	\$ 10,196,301	\$ 2,869,601
Intergovernmental	471,300	471,300	271,281	(200,019)
Charges for services	1,296,000	1,296,000	574,930	(721,070)
Investment earnings	60,000	60,000	22,477	(37,523)
Total revenues	<u>9,154,000</u>	<u>9,154,000</u>	<u>11,064,989</u>	<u>1,910,989</u>
<b>EXPENDITURES</b>				
Capital outlay	14,086,900	16,323,302	6,182,876	10,140,426
Debt service:				
Total expenditures	<u>14,086,900</u>	<u>16,323,302</u>	<u>6,182,876</u>	<u>10,140,426</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(4,932,900)	(7,169,302)	4,882,113	12,051,415
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(15,300)	(15,300)	(15,300)	-
Sale of capital assets	100,000	100,000	121,277	21,277
Net other financing sources (uses)	<u>84,700</u>	<u>84,700</u>	<u>105,977</u>	<u>21,277</u>
<b>Net change in fund balance</b>	<u>\$ (4,848,200)</u>	<u>\$ (7,084,602)</u>	4,988,090	<u>\$ 12,072,692</u>
<b>Fund Balance - beginning</b>			<u>9,881,110</u>	
<b>Fund Balance - ending</b>			<u>\$ 14,869,200</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,196,000	\$ 1,196,000	\$ 144,279	\$ (1,051,721)
Investment earnings	10,000	10,000	14,903	4,903
Other	240,000	240,000	1,075,457	835,457
Total revenues	<u>1,446,000</u>	<u>1,446,000</u>	<u>1,234,639</u>	<u>(211,361)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	1,446,000	1,630,803	398,021	1,232,782
Total expenditures	<u>1,446,000</u>	<u>1,630,803</u>	<u>398,021</u>	<u>1,232,782</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (184,803)</u>	836,618	<u>\$ 1,021,421</u>
<b>Fund Balance - beginning</b>			<u>1,316,069</u>	
<b>Fund Balance - ending</b>			<u>\$ 2,152,687</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental	\$ 735,900	\$ 735,900	\$ 204,666	\$ (531,234)
Total revenues	<u>735,900</u>	<u>735,900</u>	<u>204,666</u>	<u>(531,234)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	735,900	855,529	204,666	650,863
Total expenditures	<u>735,900</u>	<u>855,529</u>	<u>204,666</u>	<u>650,863</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (119,629)</u>	-	<u>\$ 119,629</u>
<b>Fund Balance - beginning</b>			-	
<b>Fund Balance - ending</b>			<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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental	\$ 958,100	\$ 1,786,100	\$ 551,623	\$ (1,234,477)
Investment earnings	5,000	5,000	9,558	4,558
Other	145,000	145,000	351,137	206,137
Total revenues	<u>1,108,100</u>	<u>1,936,100</u>	<u>912,318</u>	<u>(1,023,782)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	711,100	1,871,790	912,318	959,472
Capital outlay	397,000	397,000	-	397,000
Total expenditures	<u>1,108,100</u>	<u>2,268,790</u>	<u>912,318</u>	<u>1,356,472</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (332,690)</u>	-	<u>\$ 332,690</u>
<b>Fund Balance - beginning</b>			-	
<b>Fund Balance - ending</b>			<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, 2021**

	<b>Business-type Activities-Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Wastewater Utility</b>	<b>Solid Waste Utility</b>	<b>Nonmajor Golf Course</b>	<b>Total</b>	
<b>Assets</b>					
Current assets					
Cash and investments	\$ 10,439,940	\$ 5,976,791	\$ 774,526	\$ 17,191,257	\$ 5,899,167
Restricted-Cash and investments	8,977,635	-	-	8,977,635	-
Accrued interest receivable	114,803	17,262	2,311	134,376	16,701
Restricted-Accrued interest receivable	26,468	-	-	26,468	-
Accounts receivable, billed, net	1,994,218	1,401,703	9,744	3,405,665	4,195
Accounts receivable, unbilled, net	2,208,840	822,707	-	3,031,547	-
Other receivables	-	80,301	-	80,301	43,372
Inventories, at cost	828,086	-	5,337	833,423	58,173
Other assets	-	-	2,000	2,000	772,129
Total current assets	<u>24,589,990</u>	<u>8,298,764</u>	<u>793,918</u>	<u>33,682,672</u>	<u>6,793,737</u>
Noncurrent assets					
Capital assets:					
Land and improvements	1,573,206	375,000	875,832	2,824,038	-
Buildings and improvements	5,669,428	402,726	1,198,534	7,270,688	-
Improvements other than buildings	209,727,359	60,057	2,019,839	211,807,255	78,291
Machinery and equipment	15,140,889	12,358,109	529,610	28,028,608	494,257
Intangible assets	527,797	321,288	-	849,085	13,784
Less accumulated depreciation	(99,161,925)	(7,893,351)	(3,123,615)	(110,178,891)	(389,296)
Construction in progress	78,411,012	2,262,954	-	80,673,966	-
Capital assets, net	<u>211,887,766</u>	<u>7,886,783</u>	<u>1,500,200</u>	<u>221,274,749</u>	<u>197,036</u>
Total noncurrent assets	<u>211,887,766</u>	<u>7,886,783</u>	<u>1,500,200</u>	<u>221,274,749</u>	<u>197,036</u>
Total assets	<u>236,477,756</u>	<u>16,185,547</u>	<u>2,294,118</u>	<u>254,957,421</u>	<u>6,990,773</u>
Deferred outflows					
Deferred outflow-OPEB	769,423	450,404	69,610	1,289,437	153,609
Total deferred outflows	<u>769,423</u>	<u>450,404</u>	<u>69,610</u>	<u>1,289,437</u>	<u>153,609</u>
Liabilities					
Current liabilities					
Accounts payable	6,066,517	398,121	6,700	6,471,338	393,710
Accrued payroll and vacation	212,359	133,167	18,290	363,816	105,407
Accrued interest payable	109,451	-	-	109,451	-
Long-term debt, current portion	6,190,516	-	-	6,190,516	-
Other	29,454	-	-	29,454	-
Total current liabilities	<u>12,608,297</u>	<u>531,288</u>	<u>24,990</u>	<u>13,164,575</u>	<u>499,117</u>
Noncurrent liabilities					
Unearned revenue	-	-	66,967	66,967	187,656
Estimated claims and contracts payable	-	-	-	-	2,410,000
Compensated absences	223,098	134,080	17,309	374,487	-
OPEB Liability	2,496,930	1,464,116	227,414	4,188,460	497,741
Long-term debt	100,075,765	81,180	26,447	100,183,392	83,071
Total noncurrent liabilities	<u>102,795,793</u>	<u>1,679,376</u>	<u>338,137</u>	<u>104,813,306</u>	<u>3,178,468</u>
Total liabilities	<u>115,404,090</u>	<u>2,210,664</u>	<u>363,127</u>	<u>117,977,881</u>	<u>3,677,585</u>
Deferred inflows					
Deferred Inflow-OPEB	134,466	78,847	12,247	225,560	26,804
Total deferred inflows	<u>134,466</u>	<u>78,847</u>	<u>12,247</u>	<u>225,560</u>	<u>26,804</u>
Net Position					
Net investment in capital assets	100,802,994	7,886,782	1,500,200	110,189,976	197,037
Restricted for wastewater connection purposes	9,024,728	-	-	9,024,728	-
Unrestricted	11,880,901	6,459,658	488,154	18,828,713	3,242,956
Total net position	<u>\$ 121,708,623</u>	<u>\$ 14,346,440</u>	<u>\$ 1,988,354</u>	<u>138,043,417</u>	<u>\$ 3,439,993</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.				<u>(103,584)</u>	
<b>NET POSITION BUSINESS-TYPE ACTIVITIES</b>				<u>\$ 137,939,833</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, 2021

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

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, 2021

	<b>Business-type Activities-Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Wastewater Utility</b>	<b>Solid Waste Utility</b>	<b>Nonmajor Golf Course</b>	<b>Total</b>	
<b>Operating activities</b>					
Cash received from customers	\$ 25,263,886	\$ 13,886,534	\$ 1,299,106	\$ 40,449,526	\$ 17,777,655
Cash received from internal departments	-	-	-	-	1,624,200
Cash paid to employees	(6,969,673)	(4,013,274)	(511,631)	(11,494,578)	(1,607,450)
Cash paid to vendors	(4,521,554)	(6,534,037)	(531,438)	(11,587,029)	(19,087,955)
Cash paid for internal services	(2,688,996)	(1,413,362)	(19,900)	(4,122,258)	(219,700)
<b>Net cash provided by (used in) operating activities</b>	<b>11,083,663</b>	<b>1,925,861</b>	<b>236,137</b>	<b>13,245,661</b>	<b>(1,513,250)</b>
<b>Non-capital financing activities</b>					
Cash received from granting agencies	29,867	122,218	3,271	155,356	5,222
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>29,867</b>	<b>122,218</b>	<b>3,271</b>	<b>155,356</b>	<b>5,222</b>
<b>Capital and related financing activities</b>					
Contributed capital and grants	311,056	-	-	311,056	-
Loan proceeds	7,143,451	-	-	7,143,451	-
Sale of capital assets	27,073	188,545	-	215,618	2,485
Acquisition of capital assets	(26,821,416)	(3,128,216)	(34,347)	(29,983,979)	(12,980)
Debt issuance costs	(142,869)	-	-	(142,869)	-
Principal repayment on long-term debt	(4,279,863)	-	-	(4,279,863)	-
Interest payments on long-term debt	(610,690)	-	-	(610,690)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(24,373,258)</b>	<b>(2,939,671)</b>	<b>(34,347)</b>	<b>(27,347,276)</b>	<b>(10,495)</b>
<b>Investing activities</b>					
Investment earnings	247,924	31,595	2,275	281,794	32,911
<b>Net cash provided by investing activities</b>	<b>247,924</b>	<b>31,595</b>	<b>2,275</b>	<b>281,794</b>	<b>32,911</b>
<b>Net increase (decrease) in cash and investments</b>	<b>(13,011,804)</b>	<b>(859,997)</b>	<b>207,336</b>	<b>(13,664,465)</b>	<b>(1,485,612)</b>
<b>Cash and investments</b>					
<b>Beginning of year</b>	<b>32,429,379</b>	<b>6,836,788</b>	<b>567,190</b>	<b>39,833,357</b>	<b>7,384,779</b>
<b>End of year</b>	<b>\$ 19,417,575</b>	<b>\$ 5,976,791</b>	<b>\$ 774,526</b>	<b>\$ 26,168,892</b>	<b>\$ 5,899,167</b>
<b>Reconciliation of operating income (loss) to net cash provided by/(used in) operating activities</b>					
Operating income (loss)	\$ 2,126,243	\$ 346,505	\$ 112,878	\$ 2,585,626	\$ (1,254,396)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Other non operating revenue/(expenses)	84,513	44,122	9,657	138,292	4,160
Depreciation and amortization	5,703,403	1,521,189	150,966	7,375,558	32,532
(Increase) decrease in assets and increase (decrease) in liabilities:					
Accounts receivable	(195,879)	(258,081)	(4,036)	(457,996)	437
Due from other funds	-	-	-	-	47,009
Inventories	141,979	-	-	141,979	19,166
Prepaid expenses and other assets	-	-	-	-	9,890
Accounts payable	2,901,854	83,299	(34,443)	2,950,710	(182,353)
Accrued payroll and vacation	322,867	188,827	28,713	540,407	112,311
Deposits	(1,317)	-	-	(1,317)	-
Unearned revenue	-	-	(27,598)	(27,598)	(474,006)
Estimated claims payable	-	-	-	-	172,000
Total adjustments	8,957,420	1,579,356	123,259	10,660,035	(258,854)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 11,083,663</b>	<b>\$ 1,925,861</b>	<b>\$ 236,137</b>	<b>\$ 13,245,661</b>	<b>\$ (1,513,250)</b>

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, 2021

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

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, 2021

	<b>Pension Trust Funds</b>
<b>Additions:</b>	
Contributions:	
Employer	\$ 6,839,675
Plan members	2,884,182
State	1,398,226
Forfeitures added	95,215
Service purchase contributions	87,871
Interest on loans repaid	58,823
Total contributions	11,363,992
Investment earnings:	
Net increase (decrease) in investment value	16,733,615
Interest and dividends	21,559,669
	38,293,284
Less investment costs	(769,887)
Net investment earnings	37,523,397
Net additions	48,887,389
<b>Deductions:</b>	
Benefits	12,859,015
Refund of contributions	431,018
Loans transferred out	38,369
Administrative	216,707
Forfeitures	100,232
Insurance	75,297
Total deductions	13,720,638
<b>Change in net position</b>	35,166,751
<b>Total net position - beginning</b>	200,159,326
<b>Total net position - ending</b>	\$ 235,326,077

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**  
**Notes to the Financial Statements**  
September 30, 2021

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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 2021.

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

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

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

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

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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](http://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.

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

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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.

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

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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 know as "The Penny for Pinellas" which is legally restricted for major capital improvements and public safety vehicles.

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

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

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

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

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The City reports the following major enterprise funds:

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

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

The City also reports the following fund types:

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

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

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

1. Deposits and investments

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

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



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

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

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

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

2. Accounts receivable

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

3. Due to/due from other funds

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

4. Inventories and prepaid items

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

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

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

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5. 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.

6. Capital assets

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

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

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

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

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

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

7. Unearned revenue

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

8. Compensated absences liability

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

9. Long-term obligations

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

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

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

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10. Fund equity

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

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

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

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

11. Nature and purpose of classifications of fund balance

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

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12. Fund balance reserve policy

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

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

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

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

13. Interfund transactions

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

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

14. Property taxes

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

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15. Property held for resale

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

16. Deferred outflows of resources

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

17. Deferred inflows of resources

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

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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	\$ 2,011,778
Accrued interest payable	<u>1,978</u>
Net adjustment to decrease Fund Balance - total governmental funds to arrive at Net Position - governmental activities	<u>\$ 2,013,756</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 to financial statements are as follows:

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

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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 are, as follows:

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

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

Adjustment for deferred revenues	\$ (629,633)
FDOT Grant proceeds that do not provide current resources	178,685
Change in utility taxes receivable:	10,530
Change in special assessments receivable	<u>1,168</u>

Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ (439,250)</u>
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Another element of this reconciliation recognizes that the issuance of long-term debt (e.g., bonds, leases, etc.), provides current financial resources to governmental funds and the repayment of principal consumes current financial resources of governmental funds; however, neither transaction



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

Debt principal repayment	<u>\$ 488,222</u>
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 488,222</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	\$ (463,063)
Adjustment to long-term compensated absences	(93,609)
Change in accrued interest	508
Adjustment for OPEB liability	<u>(2,264,570)</u>
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ (2,820,734)</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 2021. Budgets are prepared on a basis consistent with GAAP. The City Manager is authorized to transfer budgeted amounts between line items within departments, but not between departments or funds. Any transfer that alters the total expenditures/expenses of any department or fund must be approved by the City Commission through a budget amendment. All budget amounts presented in the accompanying financial statements have been adjusted for amendments approved by the City Commission or transfers approved by the City Manager.

Supplemental appropriations were enacted during the year, as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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IV. DETAILED NOTES ON ALL FUNDS

**A. Deposits and investments**

City of Largo

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

Investment Type	Fair Value (\$000) & Maturities				% Total	Fair Value Level
	Less Than 1 year	1-2 Years	2 -5 Years	Total		
US Treasuries	\$ 14,150	\$ 6,090	\$ 7,970	\$ 28,210	27.2%	1
US GSE (1)						
FHLB	-	-	14,932	14,932	14.4%	2
FFCB	-	-	10,951	10,951	10.6%	2
FAMCA	-	-	3,980	3,980	3.8%	2
Certificates of Deposit	9,000	9,000	-	18,000	17.4%	N/A
Demand Deposits (2)	14,629	-	-	14,629	14.1%	N/A
Money Market Deposit	9,021	-	-	9,021	8.7%	N/A
LGIT	3,827	-	-	3,827	3.8%	2
	<u>\$ 50,627</u>	<u>\$ 15,090</u>	<u>\$ 37,833</u>	<u>\$ 103,550</u>	<u>100.0%</u>	
% of Total	<u>48.9%</u>	<u>14.6%</u>	<u>36.5%</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, 2021 including \$1,118,607 in bank to book reconciling items
- (3) The City also maintains petty cash and change balances in the amount of \$19,750 not included in the table above.

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

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

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

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

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**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 laddered (staggered) throughout the year so that a portion of investments mature monthly, which further reduces exposure to declines in fair value. In addition, it is the City's practice to hold all investments until maturity; therefore, declines in fair value, if any, caused by rising interest rates are recognized for accounting purposes, but are never realized.

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

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

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

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

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

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

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

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

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

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

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performance results, remain true to the fund's stated investment style, maintain an appropriate asset allocation, meet risk/return objectives and/or maintain acceptable qualitative standards (e.g., stable organization, compliance guidelines, relative returns, etc.). A "score card" is prepared on each investment option every quarter and options that do 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.



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Police Officers' and Firefighters' Retirement

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

	<b>Balance at 09/30/21</b>	<b>Credit Rating (Moody's)</b>	<b>Weighted Average Maturity (Years)</b>	<b>Concentration</b>	<b>Fair Value Level</b>
<b>Investments at Fair Value Level</b>					
U.S. Treasury Securities			8.16		
U.S. Treasury Bonds	\$ 498,969	Aaa		0.27%	1
U.S. Treasury Notes	990,849	Aaa		0.54%	1
U.S. Treasury Bonds	692,454	Aaa		0.38%	2
U.S. Treasury Notes	4,058,880	Aaa		2.20%	2
U.S. Government Sponsored Agencies			23.07		
Federal Home Loan Mortgage Corp.	326,751	Aaa		0.18%	2
Federal National Mortgage Assoc.	956,447	Aaa		0.52%	2
Government National Mortgage Assoc.	427,466	Aaa		0.23%	2
Municipal Obligations	64,287	Aaa		0.03%	2
Collateralized Mortgage Obligations	996,523	Aaa		0.54%	2
Collateralized Mortgage Obligations	20,336	A3		0.01%	2
Corporate Obligations			9.44		
Bonds	322,105	Aa2		0.17%	1
Bonds	217,228	Aa3		0.12%	1
Bonds	953,452	A1		0.52%	1
Bonds	2,555,216	A2		1.38%	1
Bonds	2,175,540	A3		1.18%	1
Bonds	91,632	AA1		0.05%	1
Bonds	2,189,935	Baa1		1.19%	1
Bonds	790,453	Baa2		0.43%	1
Bonds	52,575	Baa3		0.03%	1
Foreign Bonds	451,432			0.24%	1
Domestic Common Stock	89,277,714			48.36%	1
Foreign Common Stock	5,223,596			2.83%	1
Real Estate Investment Trusts	76,800			0.04%	1
Total Investments at Fair Value Level	113,410,640				
<b>Investments at Net Asset Value (NAV)</b>					
Real Estate Investment Trusts	14,692,349			7.96%	N/A
Mutual Funds					
Domestic Common Stock Funds	14,208,459			7.70%	N/A
Foreign Common Stock Funds	108,844			0.06%	N/A
Fixed Income Funds	5,048,808			2.73%	N/A
Balanced Funds (Stocks & Fixed)	28,645,432			15.52%	N/A
Total Investments at NAV	62,703,892				
<b>Investments at Amortized Cost</b>					
Stable Value Fund	6,559,479			3.55%	N/A
Government Money Market	1,927,947			1.04%	N/A
Total Investments at Amortized Cost	8,487,426				
Total Cash & Investments	<u>\$ 184,601,958</u>			<u>100.00%</u>	

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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, 2021, the weighted average maturity in years for each investment type is included in the preceding table.

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

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

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

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

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

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

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

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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, 2021, the cash balance in the fund was \$506,811 .

**B. Receivables**

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

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

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

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

**City of Largo, Florida**  
**Notes to the Financial Statements**  
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**C. Capital Assets**

**1. Capital asset activity**

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

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

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

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

**2. Depreciation and amortization expense**

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

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

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

**3. Construction commitments**

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

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

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

**D. Interfund receivables, payables and transfers**

1. Interfund transactions

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total Amount</u>	<u>Purpose</u>
General (major)	Transportation Capital Projects (non-major)	\$ 12,586	Awaiting receipt and billing of Rosery Road Joint Project with Pinellas County receivable
General (major)	City Hall Capital Project (non-major)	4,415,104	Awaiting receipt of Series 2022 Bond proceeds
General (major)	CDBG (major)	33,416	Awaiting receipt of housing related receivable
LOST (major)	Non-Major (CRA)	343,000	Financing for redevelopment property to be sold
Non-Major (Parkland Dedication)	Non-Major (CRA)	189,000	Financing for redevelopment property to be sold
		<u>\$ 4,993,106</u>	

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

2. Interfund transfers

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

**E. Leases**

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

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

**F. Non-current liabilities**

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

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

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

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

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

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

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

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

	Balance Oct. 1	Additions/ Adjustment	Reductions/ Adjustment	Balance Sept. 30	Amounts due within one year
<b>Governmental Activities:</b>					
Regions Bank (Debt Service and Technology Capital Projects Fund) Interest rate 1.18%. Balance Due July 30, 2025	\$ 2,500	\$ -	\$ 488	\$ 2,012	\$ 494
Net pension liability	41,469	17,757	17,762	41,464	-
Compensated absences	2,971	2,342	2,226	3,087	2,226
Total OPEB liability	14,265	4,409	-	18,674	-
Property/Liability and Workers Compensation	2,190	1,036	816	2,410	482
City Commissioner/ Police Chief annuity payable	88	-	-	88	12
Total Governmental activities debt	<u>\$ 63,483</u>	<u>\$ 25,544</u>	<u>\$ 21,292</u>	<u>\$ 67,735</u>	<u>\$ 3,214</u>
<b>Business-type Activities:</b>					
State revolving loan #3; Interest rates 1.07%, 0.46% and 0.43% Collateralized by sewer net revenue (Includes 2% loan service fee) Balance due June 15, 2036	76,312	-	4,514	71,798	4,546
State revolving loan #4; Interest rates 1.24%, 0% and 0.69% Collateralized by sewer net revenue (Includes 2% loan service fee) Balance due September 15, 2041	26,967	7,286	-	34,253	1,644
Compensated absences	599	412	374	637	374
Total OPEB liability	3,206	982	-	4,188	-
Net business-type activities debt	<u>\$ 107,084</u>	<u>\$ 8,680</u>	<u>\$ 4,888</u>	<u>\$ 110,876</u>	<u>\$ 6,564</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**  
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The following tables indicate future debt service requirements for both Governmental and Business-Type activities.

**Governmental Activities Debt Service Requirements**

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

**Business-type Activities Debt Service Requirements**

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

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

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

**G. Fund equity**

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

	General	LOST	SHIP	HOME	CDBG	Nonmajor Funds	Total
<b>Nonspendable:</b>							
Deposits and Prepaids	\$ 247,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,911
Receivables	474,192						474,192
Property Held for Resale	-	-	-	-	-	979,669	979,669
<b>Restricted:</b>							
Capital improvements and public works	-	14,869,200	-	-	-	16,393,951	31,263,151
Economic development	-	-	2,152,687	-	-	2,139,676	4,292,363
Public safety programs	-	-	-	-	-	664,041	664,041
Youth and adult library/recreation programs	-	-	-	-	-	328,536	328,536
Parkland dedication	-	-	-	-	-	3,806,407	3,806,407
Debt Service						37,651	37,651
<b>Committed:</b>							
Youth and adult library/recreation programs						-	-
<b>Assigned:</b>							
Subsequent year's operations incl. encumbrances	12,823,073	-	-	-	-	-	12,823,073
Accrued employee benefits	2,774,632	-	-	-	-	-	2,774,632
Other purposes	-	-	-	-	-	258,086	258,086
Unassigned	12,633,887	-	-	-	-	(4,552,336)	8,081,551
	<u>\$ 28,953,695</u>	<u>\$ 14,869,200</u>	<u>\$ 2,152,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,055,681</u>	<u>\$ 66,031,263</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, 2021 are as follows:

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

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

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V. OTHER DISCLOSURES

**A. Risk management**

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

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

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

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

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

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

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

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

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

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

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

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

	<b>Workers Compensation</b>	<b>Property and Liability</b>	<b>Total</b>
Claims reserve, September 30, 2019	1,150,000	410,000	1,560,000
Plus: Incurred claims and reserve adjustments	725,000	235,000	960,000
Less: Paid claims and reserve adjustments	(150,000)	(180,000)	(330,000)
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

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

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**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, 2021

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

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

**City of Largo, Florida**  
**Notes to the Financial Statements**  
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**Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**Year Ended September 30, 2021**

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

**City of Largo, Florida**  
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**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:*

	<b>October 1</b>	
	<b>2018</b>	<b>2019</b>
Active employees	260	254
Retirees and beneficiaries currently receiving normal & disability benefits	212	221
Terminated employee's entitled to benefits, but not yet receiving benefits	20	20
DROP participants receiving benefits into their DROP accounts	19	18
Total plan membership	<u>511</u>	<u>513</u>

*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



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**City of Largo, Florida**  
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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, 2021 were \$5,207,448 and \$1,546,351, respectively. The City's contribution was made in accordance with actuarially determined contribution requirements ascertained through an actuarial valuation performed at October 1, 2019 (one year in arrears).

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

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

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

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

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

Valuation Date	October 1, 2019
Actuarial Cost Method (Funding)	Entry Age Normal
Amortization Method	Level Percent of Payroll, Closed
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality Rates	RP-2000 Combined Healthy participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS) in the actuarial valuation as of July 1, 2018 in compliance with Florida Statute Chapter 112.63
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases	3.75% to 5.75% depending on Member Age
Inflation	2.5%
Cost-of-living adjustments	Not Applicable

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

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

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

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

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

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

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

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

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

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

**City of Largo, Florida**  
**Notes to the Financial Statements**  
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Changes in the Total Pension Liability and the Net Pension Liability are as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balance at of September 30, 2019</b>	\$ 192,402,104	\$ 150,932,619	\$ 41,469,485
<b>Changes for the year:</b>			
Service cost	3,913,474	-	3,913,474
Interest	12,902,248	-	12,902,248
Benefit changes	(598)	-	(598)
Difference between actual & expected experience	941,671	-	941,671
Assumption changes	-	-	-
Contributions - employer	-	4,828,797	(4,828,797)
Contributions - employer (through state)	-	1,372,907	(1,372,907)
Contributions - member	-	1,467,817	(1,467,817)
Net investment income	-	10,335,994	(10,335,994)
Benefit payments	(10,141,841)	(10,141,841)	-
Refunds	(200,495)	(200,495)	-
Administrative expense	-	(242,797)	242,797
Other	-	-	-
<b>Net changes</b>	<u>7,414,459</u>	<u>7,420,382</u>	<u>(5,923)</u>
<b>Balance at of September 30, 2020</b>	<u>\$ 199,816,563</u>	<u>\$ 158,353,001</u>	<u>\$ 41,463,562</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 79.25%.

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

<b>1% Decrease 5.75%</b>	<b>Current Single Discount Rate Assumption 6.75%</b>	<b>1% Increase 7.75%</b>
\$ 64,593,811	\$ 41,463,562	\$ 22,276,860

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows or Resources</u>
Difference between expected and actual experience	\$ 1,282,860	
Changes in assumptions	406,546	-
Net difference between projected and actual earnings on pension plan investments	2,772,170	2,822,267
Employer contributions made subsequent to the measurement date	6,605,674	-
Total	<u>\$ 11,067,250</u>	<u>\$ 2,822,267</u>

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

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

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

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

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

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

	<u>Class I</u>	<u>Class II</u>	<u>Class III</u>
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.

**City of Largo, Florida**  
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**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:

	<u>FY2020</u>	<u>FY2021</u>
Active employees (vested and non-vested)	512	534
Retired and terminated members maintaining balances	270	301
Total	<u>782</u>	<u>835</u>

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

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

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



**4. Executive management defined contribution retirement plan**

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

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

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

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

**5. Deferred compensation retirement savings plan**

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

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

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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:

	<u>Fair Value</u>
Net plan assets, October 1, 2020	\$ 36,406,052
Employee contributions	1,566,143
Employer contributions	8,464
Rollover contributions	318,100
Loan repayment interest	16,300
Earnings (losses)	6,423,012
Distributions	(3,118,496)
Loans redeemed	(587)
Net plan assets, September 30, 2021	<u>\$ 41,618,988</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, 2020	\$ 55,920
Employee Contributions	-
Earnings/(Loss)	(156)
Distributions	(9,892)
Net Plan Assets, September 30, 2021	<u>\$ 45,872</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, 2021.

**City of Largo, Florida**  
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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 32 retired participants and dependents receiving health benefits and 665 individuals covered by the Plan.

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

Changes in the Total Net OPEB Liability is as follows:

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

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

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

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

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

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

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

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

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

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

Valuation Date	October 1, 2020
Discount rate	2.43% 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 2.14% to 2.43% per annum; the healthcare cost trend rates were changed from 6.50% for the 2020/2021 fiscal year graded down to 5.0% per year to 8.5% for the 2020/2021 fiscal year graded down to 5.0% per year; implied monthly benefits were changed; mortality improvement scale was updated from Scale MP-2018 to Scale MP-2020.

**C. Contingent Liabilities**

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

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

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

**D. Tax Abatements**

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

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

**E. Subsequent Events**

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

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

**City of Largo, Florida**  
**Required Supplementary Information**  
September 30, 2021

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

	2015	2016	2017	2018	2019	2020	2021
Service cost	\$ 2,575	\$ 2,572	\$ 2,778	\$ 3,080	\$ 3,572	\$ 3,745	\$ 3,913
Interest	11,080	11,499	11,916	12,269	12,066	12,391	12,902
Difference between expected and actual experience	(427)	-	(1,057)	1,429	11	855	942
Changes in benefit terms	-	-	-	-	-	461	(1)
Changes of assumptions	-	-	-	8,537 *	-	-	-
Benefit payments, including refunds of employee contributions	(7,325)	(7,965)	(9,478)	(8,981)	(12,291)	(9,736)	(10,342)
Other	5	-	-	-	-	-	-
<b>Net change in total pension liability</b>	<b>5,908</b>	<b>6,106</b>	<b>4,159</b>	<b>16,334</b>	<b>3,358</b>	<b>7,716</b>	<b>7,414</b>
<b>Total pension liability-beginning</b>	<b>148,821</b>	<b>154,729</b>	<b>160,835</b>	<b>164,994</b>	<b>181,328</b>	<b>184,686</b>	<b>192,402</b>
<b>Total pension liability-ending</b>	<b>154,729</b>	<b>160,835</b>	<b>164,994</b>	<b>181,328</b>	<b>184,686</b>	<b>192,402</b>	<b>199,816</b>
<b>Plan fiduciary net position</b>							
Contributions-employer	\$ 4,591	\$ 5,025	\$ 4,648	\$ 5,373	\$ 6,262	\$ 6,047	\$ 6,202
Contributions-employee	706	940	1,208	1,272	1,414	1,353	1,467
Net investment income	10,838	497	9,877	15,043	13,052	5,296	10,336
Benefit payments, including refunds of employee contributions	(7,325)	(7,965)	(9,478)	(8,980)	(12,291)	(9,736)	(10,342)
Other	-	-	-	-	54	-	-
Administrative expense	(154)	(149)	(134)	(155)	(230)	(195)	(243)
<b>Net change in fiduciary net position</b>	<b>8,656</b>	<b>(1,652)</b>	<b>6,121</b>	<b>12,553</b>	<b>8,261</b>	<b>2,765</b>	<b>7,420</b>
<b>Plan fiduciary net position-beginning</b>	<b>114,230</b>	<b>122,885</b>	<b>121,233</b>	<b>127,354</b>	<b>139,907</b>	<b>148,168</b>	<b>150,933</b>
<b>Plan fiduciary net position-ending</b>	<b>122,886</b>	<b>121,233</b>	<b>127,354</b>	<b>139,907</b>	<b>148,168</b>	<b>150,933</b>	<b>158,353</b>
<b>Net pension liability</b>	<b>\$ 31,843</b>	<b>\$ 39,602</b>	<b>\$ 37,640</b>	<b>\$ 41,421</b>	<b>\$ 36,518</b>	<b>\$ 41,469</b>	<b>\$ 41,463</b>
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%
Covered payroll	12,456	13,311	13,660	15,419	16,315	16,910	17,693
Net pension liability as a percentage of covered payroll	255.64%	297.51%	275.55%	268.64%	223.83%	245.23%	234.35%

Notes to Schedule:

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

**City of Largo, Florida**  
**Required Supplementary Information**  
September 30, 2021

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

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

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

\*\*-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:**

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

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value
Inflation	2.5%
Salary Increases	Rates vary from 3.75% to 5.75% depending on age
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to type of eligibility condition.

**Mortality** RP-2000 Mortality Tables for Annuitants with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the actuarial valuation as of July 1, 2018.

**Other Information:**

**Notes to schedule:** Data unavailable prior to 2014 because it was not required by GASB Standards. Data not presented for most recent fiscal year because the City has elected to use the prior fiscal year data to ensure availability, which is permitted by GASB Standards. Subsequent years will be added as available.

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



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**City of Largo, Florida**  
**Required Supplementary Information**  
September 30, 2021

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**POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN**  
**SCHEDULE OF INVESTMENT RETURNS**

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

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

**City of Largo, Florida**  
**Required Supplementary Information**  
September 30, 2021

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

Notes to Schedule:

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

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







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**COMMUNITY REDEVELOPMENT  
AGENCY**

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**CITY OF LARGO, FLORIDA**  
**Largo Community Redevelopment Agency**  
**Balance Sheet**  
September 30, 2021

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**Assets**

Cash and investments	\$ 2,732,232
Receivables	
Accrued interest	7,810
Due from other Governments	178,685
Property held for resale	979,669
Total assets	<u>\$ 3,898,396</u>

**Liabilities**

Accounts payable	\$ 188,513
Accrued payroll	4,021
Due to other funds	532,000
Total liabilities	<u>724,534</u>

**Deferred inflows**

Unavailable revenue	<u>178,685</u>
Total deferred inflows	<u>178,685</u>

**Fund balances**

Nonspendable	<u>979,669</u>
Restricted	<u>2,015,508</u>
Total fund balances	<u>2,995,177</u>
Total liabilities and fund balances	<u>\$ 3,898,396</u>

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**CITY OF LARGO, FLORIDA**  
**Largo Community Redevelopment Agency**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
Fiscal Year Ended September 30, 2021

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**Revenues**

Taxes	\$ 717,388
Intergovernmental	1,282,515
Investment earnings	4,276
Sale of property held for resale	-
Other	1,602
Total revenues	<u>2,005,781</u>

**Expenditures**

Current:	
Economic development	217,877
Capital outlay	<u>1,373,469</u>
Total expenditures	<u>1,591,346</u>

**Net change in fund balance**

414,435

**Fund balance - beginning**

2,580,742

**Fund balance - ending**

\$ 2,995,177

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**COMBINING & OTHER  
SUPPLEMENTARY INFORMATION  
SCHEDULES**

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**CITY OF LARGO, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**General Fund**  
Fiscal Year Ended September 30, 2021

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



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**City of Largo, Florida**  
**Nonmajor Governmental Funds**  
September 30, 2021

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

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

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

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

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

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

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

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

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

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

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

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**City of Largo, Florida**  
**Nonmajor Governmental Funds**  
September 30, 2021

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

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

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

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

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

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

**CITY OF LARGO, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Funds**  
Fiscal Year Ended September 30, 2021

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

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

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

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

**CITY OF LARGO, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
Fiscal Year Ended September 30, 2021

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

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



**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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 994,600	\$ 994,600	\$ 1,046,937	\$ 52,337
Investment earnings	35,000	35,000	3,564	(31,436)
Total revenues	<u>1,029,600</u>	<u>1,029,600</u>	<u>1,050,501</u>	<u>20,901</u>
<b>Expenditures</b>				
Current:				
Public works	445,000	481,965	347,264	134,701
Capital outlay	655,000	920,455	156,329	764,126
Total expenditures	<u>1,100,000</u>	<u>1,402,420</u>	<u>503,593</u>	<u>898,827</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(70,400)</u>	<u>(372,820)</u>	<u>546,908</u>	<u>919,728</u>
<b>Net change in fund balance</b>	<u>\$ (70,400)</u>	<u>\$ (372,820)</u>	<u>546,908</u>	<u>\$ 919,728</u>
<b>Fund Balance - beginning</b>			<u>1,266,516</u>	
<b>Fund Balance - ending</b>			<u>\$ 1,813,424</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Investment earnings	\$ 25,200	\$ 25,200	\$ 4,089	\$ (21,111)
Total revenues	<u>25,200</u>	<u>25,200</u>	<u>4,089</u>	<u>(21,111)</u>
<b>Expenditures</b>				
Capital outlay	599,000	760,729	129,649	631,080
Total expenditures	<u>599,000</u>	<u>760,729</u>	<u>129,649</u>	<u>631,080</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(573,800)</u>	<u>(735,529)</u>	<u>(125,560)</u>	<u>609,969</u>
<b>Net change in fund balance</b>	<u>\$ (573,800)</u>	<u>\$ (735,529)</u>	<u>(125,560)</u>	<u>\$ 609,969</u>
<b>Fund Balance - beginning</b>			<u>1,653,977</u>	
<b>Fund Balance - ending</b>			<u>\$ 1,528,417</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Licenses, permits and fees	\$ 205,000	\$ 205,000	\$ 237,306	\$ 32,306
Investment earnings	<u>23,000</u>	<u>23,000</u>	<u>3,247</u>	<u>(19,753)</u>
Total revenues	<u>228,000</u>	<u>228,000</u>	<u>240,553</u>	<u>12,553</u>
<b>Net change in fund balance</b>	<u>\$ 228,000</u>	<u>\$ 228,000</u>	240,553	<u>\$ 12,553</u>
<b>Fund Balance - beginning</b>			<u>967,941</u>	
<b>Fund Balance - ending</b>			<u>\$ 1,208,494</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, 2021

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

**CITY OF LARGO, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Stormwater Fund**  
Fiscal Year Ended September 30, 2021

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

**CITY OF LARGO, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**ARPA Covid Relief**  
Fiscal Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance - beginning</b>			<u>-</u>	
<b>Fund Balance - ending</b>			<u>\$ -</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 700,400	\$ 700,400	\$ 717,388	\$ 16,988
Intergovernmental	1,342,600	1,342,600	1,282,515	(60,085)
Interfund charges	-	-	-	-
Investment earnings	60,000	60,000	4,276	(55,724)
Other	-	-	1,602	1,602
Total revenues	<u>2,103,000</u>	<u>2,103,000</u>	<u>2,005,781</u>	<u>(97,219)</u>
<b>Expenditures</b>				
Public works	2,500	2,500	-	2,500
Economic development	399,400	402,502	217,877	184,625
Capital outlay	2,458,200	2,920,586	1,373,469	1,547,117
Total expenditures	<u>2,860,100</u>	<u>3,325,588</u>	<u>1,591,346</u>	<u>1,734,242</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(757,100)</u>	<u>(1,222,588)</u>	<u>414,435</u>	<u>1,637,023</u>
<b>Other Financing Sources/(Uses)</b>				
Transfers out	(36,600)	(36,600)	-	36,600
Total other financing sources (uses)	<u>(36,600)</u>	<u>(36,600)</u>	<u>-</u>	<u>36,600</u>
<b>Net change in fund balance</b>	<u>\$ (793,700)</u>	<u>\$ (1,259,188)</u>	<u>414,435</u>	<u>\$ 1,673,623</u>
<b>Fund Balance - beginning</b>			<u>2,580,742</u>	
<b>Fund Balance - ending</b>			<u>\$ 2,995,177</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 135	\$ 135
Other	7,900	7,900	7,888	(12)
Total revenues	<u>7,900</u>	<u>7,900</u>	<u>8,023</u>	<u>123</u>
<b>Expenditures</b>				
Current:				
Economic development	6,700	6,700	271	6,429
Total expenditures	<u>6,700</u>	<u>6,700</u>	<u>271</u>	<u>6,429</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,200</u>	<u>1,200</u>	<u>7,752</u>	<u>6,552</u>
<b>Net change in fund balance</b>	<u>\$ 1,200</u>	<u>\$ 1,200</u>	7,752	<u>\$ 6,552</u>
<b>Fund Balance - beginning</b>			<u>62,552</u>	
<b>Fund Balance - ending</b>			<u>\$ 70,304</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Current:				
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance - beginning</b>			<u>-</u>	
<b>Fund Balance - ending</b>			<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, 2021

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

**CITY OF LARGO, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Tree Fund**  
Fiscal Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Licenses, permits and fees	\$ 100,000	\$ 100,000	\$ 39,959	\$ (60,041)
Intergovernmental	197,100	197,100	80,000	(117,100)
Investment earnings	15,000	15,000	1,844	(13,156)
Total revenues	<u>312,100</u>	<u>312,100</u>	<u>121,803</u>	<u>(190,297)</u>
<b>Expenditures</b>				
Culture and recreation	120,000	137,065	53,672	83,393
Capital outlay	234,100	264,545	70,260	194,285
Total expenditures	<u>354,100</u>	<u>401,610</u>	<u>123,932</u>	<u>277,678</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(42,000)</u>	<u>(89,510)</u>	<u>(2,129)</u>	<u>87,381</u>
<b>Net change in fund balance</b>	<u>\$ (42,000)</u>	<u>\$ (89,510)</u>	(2,129)	<u>\$ 87,381</u>
<b>Fund Balance - beginning</b>			<u>732,656</u>	
<b>Fund Balance - ending</b>			<u>\$ 730,527</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, 2021

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

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

	<u>Transportation Capital Projects</u>	<u>Technology Capital Projects</u>	<u>City Hall Capital Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>				
Cash and investments	\$ -	\$ 483,961	\$ -	\$ 483,961
Receivables:				
Accrued interest	-	206	-	206
Total assets	<u>\$ -</u>	<u>\$ 484,167</u>	<u>\$ -</u>	<u>\$ 484,167</u>
<b>Liabilities</b>				
Accounts payable	\$ 124,648	\$ 104	\$ -	\$ 124,752
Due to other funds	12,586	-	4,415,104	4,427,690
Total Liabilities	<u>137,234</u>	<u>104</u>	<u>4,415,104</u>	<u>4,552,442</u>
<b>Fund balances</b>				
Restricted	-	484,063	-	484,063
Unassigned	(137,234)	-	(4,415,104)	(4,552,338)
Total fund balances	<u>(137,234)</u>	<u>484,063</u>	<u>(4,415,104)</u>	<u>(4,068,275)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ -</u>	<u>\$ 484,167</u>	<u>\$ -</u>	<u>\$ 484,167</u>

**CITY OF LARGO, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
Fiscal Year Ended September 30, 2021

	<u>Transportation Capital Projects</u>	<u>Technology Capital Projects</u>	<u>City Hall Capital Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>				
Investment earnings	\$ 553	\$ 396	\$ -	\$ 949
Other	260	-	-	260
Total revenues	<u>813</u>	<u>396</u>	<u>-</u>	<u>1,209</u>
<b>Expenditures</b>				
Current:				
General government	-	15,000	-	15,000
Public works	27,609	-	-	27,609
Capital outlay	990,991	244,949	4,415,104	5,651,044
Total expenditures	<u>1,018,600</u>	<u>259,949</u>	<u>4,415,104</u>	<u>5,693,653</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,017,787)</u>	<u>(259,553)</u>	<u>(4,415,104)</u>	<u>(5,692,444)</u>
<b>Other financing sources/(uses)</b>				
Transfers in	30,100	-	-	30,100
Total other financing sources/(uses)	<u>30,100</u>	<u>-</u>	<u>-</u>	<u>30,100</u>
<b>Net change in fund balances</b>	(987,687)	(259,553)	(4,415,104)	(5,662,344)
<b>Fund balances - beginning</b>	<u>850,453</u>	<u>743,616</u>	<u>-</u>	<u>1,594,069</u>
<b>Fund balances - ending</b>	<u>\$ (137,234)</u>	<u>\$ 484,063</u>	<u>\$ (4,415,104)</u>	<u>\$ (4,068,275)</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, 2021

	Original Budget	Final Budget	Actual	Final Budget Variances Positive (Negative)
<b>REVENUES</b>				
Investment earnings	\$ 50,000	\$ 50,000	\$ 553	\$ (49,447)
Other	12,300	12,300	260	(12,040)
Total revenues	<u>62,300</u>	<u>62,300</u>	<u>813</u>	<u>(61,487)</u>
<b>EXPENDITURES</b>				
Public works	-	-	27,609	(27,609)
Capital outlay	186,700	2,302,968	990,991	1,311,977
Total expenditures	<u>186,700</u>	<u>2,302,968</u>	<u>1,018,600</u>	<u>1,284,368</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(124,400)</u>	<u>(2,240,668)</u>	<u>(1,017,787)</u>	<u>1,222,881</u>
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers in	30,100	30,100	30,100	-
Total other financing sources/(uses)	<u>30,100</u>	<u>30,100</u>	<u>30,100</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (94,300)</u>	<u>\$ (2,210,568)</u>	<u>(987,687)</u>	<u>\$ 1,222,881</u>
<b>Fund Balance - beginning</b>			<u>850,453</u>	
<b>Fund Balance - ending</b>			<u>\$ (137,234)</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, 2021

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



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

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

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

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	Debt Service	Total Nonmajor Debt Service Funds
<b>Assets</b>		
Cash and investments	\$ 37,651	\$ 37,651
Total assets	\$ 37,651	\$ 37,651
<b>Fund balances</b>		
Restricted	\$ 37,651	\$ 37,651
Total fund balances	37,651	37,651

**CITY OF LARGO, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
Fiscal year Ended September 30, 2021

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

**CITY OF LARGO, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Debt Service Fund**  
Fiscal Year Ended September 30, 2021

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

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# **INTERNAL SERVICE FUNDS**

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**City of Largo, Florida**  
**Internal Service Funds**  
September 30, 2021

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

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

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

**CITY OF LARGO, FLORIDA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
September 30, 2021

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

**CITY OF LARGO, FLORIDA**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
Fiscal Year Ended September 30, 2021

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



**CITY OF LARGO, FLORIDA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
Fiscal Year Ended September 30, 2021

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

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# **SUPPLEMENTARY INFORMATION**

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**CITY OF LARGO, FLORIDA**  
**Supplemental to Financial Statements**  
September 30, 2021

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

**General**

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

**Supplemental Financial Information**

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

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

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

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

**CITY OF LARGO, FLORIDA**  
**Schedule of Revenue and Expenditures and Changes in Reserves -**  
**Largo Fire and Emergency Medical Services**  
Fiscal Year Ended September 30, 2021 and 2020

	2021			2020		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenue						
County:						
Fire	\$ 1,432,600	\$ 1,411,163	\$ (21,437)	\$ 1,454,600	\$ 1,267,729	\$ (186,871)
EMS	5,524,600	5,576,151	51,551	5,085,500	5,078,659	(6,841)
Capital Contribution	1,296,000	574,930	(721,070)	205,000	8,280	(196,720)
State:						
Pension contribution	508,000	492,666	(15,334)	437,100	488,519	51,419
Education incentive	40,400	43,497	3,097	41,800	44,870	3,070
Hazmat, Tech Rescue, CME and Other reimbursement	163,000	214,846	51,846	124,100	119,890	(4,210)
Municipality:						
Belleair Bluffs mgmt. contract	335,800	342,282	6,482	330,300	325,983	(4,317)
Town of Belleair mgmt. contract	-	-	-	-	-	-
Current	14,401,921	10,163,611	(4,238,310)	10,748,632	9,089,549	(1,659,083)
Total revenue	<u>23,702,321</u>	<u>18,819,146</u>	<u>(4,883,175)</u>	<u>18,427,032</u>	<u>16,423,479</u>	<u>(2,003,553)</u>
Expenditures						
General Fund:						
Salaries and benefits	14,819,200	14,155,150	664,050	14,090,200	13,446,054	644,146
Operating	2,051,572	1,561,345	490,227	1,937,526	2,034,646	(97,120)
Capital outlay	55,000	62,448	(7,448)	619,500	-	619,500
Local Option Sales Tax Fund:						
Capital outlay	6,776,549	3,040,203	3,736,346	1,779,806	942,779	837,027
Total expenditures	<u>23,702,321</u>	<u>18,819,146</u>	<u>4,883,175</u>	<u>18,427,032</u>	<u>16,423,479</u>	<u>2,003,553</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Largo Fire Reserve:</b>			<b>2021</b>			<b>2020</b>
Reserved fund balance at beginning of year			\$ 2,735,430			\$ 2,120,430
Changes to reserves			-			615,000
Reserved fund balance at end of year			<u>\$ 2,735,430</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. FY2021 and FY2020 reductions were \$0 and \$49,409, respectively, for previous year overpayments. The amounts reported as reserves are held by Pinellas County.

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

**CITY OF LARGO, FLORIDA**  
**Schedule of Revenue and Expenditures and Changes in Reserves -**  
**Belleair Bluffs Fire and Emergency Medical Services**  
Fiscal Year Ended September 30, 2021 and 2020

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

Notes:

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

The amounts reported as reserves are held by Pinellas County.

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

**CITY OF LARGO, FLORIDA**  
**Schedule of Revenue and Expenditures and Changes in Reserves -**  
**High Point Fire and Emergency Medical Services**  
Fiscal Year Ended September 30, 2021 and 2020

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

Notes:

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas. FY2021 and FY2020 reductions were \$ 39,757 and \$0, respectively, for previous year overpayments. The amounts reported as reserves are held by Pinellas County and include Highpoint and East Highpoint Fire District funds.

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

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# STATISTICAL SECTION

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## 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



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## CITY OF LARGO, FLORIDA Statistical Section

### **Economic and Demographic Information**

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

Schedule P	Demographic and Economic Statistics
Schedule Q	Principal Employers

### **Operating Information**

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

Schedule R	Full-time Equivalent City Government Employees by Function
Schedule S	Operating Indicators by Function
Schedule T	Capital Assets Statistics by Function
Schedule V	General Information
Schedule W	Community Profile
Schedule X	Financial Management Policies

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

SCHEDULE A

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

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

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

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

	Fiscal Year									
	(amounts expressed in thousands)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (45,928)	\$ (44,828)	\$ (43,860)	\$ (46,330)	\$ (47,691)	\$ (52,355)	\$ (56,049)	\$ (52,865)	\$ (61,535)	\$ (64,822)
Business-type activities	2,137	6,413	3,604	4,843	4,197	1,509	767	2,568	690	1,696
Total primary government net (expense)/revenue	\$ (43,791)	\$ (38,415)	\$ (40,256)	\$ (41,487)	\$ (43,494)	\$ (50,846)	\$ (55,282)	\$ (50,297)	\$ (60,845)	\$ (63,126)
<b>General Revenues</b>										
Governmental activities:										
Taxes										
Property	\$ 14,595	\$ 15,691	\$ 16,568	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,054	\$ 27,593	\$ 29,946
Utility	7,224	7,786	8,202	7,991	8,382	8,440	8,676	9,301	9,788	9,903
Franchise	5,777	5,639	6,005	5,989	5,748	5,712	6,118	6,524	6,426	6,365
Sales & County Gas Tax	6,437	6,767	7,143	7,660	8,066	8,283	8,715	9,184	9,406	11,243
Communications services	3,611	3,374	3,139	3,073	2,914	2,871	2,886	2,659	2,708	2,728
Shared revenue	6,771	6,987	7,372	7,854	8,168	8,461	8,736	8,997	8,494	9,878
Investment earnings	424	331	320	621	463	469	568	1,638	1,113	507
Miscellaneous	72	99	271	394	973	538	1,950	1,050	1,768	1,472
Transfers in (out)	-	-	-	(788)	45	-	-	-	-	-
Demolition of City property	-	-	-	-	-	-	-	-	-	-
Extraordinary/Special Item	-	-	-	-	-	(164)	-	(280)	-	-
Total governmental activities	44,911	46,674	49,020	50,189	54,085	55,636	61,788	65,127	67,296	72,042
Business-type activities										
Investment earnings	376	278	313	657	496	443	585	1,737	1,188	162
Miscellaneous	84	455	389	267	427	276	537	50	485	356
Transfers in (out)	-	-	-	-	(45)	-	-	-	-	-
Demolition of City property	-	-	-	-	-	-	-	-	-	-
Extraordinary/Special Item	-	-	-	-	-	-	(1,168)	(59)	-	-
Total business-type activities	460	733	702	924	878	719	(46)	1,728	1,673	518
Total primary government general revenues	\$ 45,371	\$ 47,407	\$ 49,722	\$ 51,113	\$ 54,963	\$ 56,355	\$ 61,742	\$ 66,855	\$ 68,969	\$ 72,560
Change in Net Position										
Governmental activities	\$ (1,017)	\$ 1,846	\$ 5,160	\$ 3,859	\$ 6,394	\$ 3,281	\$ 5,739	\$ 12,262	\$ 5,761	\$ 7,220
Business-type activities	2,597	7,146	4,306	5,767	5,075	2,228	721	4,296	2,363	2,214
Total primary government	\$ 1,580	\$ 8,992	\$ 9,466	\$ 9,626	\$ 11,469	\$ 5,509	\$ 6,460	\$ 16,558	\$ 8,124	\$ 9,434

SCHEDULE C

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

	<u>Fiscal Year</u>									
	(amounts expressed in thousands)									
	<u>2012</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>
Property tax	\$ 14,595	\$ 15,691	\$ 16,567	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,055	\$ 27,593	\$ 29,946
Utility tax	7,224	7,786	8,202	7,991	8,382	8,440	8,676	9,301	9,788	9,903
Franchise tax	5,777	5,639	6,005	5,989	5,748	5,712	6,117	6,524	6,426	6,365
Sales & County Gas tax	6,437	6,767	7,143	7,660	8,066	8,283	8,715	9,184	9,406	11,243
Communications Services tax	3,611	3,374	3,139	3,073	2,914	2,871	2,886	2,659	2,708	2,728
Total	<u>\$ 37,644</u>	<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>

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

Notes: (1) Total of all other governmental funds in FY 2012 includes \$11.8M of unexpended debt proceeds for the Highland Recreation Complex construction project in the Local Option Sales Tax Fund. Total is \$29,488 without the unexpended debt proceeds.

**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)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 31,821	\$ 33,470	\$ 35,102	\$ 36,150	\$ 38,753	\$ 40,611	\$ 44,542	\$ 47,201	\$ 49,538	\$ 53,448
Licenses and permits	7,292	7,262	8,151	8,617	7,720	7,190	8,282	9,321	8,937	8,556
Shared	11,997	10,994	11,071	12,079	13,371	13,363	13,905	15,301	14,474	15,934
Charges for services	16,864	16,519	17,476	17,396	19,109	20,444	21,261	23,114	21,643	24,371
Fines	456	429	424	405	390	403	348	338	794	621
Interfund charges	2,950	2,925	3,100	3,128	3,195	3,298	3,647	3,859	3,919	4,206
Special assessments	1	2	4	1	-	-	-	-	-	-
Contributions and donations	328	484	326	401	312	208	282	356	260	236
Investment earnings	450	299	289	557	417	400	508	1,496	1,168	174
Other	757	702	739	784	1,592	2,414	2,069	1,224	1,418	1,713
<b>Total revenues</b>	<b>\$ 72,916</b>	<b>\$ 73,086</b>	<b>\$ 76,682</b>	<b>\$ 79,518</b>	<b>\$ 84,859</b>	<b>\$ 88,331</b>	<b>\$ 94,844</b>	<b>\$ 102,210</b>	<b>\$ 102,151</b>	<b>\$ 109,259</b>
<b>Expenditures</b>										
Current:										
General government	\$ 6,110	\$ 6,230	\$ 5,813	\$ 6,045	\$ 6,747	\$ 7,073	\$ 8,380	\$ 7,841	\$ 9,155	\$ 9,262
Public safety	34,435	34,255	33,544	35,417	36,487	38,672	41,713	42,932	44,418	47,807
Public works	7,305	7,454	7,333	7,500	7,239	7,931	8,118	8,409	8,327	9,439
Economic development	5,343	4,782	4,570	4,801	5,327	5,955	6,981	6,078	6,761	7,886
Culture and recreation	11,879	11,284	11,908	13,390	13,192	12,828	13,830	14,410	13,600	14,137
Capital outlay (1)	11,438	19,750	9,029	5,602	7,786	11,219	13,830	11,350	16,132	15,051
Principal	1,952	3,001	3,070	3,141	3,214	3,288	3,365	3,444	1,752	503
Interest	444	534	465	394	321	247	176	100	12	13
Other debt service costs	50	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 78,956</b>	<b>\$ 87,290</b>	<b>\$ 75,732</b>	<b>\$ 76,290</b>	<b>\$ 80,313</b>	<b>\$ 87,213</b>	<b>\$ 96,393</b>	<b>\$ 94,564</b>	<b>\$ 100,157</b>	<b>\$ 104,098</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (6,040)	\$ (14,204)	\$ 950	\$ 3,228	\$ 4,546	\$ 1,118	\$ (1,549)	\$ 7,646	\$ 1,994	\$ 5,161
Other Financing Sources (Uses)										
Transfers in	261	887	3,796	33	90	-	101	6,143	824	595
Transfers out	(261)	(887)	(3,796)	(33)	(45)	-	(101)	(6,143)	(824)	(595)
Sale of capital assets	-	-	-	-	-	-	-	402	455	153
Capital project loans	17,000	-	-	-	-	-	-	-	2,500	-
<b>Total other financing sources (uses)</b>	<b>17,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>402</b>	<b>2,955</b>	<b>153</b>
Special Item – Sale of City Property	800	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>11,760</b>	<b>(14,204)</b>	<b>950</b>	<b>3,228</b>	<b>4,591</b>	<b>1,118</b>	<b>(1,549)</b>	<b>8,048</b>	<b>4,949</b>	<b>5,314</b>
Fund Balances - Beginning	41,826	53,586	39,382	40,332	43,560	48,151	49,269	47,720	55,768	60,717
<b>Fund Balances - Ending</b>	<b>\$ 53,586</b>	<b>\$ 39,382</b>	<b>\$ 40,332</b>	<b>\$ 43,560</b>	<b>\$ 48,151</b>	<b>\$ 49,269</b>	<b>\$ 47,720</b>	<b>\$ 55,768</b>	<b>\$ 60,717</b>	<b>\$ 66,031</b>
Debt service as a percentage of non-capital expenditures, excluding transfers, special items and prior period adjustments (1)	3.6%	5.2%	5.3%	5.0%	4.9%	4.7%	4.3%	4.3%	2.1%	0.6%

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)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property Tax	\$ 14,595	\$ 15,691	\$ 16,567	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,055	\$ 27,593	\$ 29,946
Local Option Sales Tax	5,508	5,820	6,195	6,677	7,055	7,264	7,634	8,069	8,402	10,196
Impact Fees	271	181	378	382	442	385	603	403	384	431
Communication Tax	3,611	3,374	3,139	3,073	2,914	2,871	2,886	2,659	2,708	2,728
Utility Tax:										
Electricity	5,894	6,398	6,764	6,522	6,849	6,846	7,058	7,678	8,128	8,191
Water	1,074	1,116	1,142	1,175	1,250	1,305	1,318	1,349	1,390	1,416
Fuel	258	267	296	297	290	285	293	283	273	286
	<u>7,226</u>	<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>
Franchise Tax:										
Electricity	5,574	5,435	5,782	5,804	5,546	5,507	5,897	6,314	6,225	6,180
Gas	203	205	223	178	202	204	221	210	201	185
	<u>5,777</u>	<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>
<b>Total</b>	<u>\$ 36,988</u>	<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>



**SCHEDULE G**

**CITY OF LARGO, FLORIDA  
Wastewater Charges  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Residential within City (1) (2)</b>										
Fixed Cost										
Single Family Units	\$ 24.80 11,048	\$ 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
Multi-family (duplex, triplex) Units (5)	23.85 1,690	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
High Density (apts., mobile homes, condos) Units (5)	19.35 27,052	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
Variable Charges (4)	2.12	2.12	2.12	2.12	2.12	2.12	2.30	2.30	2.30	2.53
<b>Residential outside City (1) (2)</b>										
Fixed Cost										
Single Family Units	31.00 4,863	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
Multi-family (duplex, triplex) Units	29.80 1,263	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
High Density (apts, mobile homes, condos) Units	24.20 4,488	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
Variable Charges (4)	2.65	2.65	2.65	2.65	2.65	2.65	2.88	2.88	2.88	3.17
<b>Commercial within City</b>										
Fixed Charge (3) Units	24.80 2,429	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
Variable charge (4)	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	4.08
<b>Commercial outside City</b>										
Fixed Charge (3) Units	31.00 983	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
Variable charge (4)	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	5.10

- 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 2012 - 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 - 2021.
- (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)**

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Tax Year (1)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Real Property:										
Residential	\$ 2,487,294	\$ 2,498,822	\$ 2,446,905	\$ 2,738,831	\$ 3,165,507	\$ 3,520,089	\$ 3,848,917	\$ 4,257,059	\$ 4,633,759	\$ 5,003,425
Commercial	1,135,842	1,142,172	1,162,433	1,216,276	1,279,470	1,372,492	1,442,319	1,518,351	1,634,676	1,744,097
Other	552,843	425,277	575,387	602,364	662,416	674,253	672,845	692,267	723,899	770,359
Personal Property	445,267	433,694	425,073	406,829	445,876	464,699	413,328	432,364	452,905	475,230
Central Assessed Property	560	570	602	962	977	1,038	1,027	1,074	1,035	1,153
<b>Total Assessed Value</b>	<b>4,621,806</b>	<b>4,500,535</b>	<b>4,610,400</b>	<b>4,965,262</b>	<b>5,554,246</b>	<b>6,032,571</b>	<b>6,378,436</b>	<b>6,901,115</b>	<b>7,446,274</b>	<b>7,994,264</b>
Less Tax Exempt Value:										
Homestead	(671,498)	(637,961)	(629,278)	(626,665)	(644,290)	(653,646)	(674,838)	(688,465)	(704,938)	(730,897)
Save Our Home	(77,934)	(43,409)	(95,348)	(250,947)	(439,287)	(547,372)	(629,579)	(744,521)	(829,065)	(896,895)
Governmental	(248,383)	(255,192)	(259,283)	(270,700)	(321,257)	(315,696)	(319,892)	(330,267)	(342,902)	(365,834)
Other	(317,185)	(319,358)	(337,425)	(349,777)	(425,203)	(471,349)	(390,560)	(439,286)	(484,801)	(478,873)
<b>Total Taxable Value</b>	<b>\$ 3,306,806</b>	<b>\$ 3,244,615</b>	<b>\$ 3,289,066</b>	<b>\$ 3,467,173</b>	<b>\$ 3,724,209</b>	<b>\$ 4,044,508</b>	<b>\$ 4,363,567</b>	<b>\$ 4,698,576</b>	<b>\$ 5,084,568</b>	<b>\$ 5,521,765</b>
Total Direct Tax Rate (2)	4.5594	4.9999	5.2139	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200
Estimated Actual Taxable Value	\$ 5,777,258	\$ 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
Assessed Value as a Percentage of Actual Value	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Total Taxable Value as a Percentage of Total Assessed Value	72%	72%	71%	70%	67%	67%	68%	68%	68%	69%

Source: Pinellas County Property Appraiser

- (1) Tax year is calendar year.
- (2) Tax rate is per \$1,000 of taxable value

**SCHEDULE I**

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

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

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	2021			2012		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Taxable Value
<b>REAL PROPERTY</b>						
Weingarten Realty Investors	\$ 60,459	1	1.09%	\$ 41,655	2	1.26%
Largo Medical Center, Inc.	56,799	2	1.03%	59,774	1	1.81%
MALF LLC	51,000	3	0.92%	N/A	N/A	N/A
VR Gateway North Holdings Ltd Ptnrshp	47,950	4	0.87%	N/A	N/A	N/A
Clearwater LL LLC	44,600	5	0.81%	N/A	N/A	N/A
PSREG Seminole Blvd Owner LP	44,100	6	0.80%	N/A	N/A	N/A
Bcore MF 12700 66th St N LLC	44,000	7	0.80%	N/A	N/A	N/A
ALUNF LLC	35,750	8	0.65%	N/A	N/A	N/A
I.P. Lease Limited Partnership	34,500	9	0.62%	20,400	4	0.62%
Bishop Pinecrest Owner LLC	33,310	10	0.60%	N/A	N/A	N/A
CNL Retirement	N/A	N/A	N/A	28,302	3	0.86%
Kimco Largo 139 Inc.	N/A	N/A	N/A	19,472	5	0.59%
Reserve at Clearwater Land Trust	N/A	N/A	N/A	17,100	6	0.52%
Houle Family LTD Partnership	N/A	N/A	N/A	16,650	7	0.50%
CH Realty IV/Largo LLC	N/A	N/A	N/A	16,150	8	0.49%
Medinvest Co. LTD Partnership	N/A	N/A	N/A	16,064	9	0.49%
Suntrust Bank	N/A	N/A	N/A	15,750	10	0.48%
<b>Total Real Property</b>	<b>\$ 452,468</b>		<b>8.19%</b>	<b>\$ 251,317</b>		<b>7.62%</b>
<b>PERSONAL PROPERTY</b>						
Duke Energy Florida (1)	\$ 66,197	1	1.20%	\$ 38,463	1	1.16%
Largo Medical Center, Inc.	28,307	2	0.51%	12,936	4	0.39%
Tech Data	15,725	3	0.28%	9,027	7	0.27%
Formulated Solutions	15,155	4	0.27%	N/A	N/A	N/A
Spectrum Sunshine State LLC	9,889	5	0.18%	N/A	N/A	N/A
Frontier Florida LLC	9,502	6	0.17%	N/A	N/A	N/A
F&F Productions	7,847	7	0.14%	12,410	5	0.38%
Publix Supermarket	7,425	8	0.13%	6,839	9	0.21%
Ion Media Networks Operations LLC	6,845	9	0.12%	6,179	10	0.19%
Vistapharm	6,592	10	0.12%	N/A	N/A	N/A
Verizon Florida, LLC	N/A	N/A	N/A	23,578	2	0.71%
Gulfstream Natural Gas System LLC	N/A	N/A	N/A	16,367	3	0.49%
Brighthouse Communications	N/A	N/A	N/A	10,211	6	0.31%
Diagnostic Clinic	N/A	N/A	N/A	7,248	8	0.22%
<b>Total Personal Property</b>	<b>\$ 173,484</b>		<b>3.12%</b>	<b>\$ 143,258</b>		<b>4.33%</b>

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

**SCHEDULE K**

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

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

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

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

**SCHEDULE L**

**CITY OF LARGO, FLORIDA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands, except per capita amounts)**

	<u>2012</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>
Governmental activities										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans payable	24,274	21,273	18,204	15,063	11,849	8,561	5,195	1,750	2,500	2,012
Internal borrowing	-	-	-	-	-	-	-	-	-	-
Total governmental activities (1)	<u>24,274</u>	<u>21,273</u>	<u>18,204</u>	<u>15,063</u>	<u>11,849</u>	<u>8,561</u>	<u>5,195</u>	<u>1,750</u>	<u>2,500</u>	<u>2,012</u>
Business-type activities										
Sewer bonds and loans (4)	9,061	6,871	6,477	3,531	24,364	63,484	75,978	79,386	103,279	105,441
Total primary government	<u>\$ 33,335</u>	<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>
Outstanding debt as a percentage of personal income (3)	3.6%	2.8%	2.0%	2.1%	3.1%	7.1%	7.3%	6.4%	8.7%	8.7%
Governmental activities										
Outstanding debt per capita (1)(3)	\$ 312	\$ 271	\$ 229	\$ 187	\$ 145	\$ 104	\$ 62	\$ 21	\$ 30	\$ 24
Business-type activities										
Outstanding debt per capita (2)(3)	<u>99</u>	<u>61</u>	<u>57</u>	<u>31</u>	<u>216</u>	<u>580</u>	<u>670</u>	<u>741</u>	<u>968</u>	<u>995</u>
Total outstanding debt per capita (3)	<u>\$ 411</u>	<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>

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

- (1) All governmental activities debt prior to FY 2020 was supported by the local option sales tax and half-cent sales tax; therefore, no property tax revenue is utilized for principal or interest repayment. Governmental debt in FY 2020 is primarily being serviced by General Fund revenues with contributions from several other funds, however the half-cent sales tax is the pledged revenue.
- (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 105,951 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 2021 year-end.

**SCHEDULE M**

**CITY OF LARGO, FLORIDA**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2021**  
**(amounts expressed in thousands)**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Applicable to City of Largo</u>	
		<u>Percent</u>	<u>Amount</u>
City of Largo	\$ 2,012	100%	\$ 2,012
Subtotal, Direct Debt	<u>\$ 2,012</u>	<u>100%</u>	<u>\$ 2,012</u>
Pinellas County School Board (Overlapping) (2)	\$ 6	6.0%(1)	1
Pinellas County School Board Capital Leases (Overlapping) (2)	2,974	6.0%(1)	178
Pinellas County (Overlapping) (2)	12,006	6.0%(1)	720
Pinellas County Capital Leases (Overlapping) (2)	433	6.0%(1)	26
Subtotal, Overlapping Debt	<u>\$ 15,419</u>	<u>6.0%</u>	<u>\$ 925</u>
Total Direct and Overlapping Governmental Activities Debt	<u>\$ 17,431</u>		<u>\$ 2,937</u>
Total Direct and Overlapping Governmental Activities Debt Per Capita (2) (3)			<u>\$ 35</u>

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 2020.  
(2) The City of Largo is not responsible for the debt of the County or School Board.  
(3) FY 2020 permanent Largo population is estimated at 83,071.

**SCHEDULE N**

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

	<u>2012</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>
Debt limit (1)	\$ 3,306,806	\$ 3,244,615	\$ 3,289,066	\$ 3,467,173	\$ 3,724,209	\$ 4,044,508	\$ 4,363,567	\$ 4,698,576	\$ 5,084,568	\$ 5,521,765
Total net debt applicable to limit	24,274	21,273	18,204	15,063	11,849	8,561	5,195	1,750	2,500	2,012
Legal debt margin (1)	<u>\$ 3,282,532</u>	<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>
Total net debt applicable to this limit as a percentage of debt limit	<u>0.73%</u>	<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>

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed value	\$ 5,521,724
Add back: exempt real property	41
Total assessed value	<u>\$ 5,521,765</u>
Debit limit (100% of total assessed value)	\$ 5,521,765
Debt applicable to limit:	
General obligation bonds	-
Other notes and loans	2,012
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>2,012</u>
Legal debt margin (1)	<u>\$ 5,519,753</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)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Half-Cent Sales Tax	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,077
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	N/A	6,077
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	N/A	6,077
Regions Series 2020										
Debt service charges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	516
Required coverage %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.25
Required coverage \$	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	645
Remaining net revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5,432

Source: City of Largo Annual Comprehensive Financial Report for the Fiscal Years ended September 30, 2012 – 2021; and applicable bond official statements.

**SCHEDULE O**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sewer revenue (excludes interest)	\$ 22,501	\$ 22,585	\$ 22,371	\$ 22,680	\$ 22,751	\$ 23,083	\$ 23,460	\$ 23,012	\$ 23,056	\$ 25,141
Interest revenue	261	196	272	574	438	392	528	1,558	1,056	144
Total revenues	22,762	22,781	22,643	23,254	23,189	23,475	23,988	24,570	24,112	25,285
Less total operating expenses (excludes depreciation)	(15,917)	(12,533)	(14,252)	(14,111)	(14,546)	(14,990)	(15,900)	(16,040)	(15,066)	(16,252)
Net revenues	6,845	10,248	8,391	9,143	8,643	8,485	8,088	8,530	9,046	9,033
Gulf Breeze loan (1):										
Debt service charges	1,297	1,298	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Required coverage %	1.25	1.25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Required coverage \$	1,621	1,623	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Remaining net revenues	5,224	8,625	8,391	9,143	8,643	8,485	8,088	8,530	9,046	9,033
State loan (2014) (2)										
Debt service charges	746	746	746	746	746	1,103	4,595	5,064	5,064	5,064
Required coverage %	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Required coverage \$	858	858	858	858	858	1,268	5,284	5,824	5,824	5,824
Remaining net revenues	\$ 4,366	\$ 7,767	\$ 7,533	\$ 8,285	\$ 7,785	\$ 7,217	\$ 2,804	\$ 2,706	\$ 3,222	\$ 3,209

Source: City of Largo Annual Comprehensive Financial Report for the Fiscal Years ended September 30, 2012 – 2021; and applicable bond official statements.

- Notes: (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**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Permanent population (1)	77,836	78,488	79,431	80,747	81,587	81,966	83,526	83,737	84,574	83,071
Fire/Sewer district population (2)(7)	91,508	112,950	113,148	113,148	112,925	109,503	113,450	112,816	112,272	111,539
Total Housing units (4)	45,072	48,722	43,003	45,889	45,689	48,881	45,788	46,370	45,879	46,962
Owner-occupied housing units (4)	19,985	20,060	19,659	19,085	18,411	22,212	21,513	21,835	21,004	21,852
Renter-occupied housing units (4)	14,698	17,430	14,575	17,094	16,781	16,506	15,222	14,776	12,683	15,074
Vacant housing units (4)	10,389	11,232	8,769	9,710	10,497	10,163	9,053	9,759	12,192	10,036
Personal income							\$			
(expressed in thousands) (4)	\$ 923,679	\$ 1,003,171	\$ 1,236,439	\$ 884,192	\$ 1,168,878	\$ 1,011,753	1,119,385	\$ 1,270,497	\$ 1,214,728	\$ 1,229,744
Per capita personal income (1)(4)	\$ 11,867	\$ 12,781	\$ 15,566	\$ 10,950	\$ 14,327	\$ 12,344	\$ 13,402	\$ 15,172	\$ 14,363	\$ 14,804
Median family income (4)	\$ 47,401	\$ 48,845	\$ 48,846	\$ 48,231	\$ 53,827	\$ 53,870	\$ 61,433	\$ 55,874	\$ 60,823	\$ 59,800
Median age (4)	47.6	46.8	48.2	49.0	45.1	50.1	47.3	49.8	48.9	48.7
Public school enrollment (5)	5,436	5,780	5,466	5,504	5,564	5,660	5,787	5,996	5,917	5,937
Percent high school graduate or higher (4)(6)	87.6%	87.7%	85.7%	89.5%	89.7%	91.1%	90.6%	91.3%	88.1%	90.6%
Percent bachelor's degree or higher (4)(6)	18.4%	18.8%	20.1%	21.0%	19.9%	20.8%	23.6%	23.9%	25.8%	24.0%
Unemployment rate (3)	9.4%	7.4%	6.4%	5.4%	4.6%	4.2%	3.5%	3.3%	6.3%	4.5%

**Data Sources:**

- (1) University of Florida (2021)
- (2) The method of estimation was changed for FY 2013. The new method uses the GIS to estimate the fire district population. Note, the Town of Belleair and City of Belleair Bluffs that contract out fire services with Largo are not included in this population total. The City provides fire and EMS services and sewer services to unincorporated portions of Pinellas County.
- (3) Florida Department of Labor (2012 – 2021). Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)) (12 month average).
- (4) United States Census Bureau (2012); (2013); (2014); (2015); (2016); (2017); (2018); (2019); (2020).
- (5) Pinellas County School Board.
- (6) Includes population 25 years and older.
- (7) A new population estimate was not calculated in FY 2015.

**SCHEDULE Q**

**CITY OF LARGO, FLORIDA  
Principal Employers  
Current Year and Ten Years Ago**

<b>Employer (1)</b>	<b>2021 (2)</b>			<b>2012 (3)</b>		
	<b>Employee Count</b>	<b>Rank</b>	<b>% of Work Force</b>	<b>Employee Range</b>	<b>Rank</b>	<b>% of Work Force</b>
Pinellas Cty Sheriff's Office	2,592	1	6.1	N/A	N/A	N/A
Tech Data	2,029	2	4.8	2,500	1	6.7
Largo Medical Center	1,448	3	3.4	1,500	2	4.0
Empath Health (5)	1,144	4	2.7	900	3	2.4
City of Largo	952	5	2.2	875	4	2.3
Publix Supermarkets Inc	831	6	1.9	730	6	1.9
The Palms of Largo	655	7	1.5	N/A	N/A	N/A
SCC Soft Computer Inc	550	8	1.3	501	9	1.3
Pinellas County Schools	500	9	1.2	660	7	1.8
Vology (4)	489	10	1.1	N/A	N/A	N/A
Diagnostic Clinic	N/A	N/A	N/A	800	5	2.1
Suntasia Marketing Inc	N/A	N/A	N/A	600	8	1.6
Multiple Employers (6)	N/A	N/A	N/A	300	10	0.8

- Notes: (1) Some organizations also maintain offices outside the City of Largo with additional employees.
- (2) FY 2021 data came from the Community Development Department.
- (3) FY 2012 data came from the FY 2012 CAFR.
- (4) There is not an updated employee count from FY 2020.
- (5) Empath Health is the new name of Florida Suncoast Hospice.
- (6) Critical Intervention Service Inc, Largo Investments and Associates LLC, Pinellas County Sheriff's Office and US Post Office.

SCHEDULE R

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

<b>FUNCTION</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Government										
Legislative	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Administration	22.33	19.33	19.33	20.48	23.58	24.58	25.58	25.58	28.58	28.58
Human Resources (2)	12.00	11.00	11.00	11.00	11.00	11.00	11.00	12.50	14.50	15.00
Finance (2)	12.40	12.40	12.60	12.60	12.60	12.60	14.60	14.50	16.50	16.00
Information Technology	19.00	19.00	20.00	21.00	25.00	27.00	28.00	28.00	30.00	30.00
<b>Total General Government</b>	<b>73.73</b>	<b>69.73</b>	<b>70.93</b>	<b>73.08</b>	<b>80.18</b>	<b>83.18</b>	<b>87.18</b>	<b>88.58</b>	<b>97.58</b>	<b>97.58</b>
Public Safety										
Police	198.80	195.02	195.27	197.77	200.81	203.81	203.81	208.31	208.31	211.31
Fire/Rescue	143.50	140.25	140.00	141.00	145.00	146.00	152.00	152.00	158.00	158.00
<b>Total Public Safety</b>	<b>342.30</b>	<b>335.27</b>	<b>335.27</b>	<b>338.77</b>	<b>345.81</b>	<b>349.81</b>	<b>355.81</b>	<b>360.31</b>	<b>366.31</b>	<b>369.31</b>
Environmental Services	88.25	88.25	88.25	88.10	87.25	86.25	87.25	87.25	87.25	87.25
Public Works	144.25	139.75	138.75	138.75	142.50	142.83	143.83	144.83	148.33	148.33
Community Development (1)	62.25	61.25	62.25	64.75	63.75	66.25	47.25	47.25	46.50	46.50
Engineering Services (1)	N/A	N/A	N/A	N/A	N/A	N/A	22.00	22.00	23.00	23.00
Cultural and Recreation										
Recreation, Parks & Arts	122.81	119.24	119.14	119.79	121.08	129.75	130.55	133.36	139.86	139.86
Library	41.75	41.40	41.20	41.70	41.70	41.20	40.20	40.30	40.30	40.00
<b>Total Cultural and Recreation</b>	<b>164.56</b>	<b>160.64</b>	<b>160.34</b>	<b>161.49</b>	<b>162.78</b>	<b>170.95</b>	<b>170.75</b>	<b>173.66</b>	<b>180.16</b>	<b>179.86</b>
<b>Total City</b>	<b>875.34</b>	<b>854.89</b>	<b>855.79</b>	<b>864.94</b>	<b>882.27</b>	<b>899.27</b>	<b>914.07</b>	<b>923.88</b>	<b>949.13</b>	<b>951.83</b>

Source: City of Largo Annual Budget, Fiscal Years 2012 – 2021

- (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**

<b>FUNCTION</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Police:</b>										
Arrests	4,387	3,535	3,055	3,145	3,302	3,099	3,409	3,061	2,250	2,880
Citations Processed	23,723	22,984	23,165	22,369	19,553	18,610	18,741	19,538	16,411	16,518
<b>Fire/Rescue:</b>										
Inspections	4,918	5,294	4,321	4,230	3,024	2,666	4,186	1,937	3,272	3,359
Structure fires	102	70	71	53	45	41	22	25	92	85
EMS incidents	17,116	17,423	18,990	20,085	24,448	26,393	26,838	26,077	24,847	26,436
All other incidents	4,166	4,976	4,169	4,555	2,213	2,674	2,859	3,463	2,678	3,196
<b>Highways and Streets:</b>										
Street repair (linear feet)	5,010	4,850	9,807	8,423	6,855	21,983	35,123	27,709	26,685	14,044
Potholes repaired (asphalt usage-tons)	192	124	95	94	120	171	200	540	531	488
<b>Sanitation (Solid Waste):</b>										
Refuse collected (tons) (3)	74,887	79,322	77,671	81,861	84,537	84,612	82,908	81,374	88,730	91,810
Recyclables collected (tons) (3)	9,244	9,235	10,906	11,861	12,234	11,084	10,959	8,722	5,717	5,468
<b>Recreation, Parks and Arts (2):</b>										
Attendance:										
Recreation centers (1)	662,000	650,005	571,027	589,566	596,626	424,006	544,053	784,941	501,751	436,224
Special events (1)	111,500	125,000	130,000	215,000	175,000	142,485	130,500	128,736	70,375	25,448
Golf Course (1)	48,500	49,000	49,500	49,500	47,500	47,500	43,000	40,878	36,374	43,288
Cultural Center (1)	63,347	57,000	63,700	69,000	74,200	45,646	45,693	40,954	37,523	24,732
Parks – acres maintained (1)	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6
<b>Stormwater:</b>										
Stormwater Pipes										
Replaced (linear feet)	920	995	357	80	96	158	78	988	-	-
Underdrain Pipes										
Replaced (linear feet)	300	250	120	80	24	850	250	96	695	155
<b>Wastewater:</b>										
Average daily sewage Treatment (millions/gallons)	11.3	11.5	10.9	12.8	12.0	10.8	12.1	12.8	11.7	12.8

- Notes: (1) In FY 2017 the Recreation, Parks and Arts Department started a more accurate way to track attendance.  
(2) FY 2020 and FY 2021 attendance was affected by facility closures and event cancellations, due to the Covid-19 Pandemic.  
(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**

<b>FUNCTION</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Public safety:</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	104	107	107	107	110	116	114	113	116	125
Fire stations	5	5	5	5	5	6	6	6	6	6
<b>Sanitation (Solid Waste):</b>										
Collection trucks	39	39	39	39	41	40	42	44	44	44
<b>Highways and streets:</b>										
Streets (miles)	158	158	158	158	158	158	158.3	158.3	158.3	158.3
Traffic signals	56	56	56	56	56	56	56	56	56	56
<b>Culture and recreation:</b>										
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
<b>Reclaimed water:</b>										
Miles of distribution lines	88	88	88	88	88	89	89	89	89	89
Total gallons reuse (millions/per day)	5.7	5.8	5.8	5.2	5.0	5.6	5.2	7.5	6.8	6.0
<b>Sewer:</b>										
Sanitary sewers (miles)	304	321	321	335	335	343	343	301	301	285
Lift stations maintained	57	57	57	57	57	57	57	54	54	54
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
<b>Stormwater:</b>										
Drainage ditch/lines (miles)	132	132	132	132	132	132	132	132	132	132
City lakes and retention ponds	24	24	24	24	24	24	24	24	24	24

Notes: (1) The construction of Highland Complex temporarily removed the skate park and one set of tennis courts in FY 2012.

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**SCHEDULE U****CITY OF LARGO, FLORIDA  
MAJOR REVENUE SOURCES  
2021**

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**Municipal Revenue Sharing (General Fund)**

The Municipal Revenue Sharing Act of 1972 created the Revenue Sharing Trust Fund for Municipalities. The percentage of state sales tax revenues transferred to the Revenue Sharing Trust Fund for Municipalities is 1.3653%, (General Fund), in addition to the net collections from the one-cent municipal fuel tax. Funds derived from the one-cent municipal fuel tax must be used for transportation-related expenditures.

Requirements for eligibility beyond the "minimum entitlement" include an independent annual audit, reporting finances annually to the Department of Banking and Finance, formal application for participation in the program, meeting of state standards for the hiring of police and fire fighting personnel, a minimum local tax effort based on the revenue raised by a 3 mill property tax in 1972, and complying with State procedures for the levying of property taxes.

Revenue sharing funds are allocated based on three factors: weighted population figure; sales tax collections; and relative ability to raise revenue. These three factors are added and then averaged to determine the distribution factor. All funds above the guaranteed amount are distributed to the municipalities based on the distribution factor as applied to the number of total dollars in the program available after guaranteed payments are distributed.

Effective June 3, 2003 Chapter 2003-86, Laws of Florida (HB 1813) expanded the authorized uses of the Municipal Fuel Tax to include construction, reconstruction, operation, maintenance and repair of bicycle paths and pedestrian pathways.

**State Sales Tax (General Fund)**

The current State Sales Tax is 6%, excluding any local option sales taxes of up to 1% (see other section on Local Infrastructure Surtax). Effective July 1, 2015 the funding of the state court system changed the percentage of the state sales tax revenues transferred to the Half-cent Sales Tax Clearing Trust Fund from 8.8854% to 8.9744%.

The amount distributed to each local government is calculated by first determining the amount of sales tax collected within each county. This amount is then divided among the county government and the municipalities within the county based on a formula which is based on various population factors. The funds may be expended for municipality-wide programs or for municipality-wide property tax or utility tax relief. The proceeds from the sales tax may be pledged for the payment of principal and interest incurred for capital projects.

**Fire District Tax (General Fund)**

The City provides fire protection services within a fire district established by Pinellas County. Within the unincorporated portion of the fire district, the County levies a fire district tax, the proceeds from which are remitted to the City in return for the provision of fire services. The proportion of the Fire Department budget received from the fire district tax is calculated by determining the proportion of the value of real property within the unincorporated portion of the fire district as compared to the value of real property within the entire fire district. This calculation is made by the County, which then establishes the fire district rate.

Currently, the fire district tax provides approximately 14.4% of the portion of the fire department budget not supported by EMS funding or the High Point Fire District.

On October 1, 2015 the City of Belleair Bluffs and Town of Belleair entered into another Agreement for the provision of fire suppression services with the City of Largo.

**High Point Fire District Tax (General Fund)**

Pinellas County contracts with the City of Largo to operate one fire station and to provide fire service protection for half of the High Point Fire District. The City is reimbursed by the County for the actual cost of the provision of this service. The County derives revenue for this purpose by levying a special fire district tax within the High Point Fire District. Revenue from this source grows at the same rate as increases in the budget for this particular portion of Fire Department services.

**Emergency Medical Services (EMS) Tax (General Fund)**

The County levies a special tax county-wide to pay for the provision of EMS. The County then contracts with municipal fire departments, special fire districts, and private firms to provide actual EMS to County residents. Pinellas County and Largo entered into a one year contract extension commencing October 1, 2019 and ending September 30, 2024.

**Franchise Fees (General Fund)**

Public Utilities must pay a franchise fee to the City in return for the right to use public rights-of-way for transmission lines, pipes, wires, etc. All agreements are non-exclusive franchises. A summary of franchise agreements and their rates is as follows: Gas Service - 6% of gross revenues; Electric Service - 6% of gross revenues.

**Communications Services Tax (CST) (General Fund)**

Effective October 1, 2001, municipalities may no longer charge a Franchise Fee or Utility Tax on any type of communication services, including telecommunications, cable TV and satellite transmissions. The CST replaces the communications services Franchise Fee and Utility Taxes.

The State's intent was to set the CST rate high enough to return revenue lost by dis-allowance of the Franchise Fee and Utility Tax. The City of Largo's FY 2002 CST rate was set by the Florida Department of Revenue at 6.12% for the first year's transition lag in receiving revenues, and was reduced to 5.62% for FY 2003 and thereafter. This does not include the 0.60% county surtax conversion rate due to the Local Option Sales Tax.

**Utility Tax (General Fund)**

The City levies a utility tax on the purchase of electricity, metered or bottled gas, fuel oil, and water service. This tax is levied at the state-allowed maximum of \$0.04 per gallon for fuel oil, and 10% of services provided by the remaining utilities. In accordance with State law, the utility tax does not include any fuel adjustment charges.

**Library Cooperative (General Fund)**

The City is a member of the Pinellas Public Library Cooperative, which provides funding to all participating municipalities in the County. Municipal libraries provide services free of charge to unincorporated County residents and other member municipalities in return for this funding. Participation in the County Cooperative also makes the City eligible to receive State Library Grants, if any, available to all county-wide library systems.



**SCHEDULE U**

**CITY OF LARGO, FLORIDA  
MAJOR REVENUE SOURCES  
2021**

**Mobile Home License Tax (General Fund)**

Counties, municipalities, and school districts share proceeds from an annual license tax levied by the State on all mobile homes, park trailers, and on all travel trailers and fifth-wheel trailers exceeding 35 feet in body length. The annual license tax applies to all mobile homes located on rental lots and is collected in lieu of property taxes. The license taxes range from \$20 to \$80 depending on vehicle type and length. License fees are collected by the County Tax Collector and remitted to the State. After deducting \$1.50 of each license fee to be paid to the State General Fund and the \$1.00 surcharge, the remainder is divided equally between the district school board and the respective municipalities where such units are located or the county if the units are located in the unincorporated area.

**Business Tax (General Fund)**

All businesses located within the City of Largo must secure a Business Tax license. The tax is based on the type of business in which the entity is engaged and are due at the time the business begins operation and are renewed thereafter each October 1. This tax is governed by local ordinance and state law.

**Property Tax (General Fund)**

The Florida Constitution permits municipalities to levy a property tax, without referendum approval, to a maximum of ten mills (1 mill = \$1.00 of tax per \$1,000 of taxable value). Property assessments, exemptions and tax collections are administered by the County Property Appraiser and County Tax Collector (collections only), respectively. Homeowners may claim two \$25,000 homestead exemption on their principal place of residence. Homestead properties are also eligible for the Save Our Homes exemption, which varies according to the length of time a property is owned by each homeowner. Various other exemptions may apply to homestead properties. The taxable value properties is calculated by subtracting all exemptions from the assessed value. In FY 2021 the millage rate was 5.6200 mills. Property owners within the City of Largo also pay property taxes to Pinellas County, the Pinellas County School Board, and various special taxing districts. Total millage rates on City of Largo properties have varied from approximately 20.0 mills to 21.0 mills over the past several years.

**Local Infrastructure Surtax (Local Option Sales Tax Fund)**

In November, 1989, a local option one-cent sales tax was approved by referendum for a 10-year period beginning February 1, 1990. The tax was renewed by Pinellas County voters for three additional 10 year periods and will expire on December 31, 2029. Proceeds of the tax may be used only for property acquisition, new construction, improvement of infrastructure and the purchase of public safety vehicles with an estimated useful life of more than five years. This tax cannot be used for repairs, maintenance, or operating expenditures. Taxes are distributed among Pinellas County and the municipalities therein by inter-local agreement.

**Local Option Gas Tax (Gas Tax Fund)**

The City receives a portion of the County-wide local option gas tax, which can only be used to construct, improve, and maintain roadways. The tax is levied by Pinellas County and is distributed to the municipalities therein as provided for by an inter-local agreement. The tax is \$0.06 per gallon and will expire in FY 2028.

**Stormwater Fees (Drainage Fund)**

Monthly residential charges are assessed equally among all single family properties (equivalent residential unit = ERU). One ERU = \$8.91 based on 3,000 sq. ft. High-density residential charges are \$3.99 per dwelling unit. Non-Residential charges are calculated based on actual impervious surface and billed as an equivalent number of ERU's. The last rate increase was effective for all bills mailed after April 1, 2021.

**Wastewater Charges (Wastewater Fund)**

**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, 2020. The following schedule reflects current monthly rates.

	<u>Within City</u>	<u>Outside City</u>
<b><u>Residential:</u></b>		
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
<b><u>Commercial:</u></b>		
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  
2021**

**Reclaimed Water Charges**

	<u>Within City</u>	<u>Outside Sewer District</u>
<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, 2018. The following schedule reflects current rates.

Curbside Collection (residential) - \$21.18 monthly

Bulk Container (dumpsters) – The monthly charge for bulk container service is based on the size of container services and the number of collections per week, as follows:

	Size of Containers - Cubic Yards			
<u>Collections Per Week</u>	2	4	6	8
1	\$ 60.00	\$ 115.00	\$ 169.00	\$ 221.00
2	127.00	245.00	359.00	468.00
3	191.00	366.00	538.00	702.00
4	254.00	488.00	718.00	936.00
5	318.00	611.00	896.00	1,170.00
6	382.00	733.00	1,076.00	1,404.00

There is a fee of \$25.00 per month for the collection of recycling front-load dumpsters once per week. An additional fee of \$25.00 per month will be assessed for collection frequencies greater than once per week. This was effective July 1, 2017.

Roll-off Containers and Roll-off Compactors - Charges include a fixed hauling fee based on container size, plus the actual cost of waste disposal (\$42.15 per ton for tipping fees).

**Community Development Block Grant (CDBG Fund)**

The federally funded CDBG program, created by the Housing and Community Development Act of 1974, provides funding to low and moderate income individuals for the elimination of hazardous housing 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.

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## SCHEDULE V

# CITY OF LARGO, FLORIDA GENERAL INFORMATION 2021

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### 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 14<sup>th</sup> 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 19<sup>th</sup> largest Florida city. According to the latest population estimates, Largo's population of approximately 83,071 ranks as the 30<sup>th</sup> largest in Florida.

The City of Largo has a marked concentration of elderly persons as is common in Pinellas County. Approximately 26.3 percent of the City's permanent population is 65 years old and older, with a median age of 48.7 years.

Based on the 2019 American Community Survey, the City's population is 76.1 percent white, 6.6 percent black, 11.7 percent Hispanic or Latino and 5.6 percent from other racial groups.

Largo is 19.21 square miles in size, with 93.5% of the parcels in residential uses and 6.5% in commercial / other uses.

### Economic Conditions

Largo has evolved from a farming, cattle, and citrus town, once one of the largest citrus shipping points in Florida and home of the Black Diamond grapefruit, to a predominantly high-tech, service-oriented, residential community.

Many of Largo's older population are retired and receive income from pensions or other sources of retirement income. The manufacturing, retail trade, and services industries account for over two-thirds of the employment of Largo's residents.

### Educational Facilities

Largo is within commuting distance of the University of South Florida (Tampa and St. Petersburg campuses), the University of Tampa (Tampa), Eckerd College (St. Petersburg), Florida Institute of Technology (St. Petersburg), Florida Metropolitan University (Tampa), Schiller International University (Largo), and St. Petersburg College (previously St. Petersburg Junior College) with locations in Largo, Seminole, St. Petersburg, Pinellas Park, Tarpon Springs and Clearwater. St. Petersburg College also hosts a Distance Learning Center at the Seminole Campus where fully accredited Bachelor degrees are offered by several Universities including Florida State, Gulf Coast University and St. Leo College. The Pinellas County School Board provides opportunities for adult education through the Pinellas County Vocational Technical Institute located in the Largo Planning District (Highpoint area).

### City Government – Legislative/Executive

The City of Largo was the first city in the State of Florida to adopt the "council-manager" form of government in 1913 by referendum.

The City Commission is the legislative and governing body of the City. The non-partisan Commission consists of the Mayor and six Commissioners who are elected at-large for staggered four-year terms. The Mayor is the presiding officer of the Commission with the same voting powers as a Commissioner.

The City Commission assembles for regular public business meetings on the first and third Tuesday of every month and for public work sessions on the second Tuesday of the month. The Commission is empowered to establish City policy, to provide for the exercise of all duties and obligations imposed upon the City by the City Charter and law and to secure the general health, safety, and welfare of the City and its citizens.

The Commission discusses and adopts all ordinances and resolutions necessary to execute any of the City's powers. The Commission appoints the City Manager and approves the City Manager's appointments of City Attorney, Assistant City Manager, and City Clerk.

The Administration Department, headed by the City Manager, provides overall administrative direction and control for the City. The City Manager appoints all department directors.

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**SCHEDULE W**

**CITY OF LARGO, FLORIDA  
COMMUNITY PROFILE  
2021**

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Form of Government:	Commission/Manager
Date Incorporated:	1905
Area:	19.21 sq. miles
Population (estimated) (1):	83,071 permanent
Governing Body:	City Commission (Mayor and 6 Commissioners elected in non-partisan, at-large election to 4-year overlapping terms).
Administration:	City Manager appointed by City Commission (5 votes required to hire and dismiss).
City Services:	Full service, including police, fire/EMS, wastewater collection and treatment, wastewater effluent disposal, solid waste collection, streets and drainage maintenance and repair, library, parks, and recreation (no water system or solid waste disposal system).
Services Provided by Other Governments:	Transit – Pinellas Suncoast Transit Authority (Buses) Jail and Court System – Pinellas County Water – Pinellas County Solid Waste Disposal – Pinellas County Traffic Planning, Signal Repair and Signal Maintenance– Pinellas County Fire/EMS Dispatch – Pinellas County Mosquito Control – Pinellas County
Services Provided to Areas Outside City:	Emergency Medical Services Fire suppression and inspection Sanitary Sewer (wastewater) Effluent Water Library Recreation, Parks and Arts
Population and Economic Characteristics (2):	84.0% 18 years of age or older; 26.3% 65 years of age or older Median Household Income \$46,733 Median Family Income \$59,800
Location:	Central-West coast of Florida near the Gulf of Mexico; in Pinellas County, northwest of St. Petersburg and south of Clearwater, west of Tampa and in the Tampa Bay Metro Area.
Registered Voters:	55,594
Percent Voted in Last Municipal General Election:	2020 – (November) 76.3% of registered voters
Data sources:	(1) University of Florida (2021) (2) United States Census Bureau (2020)

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**SCHEDULE X****CITY OF LARGO, FLORIDA  
FINANCIAL MANAGEMENT POLICIES  
2021**

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**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.

**CITY OF LARGO, FLORIDA  
FINANCIAL MANAGEMENT POLICIES  
2021**

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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.

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# COMPLIANCE SECTION

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

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

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 the City of Largo, Florida (the “City”), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated May 2, 2022. We have also audited the financial statements of the Largo Community Redevelopment Agency, as of and for the year ended September 30, 2021, and have issued our report thereon dated May 2, 2022.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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



**Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

May 2, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Largo, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over

compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

May 2, 2022

**CITY OF LARGO, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
Year Ended September 30, 2021

Federal or State Grantor/ Pass-Through Grantor/Program	ALN #/ CSFA #	Pass-Through Entity Identifying Grant /Loan Number	Expenditures	Amount Provided to Subrecipients
<b>U.S. Department of Housing &amp; Urban Development</b>				
Direct Program:				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants	14.218	B-20-MC-120028	893,402	226,861
COVID-19 Community Development Block Grants	14.218	COVID-19	18,916	10,416
Total Entitlement Grants Cluster			912,318	237,277
Passed Through Pinellas County				
Home Investment Partnerships Program (HOME)	14.239	M-20-DC-12-0217	204,654	-
Total U.S. Department of Housing and Urban Development			1,116,972	237,277
<b>U.S. Department of Treasury</b>				
Passed Through Florida Housing Finance Corporation				
COVID-19 Coronavirus Relief Fund	21.019	Agreement # 123-2020	327,573	16,477
Passed Through Pinellas County				
COVID-19 Coronavirus Relief Fund	21.019	N/A	591,616	-
Total COVID-19 Coronavirus Relief Fund			919,189	16,477
Total U.S. Department of Treasury			919,189	16,477
<b>U.S. Department of Justice</b>				
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0674	27,891	-
<b>U.S. Environmental Protection Agency</b>				
Passed Through the Florida Department of Environmental Protection				
Capitalization Grants for Clean Water State Revolving Funds				
Clean Water State Revolving Funds Cluster	66.458	WW520270	8,813,094	-
<b>U.S. Department of Transportation</b>				
Passed Through Florida Department of Transportation				
Highway Planning and Construction				
Highway Planning and Construction Cluster	20.205	FP# 434496	1,182,606	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>12,059,752</b>	<b>253,754</b>
Florida Housing Finance Corporation				
Direct Program:				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	398,020	27,655
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b>443,979</b>	<b>27,655</b>

**See accompanying notes to schedule of expenditures of federal awards and state assistance**

**CITY OF LARGO, FLORIDA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended September 30, 2021**

**(1) General**

The accompanying schedules of expenditures of federal awards and state financial assistance presents the activity of all federal financial and state grant activity of the City of Largo, Florida (the "City"). Federal and state financial assistance received directly from federal and state agencies, and federal financial assistance passed through other government agencies are included on the schedules. The information in this schedule is present in accordance with the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.

**(2) Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual or accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The City has elected to not use the 10% de Minimis Indirect Cost Rate.

**(3) Sub-recipients**

Of the federal expenditures and state financial assistance presented in the schedule, the City of Largo, Florida provided federal and state awards to sub-recipients as follows:

<u>Program Title</u>	<u>CFDA/CSFA</u>	<u>Amount Provided</u>
Community Development Block Grant	14.218	\$ 237,277
Coronavirus Relief Fund	21.019	\$ 16,477
State Housing Initiative Partnership	40.901	\$ 27,655

**(4) Relationship to Basic Financial Statements**

Federal and state financial assistance revenue is included in the City's basic financial statements as follows:

	<u>Intergovernmental revenue</u>
<b>Federal:</b>	
General fund	\$ 843,464
Special revenue funds:	
Community Development Block Grant	551,623
Home Investment Partnership	204,666
Construction Services	25,008
Local Option Sales Tax	\$ 271,281
Community Redevelopment Agency	595,671
Tree Impact Fees	80,000
Stormwater	78,164
Enterprise Funds:	
Sewer	29,867
Solid Waste	19,053
Golf Course	3,271
Internal Service	
Fleet	-
	<u>                    -</u>
Total Federal	<u>\$ 2,702,068</u>
<b>State:</b>	
Special revenue funds:	
State Housing Initiative Partnership	144,279
	<u>                    -</u>
Total State	<u>\$ 144,279</u>

**CITY OF LARGO, FLORIDA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended September 30, 2021**

**(5) Loans Outstanding**

The City had the following loan balances including loan service fees outstanding at September 30, 2021. The current year additions related to the loans are included in the Schedule of Federal Awards and State Financial Assistance.

66.458	Florida Department of Environmental Protection program	\$	75,603,948
37.077	Florida Department of Environmental Protection program		34,809,930
	Total Loans Payable		110,413,878
14.218	Community Development Block Grant		1,858,089
14.239	Home investment Partnership		3,495,336
52.901	State Housing Initiative Partnership		4,548,401
	Total Loans Receivable	\$	9,901,826

**(6) Noncash Assistance**

The City received \$0 in noncash assistance during the year ended September 30, 2021.

**(7) SRF Loan**

The City began construction upgrades to Biological Treatment Facilities in September 2018. A contract with the State of Florida was finalized and executed in December 2019 for this project providing funding under CFDA 66.458 with a retroactive effective date of August 2018. Expenditures incurred after the effective date were eligible for reimbursement. As of September 30, 2021, an additional \$8,813,094 has been spent or incurred on the project for a total of \$44,289,684. In December 2021 the City received Amendment 3 to the loan revising the total allowed funding amount of up to \$53,149,744.

**(8) Covid-19 CARES Funding**

The City entered into a funding agreement with Pinellas County to apply for federal assistance for expenditures incurred in response to the Covid-19 pandemic which began in March 2020. The grant allowed for reimbursement of eligible expenditures incurred between March and December 2020. Eligible items included personnel, personal protective equipment, costs for improving telework capabilities of public employees and public health expenses.

The City also entered into a funding agreement with the Florida Housing Finance Corporation to provide direct rental assistance, housing counseling services and relocation costs to assist eligible residents affected by the pandemic. The grant allowed for reimbursement of eligible expenditures incurred between March and December 2020 and totalled \$327,573.

**CITY OF LARGO, FLORIDA**  
**Schedule of Findings and Questioned Costs**  
**Federal Programs**  
**Year Ended September 30, 2021**

**SECTION I - SUMMARY OF AUDITORS' RESULTS:**

	<b><u>Results</u></b>
<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:	
CFDA	
_____ Number _____ Program _____	
21.019	COVID-19 Coronavirus Relief Fund
14.218	CDBG - Entitlement Grants Cluster
20.205	Highway Planning and Construction Cluster
5. Dollar threshold used to distinguish between type A and type B programs:	\$750,000
6. Auditee qualified as low-risk auditee under 2 CFR 200.520?	Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None noted

**SECTION III – FEDERAL AWARD FINDINGS**

None noted

**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, 2021, and have issued our report thereon dated May 2, 2022. We have also audited the financial statements of the Largo Community Redevelopment Agency, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 2, 2022.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of Auditor General. Disclosures in those reports and schedule, which are dated May 2, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.



### **Financial Condition and Management**

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

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

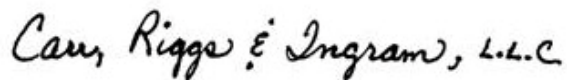
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

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



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

May 2, 2022

**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 City of Largo, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the City's compliance with the requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida  
May 2, 2022



201 Highland Ave NE  
PO Box 296  
Largo, FL 33779  
LARGO.COM

**FINANCE DEPARTMENT**

Kimball R. Adams, CPA, Director  
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Fax: (727) 586-7421

Rebecca Spuhler, Assistant Director  
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Phone: (727) 586-7443  
Fax: (727) 586-7421

March 31, 2022

Re: Affidavit, F.S. Section 163.31801, Impact Fees

The City of Largo receives impact fees from other jurisdictions that are adopted by ordinance on the City's behalf. The related ordinances comply with restrictions of Section 163.31801, Florida Statutes.

Sincerely,

Kimball R. Adams, CPA  
City of Largo, Florida

STATE OF FLORIDA  
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me by means of X physical presence or \_\_\_ online notarization, this 3/31/2022 (date), by Kimball R. Adams, 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

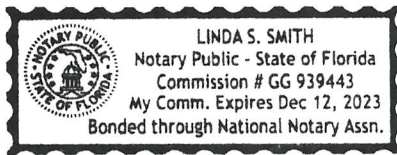
\_\_\_\_\_  
Name of Acknowledger Typed, Printed or Stamped

Office Admin

\_\_\_\_\_  
Title or Rank

GG-939443

\_\_\_\_\_  
Serial Number (if any)



YOUR COMMUNITY OF CHOICE  
*Naturally*

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