CITY OF CLEARWATER, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023



ON THE COVER

This year's budget cover celebrates the city's employees, their accomplishments and their dedication to providing excellent service to residents and visitors year-round.

Highlighted on the cover is Paul Roskey, McMullen Tennis Complex Supervisor and inaugural honoree of the William B. Horne II 2021 Employee of the Year award and McMullen Tennis Complex patron, George. In November 2021, George had collapsed and wasn't breathing after a tennis match. Paul reacted quickly and administered CPR for seven minutes. Paramedics credited Paul with saving the man's life. George has also returned to the tennis court.



City of Clearwater, Florida
Annual Comprehensive Financial Report
for Fiscal Year Ended September 30, 2023

Brian J. Aungst Sr.
Mayor

David Allbritton
Councilmember

Kathleen Beckman
Councilmember

Mark Bunker
Councilmember

Lina Teixeira
Councilmember

Jennifer Poirrier
City Manager

Brian Jay Ravins
Finance Director

Prepared by: City of Clearwater Finance Department

City of Clearwater, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

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CITY OF CLEARWATER
OFFICE OF THE CITY MANAGER
600 CLEVELAND STREET, SUITE 600, CLEARWATER, FLORIDA 33755
TELEPHONE (727) 562-4040 FAX (727) 562-4052

April 1, 2024

The Honorable Mayor, Councilmembers,
and Citizens of the City of Clearwater:

The City of Clearwater Charter (Section 2.01(c)3), Florida Statutes, and various covenants relating to debt and pension obligations of the City require an annual audit of the financial statements of all funds of the City by a firm of licensed certified public accountants. These statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS). Pursuant to these requirements we hereby issue the annual comprehensive financial report of the City of Clearwater for the fiscal year ended September 30, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Carr Riggs Ingram, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report.

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

Bruce Rector, Mayor
Ryan Cotton, Councilmember
Mike Mannino, Councilmember
David Allbritton, Councilmember
Lina Teixeira, Councilmember
"Equal Employment and Affirmative Action Employer"

Profile of the City of Clearwater, Florida

Clearwater is located on the Pinellas Peninsula on Florida's west coast. It is directly located on the Gulf of Mexico, 20 miles west of Tampa and 20 miles north of St. Petersburg. Clearwater is the county seat of Pinellas County and one of the largest cities in the Tampa Bay area. The Clearwater area offers a semitropical climate and 28 miles of beautiful beaches. Consequently, tourism is an important component of the economy. In addition to tourism and its related hospitality and service sectors, Clearwater enjoys a diversity of manufacturing businesses; professional, financial, and insurance service industries; high-tech companies; corporate headquarters; and a growing healthcare ecosystem.

The City operates under the council/manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and four members elected at large on a non-partisan basis. The City Council is responsible for adopting ordinances, adopting the budget, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments.

The City provides police and fire protection; construction and maintenance of streets, bridges, sidewalks, storm drainage, public parks, and recreation facilities; planning, zoning, subdivision, and building code regulation and enforcement; redevelopment of commercial and residential neighborhoods; supervised recreation programs; public libraries; water supply and distribution; waste water collection, treatment, and disposal; natural gas distribution; solid waste collection and recycling; stormwater management; marina, airpark, downtown boat slips, and public fishing pier operations; and operation of the city-wide parking system.

The annual budget serves as the foundation for the City's financial planning and control. Per the City Code of Ordinances, the City Manager is required to provide to the City Council an operating budget for the ensuing fiscal year, a capital improvement budget, and a five-year capital improvement program, along with an accompanying budget message no later than 60 days prior to the end of the fiscal year. The Council is required to hold public hearings on the budget and to adopt a final operating budget and capital improvement budget no later than September 30, the last day of the City's fiscal year. The appropriated budget is prepared by fund and by department within fund.

After five consecutive years of decline in City taxable property values, we have now experienced eleven consecutive years of increases: 3.3%, 6.0%, 6.6%, 7.4%, 8.3%, 9.6%, 6.7%, 6.8%, 5.4% 13.2%, and 11.1% increases for January 1, 2013 thru January 1, 2023 tax rolls, respectively.

The unemployment rate for the Tampa metro area at September 30, 2023 was 3.2% versus 2.5% at September 30, 2022. The national rate was 3.8% and the state unemployment rate was 3.0% as of September 30, 2023. Local tourism was significantly impacted by COVID-19, but has recovered to exceed pre-COVID levels. The Tampa/St Petersburg/Clearwater metro area continues to benefit from an influx of new residents and businesses, as well as strong tourism.

Clearwater Beach remains one of the nation's most unique travel destinations. The City's Beach by Design Redevelopment Plan, anchored by Beach Walk, resulted in significant economic redevelopment on Clearwater Beach. Beach Walk is a winding beachside promenade that stretches from north to south beach and features lush landscaping, artistic touches, and clear views of the water line. It is a walkable destination that connects people to the beach, and nearby restaurants and shops. It is one of the reasons that Clearwater Beach was ranked the #1 beach in the United States and #6 in the world by TripAdvisor. The recent reopening of the significantly upgraded waterfront Coachman Park, including a new amphitheater with four thousand covered seats, will further increase the attractiveness of Clearwater as it helps rejuvenate the downtown business district.

Long-term Financial Planning

Financial planning continues to be of critical importance to the City in meeting the challenges of both the immediate and foreseeable future. City staff and the City Council annually participate in a Strategic Planning council meeting to review priorities and financial condition in preparation for the annual budget process. This includes a review of current long-term forecasts for the General Fund and major utility funds. The City annually updates a General Fund Financial Sustainability Analysis that includes a ten-year forecast of General Fund revenues and expenditures. Similar rate studies for the major utility funds are performed at least every five years, and provide similar ten-year forecasts presented to City Council by the rate study consultant.

Major projects undertaken by the City will continue to have long term financial implications for existing as well as future resources and revenues. The planning and decisions undertaken by the City are always evaluated in the context of the financial burden that will be placed on both current and prospective residents, as well as the potential economic and environmental impacts.

Relevant Financial Policies

It is a policy of the City Council to maintain a minimum fund balance in the General Fund equal to eight and one-half percent (8.5%) of the subsequent year's budgeted expenditures to meet unanticipated financial needs. Per Council policy, excess funds may be appropriated by the City Council for specific capital improvement projects or other one-time needs.

It is a policy of the City Council that all enterprise fund operations shall be self-supporting. Council policy requires a review of rate schedules every five years, at a minimum, to help ensure that enterprise funds are self-supporting. Additionally, Council policy requires that unrestricted fund balances of the utility enterprise funds be maintained at a level equivalent to the greater of six months of operation and maintenance expenses, or other minimum reserve levels indicated in the current rate study for the utility enterprise fund. The minimum reserve level for non-utility enterprise funds is three months of operation and maintenance expenses.

Major Initiatives

The City continues to proactively fund capital projects to support the City's five utility operations, which consist of Water and Sewer, Stormwater, Solid Waste, Recycling, and Gas Utility operations. A total of $73.6 million is budgeted for utility capital projects for fiscal year 2024 with a total of $571.1 million budgeted over the next six years.

Downtown Clearwater is experiencing a period of rebirth due to the long-anticipated waterfront redevelopment and grand re-opening of Coachman Park during the Summer of 2023. This included the grand opening of the new waterfront amphitheater, The BayCare Sound, with 4,000 covered seats and a lawn seating area for 5,000 more.

Additionally, the City is embarking on a significant development of the downtown waterfront bluff area. In November 2022, Clearwater residents voted in favor of the redevelopment of two prime downtown waterfront city-owned sites, which will offer mixed-use retail and residential uses. A development agreement for the properties includes a 158-room hotel, construction of approximately 400 apartments, new dining and retail options, new event and green space, and additional parking. These additions to Clearwater's downtown are expected to promote strong economic redevelopment of the downtown area. Finally, in addition to the downtown and beach areas, U.S. Highway 19 – a major north-south corridor through the heart of the city – is experiencing rapid redevelopment.

The North Marina Master Plan initial phase is concluded and includes new parking, improved design and landscape of existing parking areas, expanded public use and amenity areas, additional open space, and enhanced decorative lighting. We have also experience substantial residential redevelopment in the adjoining North Fort Harrison/Old Bay area.

The ULI initiatives remained a high priority for the City during fiscal year 2023. Additional related projects remaining include fiscal 2024 completion of streetscaping in the Downtown Gateway, construction of The Mercado, an open-air festival core in the same area, and complete streets planning initiatives. North Ward Elementary School has been acquired and is in the early planning stages of an adaptive reuse that will renovate and preserve the historic structures of this beloved 100-year-old building in the North Marina Area. The building is now listed on the National Register of Historic Places as well as locally designated. These projects and others are of a size and substance to redefine the face of downtown and surrounding areas.

Another major initiative includes advancing the City's sustainability and resiliency efforts per Council's fiscal 2021 adoption of the City's "Greenprint 2.0", which is an update to the original Clearwater Greenprint plan adopted in 2011. Greenprint 2.0 is a sustainability plan that defines overarching goals and objectives, as well as specific actions, to improve Clearwater's environment, economy, resilience, and public health while reducing the city's greenhouse gas emissions. Goals include the reduction of city-wide greenhouse gas emissions to 25% below 2007 levels by the year 2035 and 80% below 2007 levels by the year 2050. Additional goals include replacement of 100% of the City's light-duty vehicles and 50% of the City's heavy-duty and freight trucks with electric or carbon-free fuel vehicles by 2050, as well as reducing City-owned buildings' energy consumption by 10% by 2025 and 20% by 2030.

Finally, a major redevelopment initiative is the creation of a new tax increment financing district for the area directly north of the downtown district, commonly referred to as the North Greenwood area. The City Council has provided $5 million in General Fund ARPA-related funding for the new tax increment district to ensure it gets off to a strong and productive start.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the 44th consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for the fiscal year 2023 Budget document, the 37th consecutive year that this award has been received. In order to qualify, the City's Budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device.

We wish to thank the many members of the Citywide Audit Team, which is composed of individuals in the Finance Department and other financial staff throughout the City, for their professionalism and dedication in producing this report. A special thank you goes to Monica Mitchell, Assistant Finance Director, for her leadership in completion of this report. Sincere appreciation is also extended to the City's external auditors, Carr Riggs Ingram, for their advice and assistance in the preparation of this report. Finally, we would like to thank the City Council for their interest, continued support, and leadership in planning and conducting the financial operations of the City in a progressive and responsible manner.

Sincerely,

Jennifer Poirrier
City Manager

Jay Ravins
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

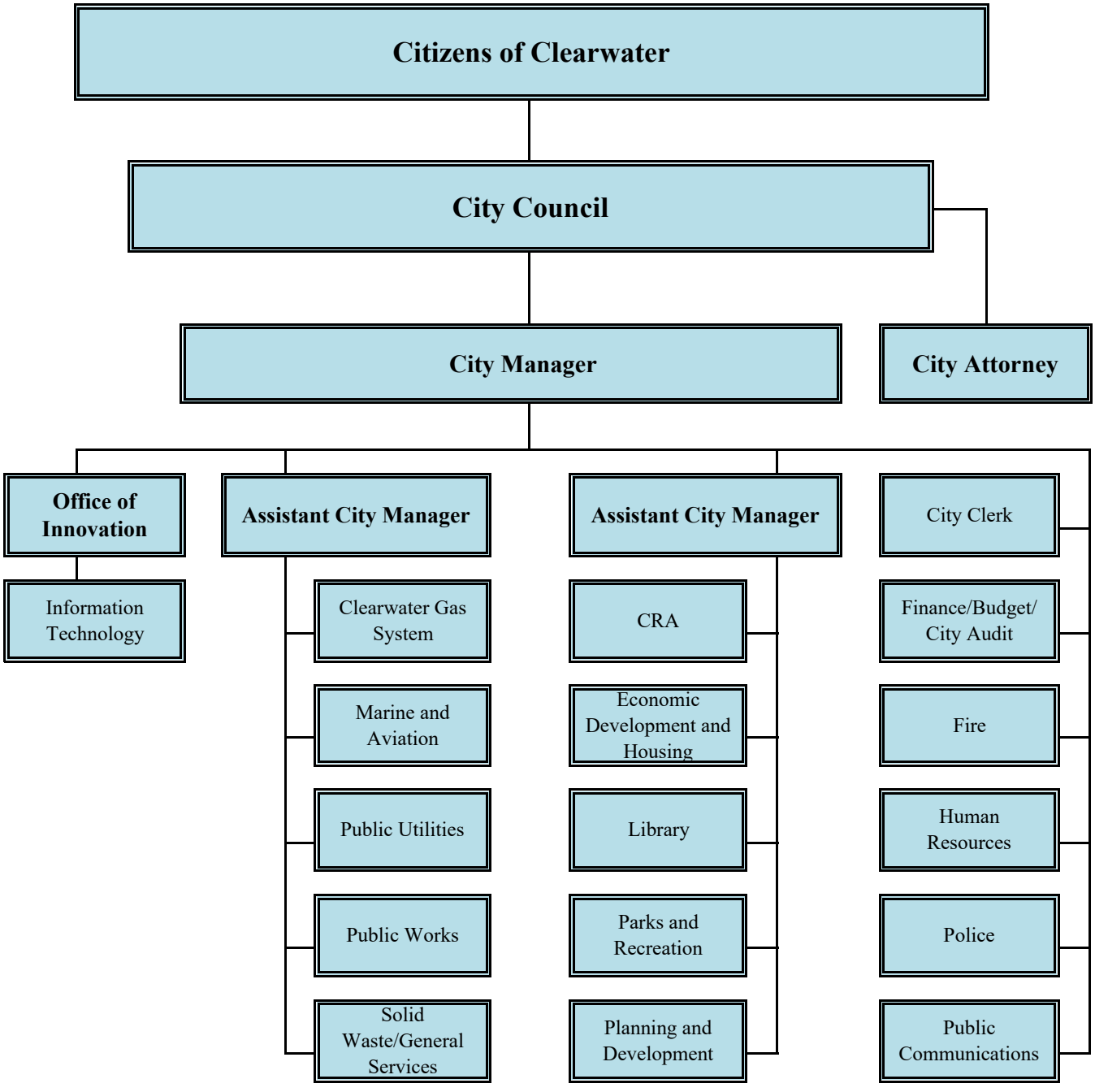
City of Clearwater
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022



Executive Director/CEO


Citizens of Clearwater
City Council
City Manager
City Attorney
Office of Innovation
Information Technology
Assistant City Manager
Clearwater Gas System
Marine and Aviation
Public Utilities
Public Works
Solid Waste/General Services
Assistant City Manager
CRA
Economic Development and Housing
Library
Parks and Recreation
Planning and Development
City Clerk
Finance/Budget/ City Audit
Fire
Human Resources
Police
Public Communications

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council Members
City of Clearwater, Florida

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clearwater, Florida (the "City"), as of and for the year ended September 30, 2023, 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 each of the City's nonmajor governmental funds, nonmajor enterprise funds, internal service funds and fiduciary funds presented as supplementary information in the accompanying combining and individual fund statements as of and for the year ended September 30, 2023, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clearwater, Florida, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof , and the respective budgetary comparison for the General Fund and the Special Development 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 referred to above present fairly, in all material respects, the respective financial position of each of the nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds of the City of Clearwater, Florida as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note I.F. to the financial statements, in the current year the City of Clearwater, Florida adopted new accounting guidance, GASB No. 96, *Subscriptions-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC
Clearwater, FL
April 1, 2024

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Management's Discussion and Analysis

This *Management's Discussion and Analysis* report provides the reader with a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. *Management's Discussion and Analysis (MD&A)* should be read in conjunction with the City's *Transmittal Letter*, which begins on page v of this report.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2023 by $1.314 billion (*net position*). Of this amount, $615.55 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $45.7 million, or 3.6%, from the prior year's net position, as restated. Net position for governmental activities decreased by $770 thousand, or 0.1%, while the business-type net position increased by $46.4 million, or 7.4%.

- Governmental net position decreased by $770 thousand in fiscal 2023, versus an increase of $14.4 million in fiscal 2022. An increase of $39.36 million in governmental program expenses, most significantly in the public safety, culture and recreation, and general government functions, plus a decrease in governmental program revenues of $14.3 million, resulted in an increase in net program expenses of $53.7 million. Total general revenues for governmental activities increased by $47.7 million, or 43.8%, primarily due to an increase of $35.4 million in investment earnings from a reduction in unrealized valuation losses per market valuation of the City's investment portfolio. Also contributing to the increase was a $9.35 million, or 12.2%, increase in property taxes due to taxable value increases. Net transfers in from business-type activities decreased $9.2 million, primarily due to the fiscal 2023 transfer of $11.5 million from a governmental special revenue fund to the Marine business-type activity to fund future Marina renovations.

- Business-type net position increased $46.4 million in fiscal 2023, versus an increase of $749 thousand in fiscal 2022. Net revenue from business-type activities, before investment earnings and transfers, decreased $2.2 million, or 5.4%, as the result of an increase in program expenses of $3.8 million, or 2.1%, and a decrease in grants and contributions of $2.6 million, or 51%, offset by an increase in charges for services of $4.75 million, or 2.2%. The most significant increase in charges for services occurred in the Water & Sewer Utility ($3.7 million, or 3.6%), due to a 3% rate increase effective October 1, 2022. General revenues increased $38.7 million due to an increase in market valuation of the City's investment portfolio and corresponding decrease in the unrealized loss. Net transfers to governmental activities decreased $9.2 million, primarily due to the fiscal 2023 transfer of $11.5 million from a governmental special revenue fund to the Marine business-type activity to fund future Marina renovations.

- As of September 30, 2023, the City's governmental funds reported combined ending fund balances of $180.9 million, a decrease of $13.26 million, or 6.8%, in comparison with the prior year. Of this amount, $60.8 million (or 33.6%) is *available for spending* at the government's discretion (*unassigned fund balance*).

- As of September 30, 2023, unrestricted fund balance (the total of the *committed, assigned* and *unassigned* components of *fund balance*) for the General Fund was $61.56 million, or 38.7% of total fiscal 2023 General Fund expenditures.

- Total outstanding long-term liabilities decreased $10.3 million from the prior year, primarily due to a decrease in bonds payable of $7.2 million due to scheduled principal payments, the elimination of the net pension liability in the amount of $7.0 million, and a decrease in financed purchase of $4.1 million; partially offset by the addition of subscription liabilities in the amount of $3.7 million, an increase in lease liability of $1.3 million, an increase in claims payable of $2.0 million, and an increase in the liability for other postemployment benefits of $1.1 million.

Overview of the Financial Statements

This discussion and analysis (MD&A) is intended to serve as an introduction to the City of Clearwater's *basic financial statements*. The City's basic financial statements are comprised of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are the *statement of net position* and the *statement of activities.* These statements report information about the City as a whole using accounting methods similar to those used by private-sector businesses. Emphasis is placed on the net position of *governmental activities* and *business-type activities*, and the *change in net position*. Governmental activities are principally supported by taxes and intergovernmental revenues. Governmental activities include most of the City's basic services, including police, fire, public works, parks and recreation, and general administration. Business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. The City's water and sewer system, stormwater system, gas system, solid waste and recycling, marine, aviation, Clearwater Harbor Marina, and parking system operations are reported as business-type activities.

- The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating. Net position is reported in three major categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

- The *statement of activities* presents information showing how the City's net position changed as a result of the year's activities. All changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

The government-wide financial statements include not only the City of Clearwater itself but also the Clearwater Redevelopment Agency (CRA). The CRA, though legally separate, is reported as part of the *primary government* as a *blended* component unit because the City Council serves as the CRA's governing board and City management has operational responsibility for the CRA.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about the City's major funds – not the City as a whole. *Fund accounting* helps to ensure and demonstrate *compliance* with finance-related legal requirements. Based on restrictions on the use of monies, the City has established many funds that account for the multitude of services provided to residents. These fund financial statements focus on the City's most significant funds: *governmental*, *proprietary*, and *fiduciary*.

Governmental funds. *Governmental funds* are used to report most of the City's basic services. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The funds focus on the *inflows and outflows of current resources* and the *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the

General, Special Development, Special Programs, and Capital Improvement funds, which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated columnar presentation. Individual fund data for each of these nonmajor governmental funds is provided in *Combining and Individual Fund Statements and Schedules* section of this report.

Annual appropriated budgets are adopted for the General Fund, the Special Development Special Revenue Fund, and the Community Redevelopment Agency Special Revenue Fund. Budgetary comparison statements and/or schedules have been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 22-29 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the fiscal activities related to water and sewer, gas, solid waste & recycling and stormwater utilities, along with marine, aviation, parking system, and Clearwater Harbor Marina downtown boat slip operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the City's building maintenance, custodial services, self-insurance program, risk management program, employee group insurance, vehicle acquisition and maintenance, and various support activities including data processing, telecommunications, and postal services. All of the City's internal service funds predominantly benefit governmental activities and consequently have been aggregated and included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility, Gas Utility, Solid Waste & Recycling Utility, and Stormwater Utility enterprise funds, which are considered to be *major* funds of the City. The remaining four *non-major* enterprise funds are combined into a single aggregated presentation in the proprietary fund financial statements. Similarly, governmental activity *internal service* funds are aggregated into a single presentation. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of *combining statements* in the supplementary information section of this report.

The basic proprietary fund financial statements can be found **on** pages 30-41 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the fiduciary funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The City of Clearwater maintains two different types of fiduciary funds. *Pension trust funds* are used to report resources held in trust for retirees and beneficiaries covered by the City's pension plans. A *custodial fund* is used to report resources held by the City in a custodial capacity for individuals, private organizations and other governments, such as the Clearwater Downtown Development Board.

The fiduciary fund statements can be found on pages 42-43 of this report.

Notes to the Financial Statements

The *notes to the financial statements* provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements, including the City's progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees.

The notes to the financial statements can be found on pages 44-113 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees.

Required supplementary information can be found on pages 114-120 of this report.

The *combining statements* referred to earlier in connection with non-major governmental funds, non-major enterprise funds, and internal service funds, are presented immediately following the required supplementary information.

Combining and individual fund statements can be found on pages 124-143 of this report.

Government-Wide Financial Analysis

The total net position of the City increased in both fiscal 2022 and fiscal 2023. As noted earlier, *net position* may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1.314 billion at the close of the fiscal year ended September 30, 2023. This represents an increase of $45.7 million from the September 30, 2022 total net position of $1.268 billion. The City reports positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities, for both the current year and the prior year, as indicated in the following table:

City of Clearwater, Florida - Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	Restated 2022	2023	Restated 2022
Assets						
Current and other assets	$ 307,356,148	$ 305,916,983	$ 415,106,185	$ 367,906,428	$ 722,462,333	$ 673,823,411
Capital and right to use assets	377,395,520	336,840,569	419,836,546	423,303,440	797,232,066	760,144,009
Total assets	684,751,668	642,757,552	834,942,731	791,209,868	1,519,694,399	1,433,967,420
Deferred Outflows of Resources	72,649,915	126,021,377	17,324,691	25,026,691	89,974,606	151,048,068
Liabilities						
Current and other liabilities	17,015,008	20,633,840	26,318,276	32,440,255	43,333,284	53,074,095
Long-term debt outstanding:						
Due within one year	16,909,256	16,246,953	7,863,337	2,925,032	24,772,593	19,171,985
Due in more than one year	66,098,688	69,101,852	135,568,584	144,022,024	201,667,272	213,123,876
Total liabilities	100,022,952	105,982,645	169,750,197	179,387,311	269,773,149	285,369,956
Deferred Inflows of Resources	16,567,245	21,215,210	9,399,087	10,173,276	25,966,332	31,388,486
Net position						
Net investment in capital assets	328,830,303	296,598,838	289,246,103	285,039,489	618,076,406	581,638,327
Restricted	66,416,650	53,555,294	13,887,710	11,607,679	80,304,360	65,162,973
Unrestricted	245,564,433	291,426,942	369,984,325	330,028,804	615,548,758	621,455,746
Total net position	$ 640,811,386	$ 641,581,074	$ 673,118,138	$ 626,675,972	$ 1,313,929,524	$ 1,268,257,046

A large portion of the City's net position ($618.1 million or 47.0%) represents its net investment in capital assets (e.g., land, infrastructure, land improvements, buildings, equipment, and right-to-use assets, less any related outstanding debt used to acquire those assets). The City uses these capital and right-to-use assets to provide services to citizens, and consequently these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves will not be used to liquidate these liabilities.

There was an increase of $32.2 million (10.9%) in *net investment in capital assets* for *governmental activities* versus the previous year. The increase was due to a net increase of $40.5 million in governmental capital and right-to-use assets for the current fiscal year and a decrease in financed purchases of $3.86 million due to alternative internal financing; offset by a reduction in unspent bond proceeds of $6.0 million, an increase in lease liability of $1.3 million and increase in subscription liability per the implementation of GASB #96 of $3.8 million, and an increase in capital related accounts payable of $1.1 million. The increase in governmental capital and right-to-use assets of $40.5 million resulted from capital asset additions of $57.89 million offset by depreciation expense of $23.86 million, and net capital asset retirements of $352 thousand, in addition to an increase in right-to-use lease assets of $1.2 million, net of accumulated amortization, and an increase in right-to-use subscription assets of $5.6 million, net of accumulated amortization.

Net investment in capital assets for business-type activities increased by $4.2 million (1.48%) versus the previous year (as restated) due to a net decrease in business-type bonds payable of $6.8 million due to scheduled principal payments, a decrease of $214 thousand in financed purchases versus the prior year, and a $1.6 million decrease in capital-related accounts and contracts payable; partially offset by a $3.5 million increase in business-type capital assets (net of accumulated depreciation) and a $876 thousand decrease in bond refunding deferred outflows.

An additional portion of the City's net position ($80.3 million or 6.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($615.55 million or 46.8%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Position

The following table reflects the changes in net position for the years ended September 30, 2023, and September 30, 2022:

City of Clearwater, Florida - Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
				Restated		Restated
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	$ 54,651,639	$ 50,827,327	$ 222,477,179	$ 217,723,842	$ 277,128,818	$ 268,551,169
Operating grants and contributions	11,427,048	31,434,799	-	83,528	11,427,048	31,518,327
Capital grants and contributions	3,708,872	1,821,315	2,608,400	5,182,740	6,317,272	7,004,055
General revenues:						
Property taxes	86,167,933	76,820,577	-	-	86,167,933	76,820,577
Sales taxes	26,876,285	26,167,426	-	-	26,876,285	26,167,426
Utility taxes	19,944,845	18,467,096	-	-	19,944,845	18,467,096
Communications services taxes	4,558,837	4,190,145	-	-	4,558,837	4,190,145
Local business tax	2,082,520	2,066,475	-	-	2,082,520	2,066,475
Local option gas tax	1,483,005	1,460,864	-	-	1,483,005	1,460,864
State revenue sharing	5,583,615	5,339,006	-	-	5,583,615	5,339,006
Other	9,785,725	(25,707,547)	7,888,051	(30,792,608)	17,673,776	(56,500,155)
Total revenues	226,270,324	192,887,483	232,973,630	192,197,502	459,243,954	385,084,985
Expenses						
General Government	20,433,617	14,809,908	-	-	20,433,617	14,809,908
Public Safety	121,525,470	96,123,391	-	-	121,525,470	96,123,391
Physical Environment	1,940,448	4,245,215	-	-	1,940,448	4,245,215
Transportation	19,600,447	18,496,930	-	-	19,600,447	18,496,930
Economic Environment	6,495,763	4,860,554	-	-	6,495,763	4,860,554
Human Services	2,162,743	745,854	-	-	2,162,743	745,854
Culture and Recreation	53,120,354	47,191,882	-	-	53,120,354	47,191,882
Interest on Long-term Debt	1,770,290	1,214,810	-	-	1,770,290	1,214,810
Water and Sewer Utility	-	-	94,446,651	88,560,740	94,446,651	88,560,740
Gas Utility	-	-	37,731,287	43,643,399	37,731,287	43,643,399
Solid Waste Utility	-	-	23,278,994	22,090,198	23,278,994	22,090,198
Stormwater Utility	-	-	12,109,333	11,874,808	12,109,333	11,874,808
Recycling Utility	-	-	3,810,190	3,163,881	3,810,190	3,163,881
Other	-	-	15,145,889	12,415,998	15,145,889	12,415,998
Total expenses	227,049,132	187,688,544	186,522,344	181,749,024	413,571,476	369,437,568
Increase in net position before transfers	(778,808)	5,198,939	46,451,286	10,448,478	45,672,478	15,647,417
Transfers	9,120	9,217,207	(9,120)	(9,217,207)	-	-
Increase in net position	(769,688)	14,416,146	46,442,166	1,231,271	45,672,478	15,647,417
Net position - beginning (restated)	641,581,074	627,164,928	626,675,972	625,444,701	1,268,257,046	1,252,609,629
Total net position - ending	$ 640,811,386	$ 641,581,074	$ 673,118,138	$ 626,675,972	$ 1,313,929,524	$ 1,268,257,046

Governmental Activities

Net position of governmental activities decreased by $0.8 million from $641.6 million to $640.8 million as of September 30, 2023. This represents a 0.1% decrease in net position for governmental activities.

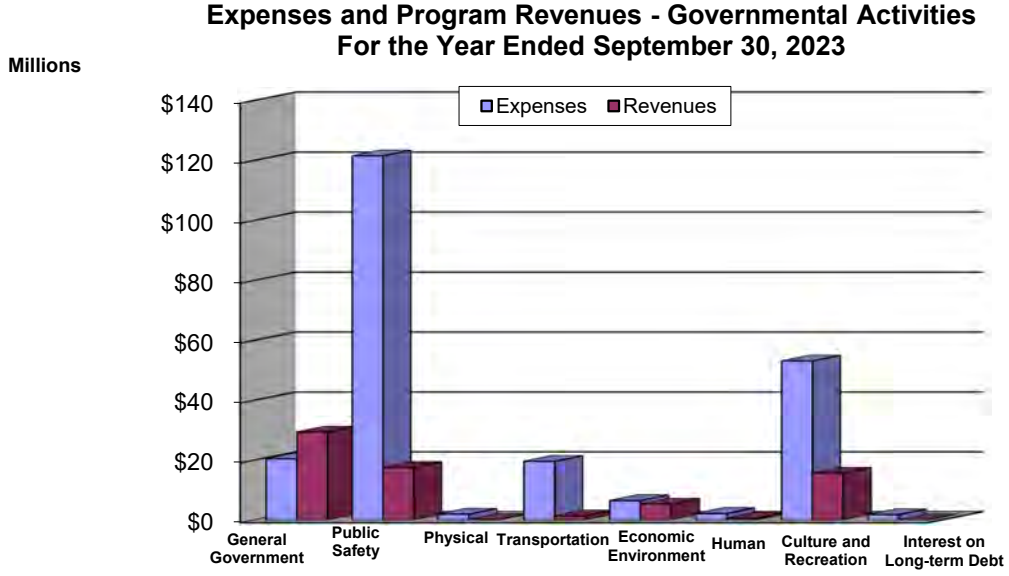
Total expenses for governmental activities increased by $39.36 million, or 21.0%, versus the prior year. Although increases were budgeted in every program due to rising personnel and operating costs, the most significant increases were experienced in the public safety program ($25.4 million), the culture and recreation program ($5.9 million) and the general government program ($5.6 million). The public safety increase was primarily due to a $23.3 million increase in pension expense due to the amortization of pension deferred outflows in the current year. The culture and recreation program had a similar increase in pension expense of $1.9 million, as well as increased personnel and operating expenses in support of the opening of the redeveloped Coachman Park and new amphitheater. The general government program increase was primarily due to the first full year of debt service payments on the non-ad valorem bonds ($1.8 million), $696 thousand in engineering costs allocated to general government in the current year, an increase in pension expense of $803 thousand due to amortization of pension deferred outflows in the current year, and salary and benefit increases across all departments.

Total program revenues for governmental activities decreased by $14.3 million, or 17.0%, versus the prior year. The decrease was primarily due to a decrease in operating grants and contributions of $20 million, or 64%, due to $22.5 million

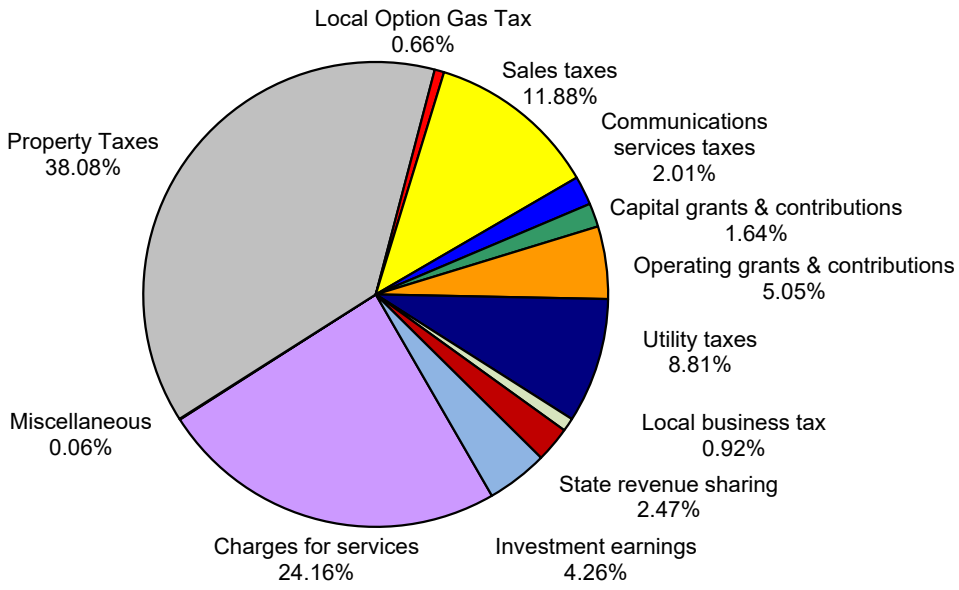
of ARPA grant funding received in fiscal 2022, partially offset by an increase in charges for services of $4.1 million, or 8.1%, resulting from increases across many revenue categories, including a $750 thousand increase in interfund service charges to the Parking System enterprise fund for increase beach police coverage, a $424 thousand, or 98% increase in revenues from ESPN & NFCA softball tournaments, and a $254 thousand, or 9.1% increase in revenue from beach umbrella rentals and concessions due to strong tourism and favorable weather.

Total general revenues for governmental activities increased by $47.7 million, or 43.8%, primarily due to an increase of $35.4 million in investment earnings from a reduction in unrealized valuation losses per market valuation of the City's investment portfolio. Also contributing to the increase was a $9.35 million, or 12.2%, increase in property taxes. Because the millage rate did not change from the previous year, the increase in property taxes is primarily due to an increase in taxable property values of approximately 11.1%, including new construction. The bulk of the increase is due to increases in current values, while new construction and annexations account for a smaller portion of the increase. Net transfers in from business-type activities decreased $9.2 million, primarily due to the fiscal 2023 transfer of $11.5 million from a governmental special revenue fund to the Marine business-type activity to fund future Marina renovations.

The cost of all governmental activities this year was $227.0 million. This reflects an increase of $39.36 million, or 21.0%, from the fiscal 2022 total of $187.7 million. However, as shown on the *Statement of Activities*, the amount that the City's taxpayers ultimately financed for fiscal 2023 activities totaled $157.3 million, because some of the cost was paid for by those who directly benefited from the programs ($54.7 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($15.1 million). This total of $157.3 million is $53.7 million, or 51.8%, greater than the fiscal 2022 amount financed from general revenues. A large contributor to this increase was an increase in fiscal 2023 pension expense due to a $50.7 million decrease in pension deferred outflows, partially offset by a $20.3 million increase in net pension asset and a $3.5 million increase in pension deferred inflows. Also contributing significantly was increased costs of salaries and benefits City-wide.



Revenues by Sources - Governmental Activities
For the Year Ended September 30, 2023



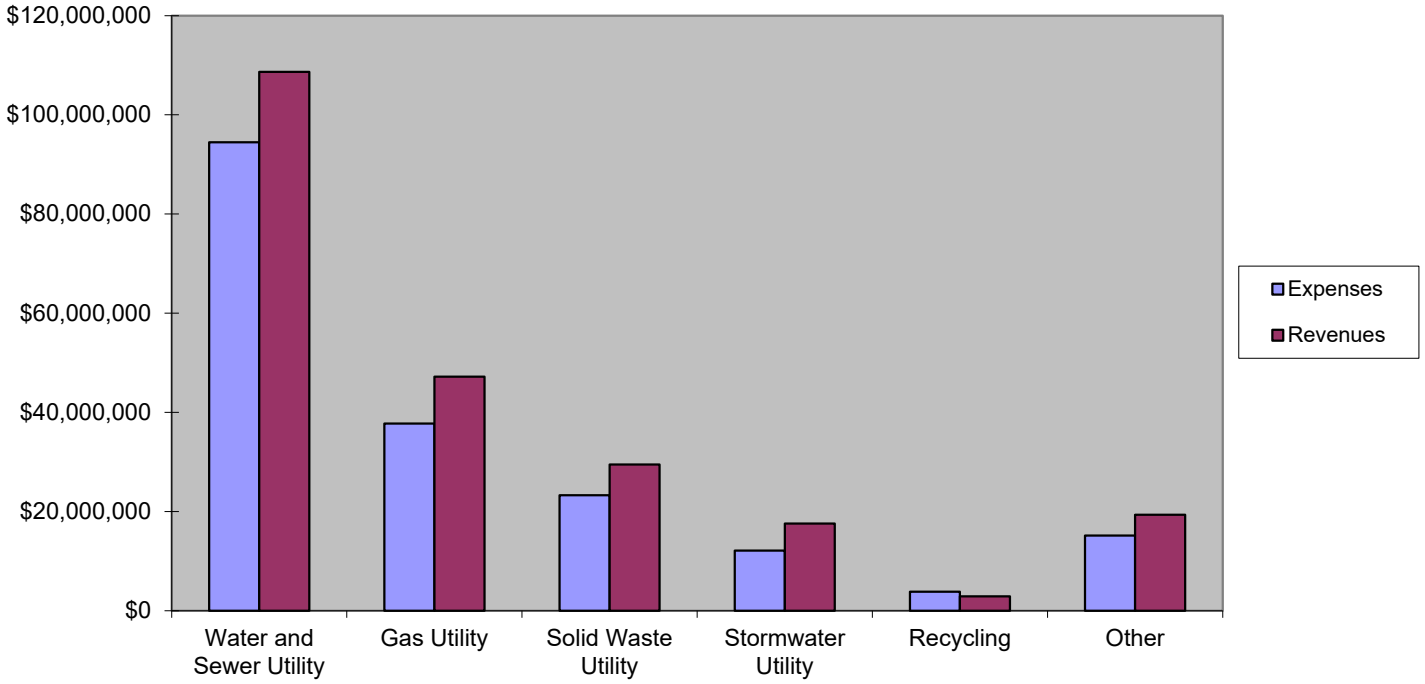
Business-type Activities

Net position for business-type activities increased by $46.4 million, from $626.7 million at September 30, 2022 (as restated), to $673.1 million as of September 30, 2023. This represents an increase of 7.4% in net position for business-type activities. Net revenue from business-type activities, before investment earnings and transfers, decreased from $41.24 million for the prior year (as restated) to $38.56 million for fiscal 2023. This $2.68 million, or 6.5%, decrease was primarily the result of an increase in program expenses of $4.8 million, or 2.6%, a decrease in grants and contributions of $2.7 million, or 50.5%, partially offset by an increase in charges for services of $4.8 million, or 2.2%.

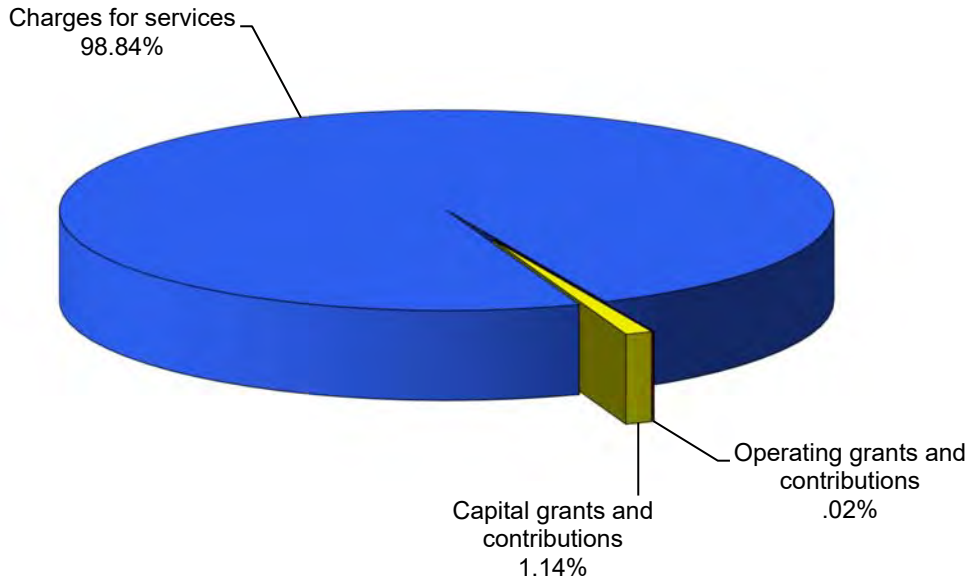
Total program revenues for business-type activities increased by $2.1 million, or 0.9%, to $225.1 million versus the prior year total of $223.0 million, due to an increase of $4.8 million (2.2%) in charges for services, primarily due to scheduled rate increases in the Water and Sewer, Stormwater, and Solid Waste Utility funds; partially offset by a decrease in grants and contributions of $2.7 million, or 50.5%, due to a $1.1 million decrease in capital contributions from City of Safety Harbor, a $521 thousand decrease in sewer taps revenue, a $470 thousand decrease in water and sewer contributions from developers and a $258 thousand decrease in water impact fees.

Total expenses for business-type activities increased by $4.8 million, or 2.6%, from $181.75 million in fiscal year 2022 (as restated) to $186.5 million for fiscal 2023. The most significant increases were in the Water & Sewer Utility ($5.9 million, or 6.6%), and the Parking System ($2.7 million, or 54%). These were partially offset by a decrease in the Gas Utility expenses of $5.9 million, or 13.5%. Net transfers out to governmental activities decreased $9.2, primarily due to a fiscal 2023 transfer from the Special Development governmental fund to the Marine Operations enterprise fund for capital project funding.

Expenses and Program Revenue - Business-type Activities
For the Year Ended September 30, 2023



Revenues by Source - Business-type Activities
For the Year Ended September 30, 2023



Financial Analysis of the City's Funds

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City reports the General Fund, Special Development Fund, Special Programs Fund, and Capital Improvement Fund as *major* governmental funds.

The City's governmental funds for the year ended September 30, 2023, reflect a combined *fund balance* of $180.93 million versus $194.15 million for the prior year, a decrease of $13.22 million. A total of $60.8 million, or 33.6%, represents *unassigned fund balance* available for spending at the government's discretion. The remainder of the fund balance is classified as *assigned* ($3.7 million or 2.0%) to indicate that it is intended to be used for specific purposes supported by management's intent; *committed* ($34.3 million or 19.0%) to indicate that it can be used only for the specific purposes determined by a formal vote of the City Council; *restricted* ($69.9 million or 38.6%) to indicate that it can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation; or *nonspendable* ($12.3 million or 6.8%) to indicate that it cannot be spent, or is legally or contractually required to remain intact.

The General Fund is the chief operating fund of the City. Fund balance increased from $59.3 million to $61.7 million, an increase of $2.4 million or 4.0% during the current fiscal year versus an decrease of $9.1 million for fiscal 2022. Expenditures increased $14.4 million (10.0%) primarily due to budgeted personal services cost increases across all departments, impact of inflation on operating costs, and internal service cost increases across all departments, including significant information technology and insurance increases. Also contributing to the increase was the addition of the Office of Innovation department in the current fiscal year ($658 thousand), as well as a $1.5 million increase in debt service costs for the first full year of debt service on the non-ad valorem revenue bonds. Total revenues increased by $28.9 million, or 18.7% for fiscal 2023. Significant increases contributing to the increase included a $13.1 million increase in investment earnings, from an investment loss of $9.7 million for fiscal 2022 to a $3.4 million gain for the current year. This improvement in earnings was due to increased realized interest rates as well as a significant reduction in the unrealized loss on investments at 9/30/2023 versus 9/30/2022, resulting from interest rate changes. Also contributing to the increase in total revenues was an $8.9 million, or 12.1% increase in property taxes due to taxable value increases; a $1.2 million, or 6.5%, increase in utility taxes and a $2.5 million, or 23.5%, increase in franchise fees, primarily due to increases in electric rates and electric usage; an increase in charges for services of $1.3 million, or 7.7%, largely due to an additional $750 thousand charged to the Parking System enterprise fund for increased police coverage at the beach; an increase of $1.0 million, or 5.6%, in state intergovernmental revenues due to a $419 thousand increase in half-cent sales tax, a $245 thousand increase in state revenue sharing, and a $289 thousand increase in state funding for public safety pensions; and a $518 thousand, or 4.9%, increase in local intergovernmental revenues primarily due to a $462 thousand increase in County reimbursement for emergency medical services costs. Transfers in decreased $21.2 million primarily due to the fiscal 2022 transfer of $22.5 million from the Special Programs Fund to recognize ARPA funding, while transfers out decreased $17.4 million, primarily due to the fiscal 2022 $20.1 million transferred back to the Special Programs Fund and to the Capital Improvement Fund for ARPA-designated initiatives.

The fund balance of the Special Development Fund decreased from $16.3 million to $12.9 million, a decrease of $3.4 million or 20.7%, during the current fiscal year versus an increase of $2.0 million for fiscal 2022. Total revenues increased by $6.3 million, or 33.6%, primarily due to an increase in investment earnings of $6.8 million, from a loss of $4.6 million in 2022 to a gain of $2.2 million during the current fiscal year. This improvement in earnings was due to increased realized interest rates as well as a significant reduction in the unrealized loss on investments at 9/30/2023 versus 9/30/2022, resulting from interest rate changes. Transfers out increased by $11.7 million, or 69.9%, primarily due to a transfer of $11.5 million in funding to the beach marina renovations capital project in the Marine Operations enterprise fund.

Fund balance in the Special Programs Fund decreased from $25.3 million to $22.9 million, a decrease of $2.4 million or 9.5% during the current fiscal year versus an increase of $8.1 million for fiscal 2022. Revenues decreased $16.2 million, or 68.1%, primarily in the intergovernmental revenue category due to the prior fiscal year 2022 recognition of $22.5 million in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) authorized by the American Rescue Plan Act (ARPA), offset by an increase of $4.0 million in investment earnings from an investment loss of $2.7 million for fiscal 2022 to a

$1.3 million gain for the current year. This improvement in earnings was due to increased realized interest rates as well as a significant reduction in the unrealized loss on investments at 9/30/2023 versus 9/30/2022, resulting from interest rate changes. Expenditures increased $3.9 million, or 82.6%, versus the prior fiscal year. Expenditure increases included a $1.9 million, or 220%, increase in the economic environment program primarily due to ARPA-related grants for North Greenwood CRA district ($945 thousand), affordable housing ($371 thousand) and business incubator ($150 thousand); a $1.3 million, or 318%, increase in the human services program due to ARPA-related grants to: the Pinellas Community Foundation ($275 thousand), grants to not-for-profits ($571 thousand), and educational grants ($375 thousand); a $540 thousand, or 20.8% increase in the public safety program primarily due to Police extra duty pay, and a $512 thousand, or 160%, increase in the culture and recreation program primarily due to $645 thousand in expenditures in the new Coachman Parks Events special program. Transfers in decreased $10.6 million, primarily due to prior fiscal year 2022 ARPA funding received from the General Fund for various programs. Transfers out decreased $20.2 million, primarily due to ARPA funds initially allocated to General Fund government operations as revenue recovery.

The fund balance for the Capital Improvement Fund decreased from $79.3 million to $66.6 million during the current fiscal year. This decrease of $12.7 million, or 16.0%, is primarily the result of current year capital project expenditures in excess of current year funding received from other funds. This is typical volatility for the Capital Improvement Fund due to timing differences between project funding and project spending.

The fund balances for Other (non-major) Governmental Funds posted an increase of $2.9 million (from $14.0 million to $16.9 million) during the current fiscal year, versus an increase of $2.7 million the previous year.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City reports the Water and Sewer Utility Fund, the Gas Utility Fund, the Solid Waste & Recycling Utility Fund, and the Stormwater Utility Fund as major funds.

The Water and Sewer Utility Fund realized a $14.9 million increase in net position versus a $2.9 million decrease for the prior year. Operating revenues increased by $3.7 million, or 3.6%, while operating expenses increased $5.9 million, or 7.1%. This resulted in a net decrease in operating income of $2.2 million from $19.2 million in fiscal 2022 to $17.0 million in 2023. The increase in operating revenues was primarily the result of a 3.0% rate increase effective October 1, 2022. Significant increases in operating expenses were a $2.4 million, or 19.1%, fiscal 2023 increase in personal services due to salary and benefit increases and increased pension expense due to amortization of deferred outflows and a $5.1 million, or 27.1% increase in repairs and maintenance expenses due to increased repair and replacement projects; partially offset by a $1.8 million, or 17.7%, decrease in professional fees for the current year. The decrease in professional fees is due to the prior fiscal 2022 increase resulting from costs in abandoned projects being reclassified from construction in progress assets to expense. Nonoperating revenue increased by $22.3 million, from a net expense of ($21.6) million for fiscal 2022 to a net revenue of $733 thousand for 2023. This improvement in earnings was due to increased realized interest rates as well as a significant reduction in the unrealized loss on investments at 9/30/2023 versus 9/30/2022, resulting from interest rate changes. Investment earnings increased by $22.4 million, from a loss of $17.0 million for fiscal 2022 to a gain of $5.4 million for the current year. Additionally, capital grants and contributions decreased by $2.4 million, or 48%, primarily due to a decrease in contributions from the City of Safety Harbor for improvements at the Northeast Wastewater Treatment Plant.

The Gas Utility Fund realized an increase of $8.7 million in net position versus a $295 thousand decrease for the prior year. Operating revenues decreased by $183 thousand, or (0.39)%, from the prior year, while operating expenses decreased by $5.8 million (13.5%). This resulted in a net increase in operating income of $5.6 million from $4.4 million in 2022 to $10.0 million in 2023. Operating revenues decreased primarily due to decreased natural gas rates due to market conditions, which is more than offset by a corresponding decrease in cost of purchases for resale. The decrease in operating expenses was primarily due to a decrease in purchases for resale of $5.5 million resulting from decreased natural gas commodity prices. Nonoperating revenue (expenses) increased by $3.35 million, from a net expense of ($2.98) million for fiscal 2022 to a net revenue of $367 thousand for 2023. This improvement in earnings was due to increased realized interest rates as well as a significant reduction in the unrealized loss on investments at 9/30/2023 versus 9/30/2022, resulting from interest rate changes. Investment earnings increased by $3.3 million, from a loss of $2.6 million for fiscal 2022 to a gain of $709 thousand for the current year.

The Solid Waste & Recycling Utility Fund realized a $5.8 million increase in net position versus a $2.2 increase in the prior year. Operating revenues increased by $1.1 million, or 3.4%, primarily due to a 3.75% rate increase effective October 1, 2022; while operating expenses increased by $2.3 million (9.6%), resulting in an decrease of $1.2 million in operating income. The increase in operating revenues was primarily due to a rate increase of 3.75% effective October 1, 2022. Operating expenses increased primarily due to a $1.2 million, or 14.5%, increase in personal services due to salary and benefit increases and increased pension expense due to amortization of deferred outflows and a $696 thousand, or 241% increase in professional fees due to increased recycling contractual services. Nonoperating revenue (expenses) increased by $4.7 million, from a net expense of ($3.8) million for fiscal 2022 to a net revenue of $889 thousand for 2023. This improvement in earnings was due to increased realized interest rates as well as a significant reduction in the unrealized loss on investments at 9/30/2023 versus 9/30/2022, resulting from interest rate changes. Investment earnings increased by $4.8 million, from a loss of $3.8 million for fiscal 2022 to a gain of $993 thousand for the current year.

The Stormwater Utility Fund realized an increase in net position of $5.4 million versus a prior year decrease of $75 thousand. Operating revenues increased by $273 thousand, or 1.6%, and operating expenses increased $707 thousand, or 6.5%, resulting in a decrease of $434 thousand, or 6.7%, in operating income. The increase in operating revenues was primarily due to a 1.75% rate increase effective October 1, 2022. Operating expenses increased primarily due to an increase of $276 thousand, or 8.8% in personal services due to salary and benefit increases and increased pension expense due to amortization of deferred outflows; along with a $305 thousand, or 91% increase in professional fees primarily due to $258 thousand of construction in progress for storm system improvements, Allen's Creek improvements, and Stevenson Creek improvements reclassified as expenses in fiscal 2023. Nonoperating revenue (expenses) increased from a net expense of ($4.5) million for fiscal 2022 to a net revenue of $738 thousand for 2023. The improvement was primarily due to investment earnings of $1.1 million for the current year versus an investment loss of $3.8 million in the prior year. This improvement in earnings was due to increased realized interest rates as well as a significant reduction in the unrealized loss on investments at 9/30/2023 versus 9/30/2022, resulting from interest rate changes.

Unrestricted net position and changes in net position of the proprietary funds for fiscal years 2023 and 2022:

	Unrestricted Net Position		Change in Net Position	
Fund	2023	2022	2023	2022
Water and Sewer Utility	$ 181,167,655	$171,595,982	$14,921,627	$ (2,903,563)
Gas Utility	33,967,142	28,738,358	8,690,876	(294,961)
Solid Waste & Recycling Utility	47,986,879	41,697,518	5,791,556	2,188,313
Stormwater Utility	45,965,826	40,889,102	5,352,196	(75,369)
Other funds	61,273,414	48,464,070	14,111,298	5,029,857
Totals	$ 370,360,916	$331,385,030	$48,867,553	$ 3,944,277

General Fund Budgetary Highlights

During fiscal 2023, the original adopted budget projected $171.1 million in revenues, $164.8 million in expenditures, and $(6.3) million in other financing sources for a balanced budget. The final amended budget reflected a projected deficiency of revenues over expenditures and other financing sources of $(10.3) million, primarily due to budget amendments to finance capital projects.

The original budget for expenditures of $164.8 million, while the final amended budget was $164.0 million, reflecting a $0.8 million decrease in appropriations.

Throughout the fiscal year there were supplemental appropriations for expenditures as follows:

- Increased expenditures with offsetting revenue increases for State public safety pensions for Fire ($563 thousand) and Police ($250 thousand)
- Increase to Fire salaries and wages of $210 thousand to fund retirements.
- Increase to City Manager department of $100 thousand to fund severance payouts per employment agreements
- Increase to non-departmental for land development of $127 thousand
- Increase to City Attorney's Office of $11 thousand to fund annual pay increase
- Decrease of $1.6 million per decrease in non-departmental and offsetting increase in transfers out for debt service
- Decreases due to salary savings of $400 thousand for Parks & Recreation
- Decrease of $115 thousand in Police overtime salaries and wages and offsetting increase in transfers out

The original budget for transfers out was $18.8 million versus a final amended budget of $37.0, reflecting an $18.2 million increase in appropriations.

Throughout the fiscal year there were supplemental appropriations for transfers out as follows:

- A transfer of $10 million to the MSB renovations capital project
- A transfer of $5 million to the new city hall capital project
- A transfer of $240 thousand to the old city hall demolition capital project
- A transfer of $611 thousand to fund the Special Events at Coachman Park special program
- A transfer of $169 thousand to The Sound Acoustic Study special program.
- A transfer of $150 thousand to the Clearwater Municipal Cemetery Renovations capital project
- A transfer of $250 thousand to the Parks & Beautification R&R capital project
- Debt service on non-ad valorem bonds of $1.8 million reclassified from non-departmental to transfers out
- Mid-Year Budget Amendments included an increase of $610,620 for transfers to the Special Programs special revenue fund for funding of opening events at Coachman Park; $168,500 for a transfer to the Special Programs special revenue fund for an acoustical study for The Sound amphitheater, $8,000 transferred from Office of Innovation to City Council to fund an agreement with the Clearwater Historical Society, and $4,500 of Police Department salary savings transferred to the mental health co-responder team special program in the Special Programs special revenue fund.

Final budgeted revenues reflect a net increase of $6.7 million, or 3.9%, from the original budget primarily due to:

- Increases in property taxes of $1.1 million at 3rd quarter to reflect actual property taxes received
- Increases in utility taxes of $1.3 million and franchise fees of $806 thousand at 3rd quarter, primarily due to increases in electric rates and residents' electric usage
- Increase in rents and leases of $1 million at 3rd quarter due to strong tourism and favorable weather
- Increase of $1 million to investment earnings at 3rd quarter due to interest rate increases
- Increase of $878 thousand in state intergovernmental state revenue sharing at 3rd quarter
- Increase of $813 thousand in state intergovernmental public safety supplemental pension revenue at 3rd quarter

Total actual revenues for the General Fund for fiscal 2023 were $5.6 million, or 3.1%, greater than final budgeted revenues. The increase was primarily due to: $1.2 million of franchise fees in excess of the final amended budget primarily due to increases in electric rates and usage; $1.7 million in investment earnings in excess of final budget due to increased realized interest rates as well as a significant reduction in the unrealized loss on investments at 9/30/2023 versus 9/30/2022, resulting from interest rate changes; $765 thousand of utility taxes in excess of final budget primarily due to increases in electric rates and usage; $428 thousand in communications services taxes in excess of final budget due to actual collections in excess of a conservative budget; and $634 thousand of rents and leases revenue in excess of final budgeted due to strong ticket sales for ESPN & NFCA softball tournaments.

Fiscal 2022 actual expenditures for the General Fund were $5.4 million, or 3.3%, less than final budgeted expenditures, primarily due to salary savings from vacancies and turnover across most City departments for fiscal 2023.

Capital and Right-to-Use Asset and Debt Administration

Capital and Right-to-Use Assets

Capital assets include land, buildings and building improvements, improvements other than buildings, machinery and equipment, and infrastructure. The infrastructure asset category includes long-lived capital assets, typically stationary in nature, such as roads, sidewalks, and bridges. *Right-to-use assets* include buildings and machinery and equipment accounted for in accordance with GASB Statement No. 87, *Leases*, implemented in fiscal 2022; and right-to-use software subscriptions accounted for in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, implemented in fiscal 2023. As of September 30, 2023, the City reported capital assets and right-to-use assets totaling $797,232,066 (net of accumulated depreciation and amortization).

City of Clearwater, Florida - Capital and Right-to-Use Assets*
(amounts in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	Restated 2022	2023	Restated 2022
Capital assets:						
Land	$ 94,477	$ 92,467	$ 30,650	$ 30,599	$ 125,127	$ 123,066
Buildings	95,350	81,694	56,394	58,714	151,744	140,408
Improvements other than buildings	111,953	30,651	294,943	301,998	406,896	332,649
Machinery and equipment	26,216	24,715	8,187	7,547	34,403	32,262
Infrastructure	39,147	36,999	-	-	39,147	36,999
Construction in progress	1,979	68,923	29,663	24,445	31,642	93,368
Total capital assets, net	369,122	335,449	419,837	423,303	788,959	758,752
Right-to-use assets:						
Lease buildings	1,696	579	-	-	1,696	579
Lease machinery and equipment	940	812	-	-	940	812
Subscription software	5,637	-	-	-	5,637	-
Total right-to-use assets, net	8,273	1,391	-	-	8,273	1,391
Total capital and right-to-use assets, net	$ 377,395	$ 336,840	$ 419,837	$ 423,303	$ 797,232	$ 760,143

* Net of accumulated depreciation and amortization

Net capital and right-to-use assets for the City's *governmental activities* increased from $336.8 million (as restated) to $377.4 million, reflecting an increase of $40.55 million for the current fiscal year. Capital asset fiscal 2023 additions of $57.9 million were offset by depreciation expense of $23.9 million, and net capital asset retirements totaling approximately $352 thousand. Right-to-use lease assets increased $1.2 million due to current year additions of $2.2 million offset by $982 thousand in current year amortization. Right-to-use subscription assets increased by $5.8 million due to the implementation of GASB Statement No. 96 in fiscal 2023. Major fiscal 2023 completed governmental capital projects include $81.2 million for Coachman Park improvements; $8.8 million for Fire Station #46; $12.3 million for Police District 3 Substation, $5.6 million for Downtown East Gateway Streetscaping, and $2.6 million for Del Oro Park renovations and improvements.

Net capital assets for the City's *business-type activities* decreased from $423.3 million (as restated) to $419.8 million, reflecting a decrease of $3.5 million for the current fiscal year. Capital asset additions of $17.7 million were offset by depreciation expense of $21.05 million, and net capital asset retirements totaling $104 thousand. Major fiscal 2023 completed business-type capital projects include $2.5 million for a blend tank mixer at the Marshall Street wastewater treatment plant; $5.3 million of stormwater system improvements, and $4.3 million of gas system improvements

Additional information on the City's capital assets can be found in Note III (D), and information on right-to-use assets can be found in Note III (E) and Note III (F) of the notes to the financial statements.

Long-term debt and other long-term liabilities

The City's total long-term liabilities decreased from $236.76 million to $226.44 million, a decrease of $10.32 million, or 4.4%. Long-term liabilities for governmental activities decreased by $2.3 million, or 2.7%, while long-term liabilities for business-type activities decreased by $8.0 million or 5.3%. Key factors contributing to these changes included:

- The decrease in long-term liabilities of $2.3 million for governmental activities is primarily due to a decrease in financed purchases of $3.9 million due to alternative internal financing; a decrease of $6.2 million due to elimination of the net pension liability in fiscal 2023; offset by increases in lease liability of $1.3 million, subscription liability of $3.7 million due to fiscal year 2023 implementation of GASB #96, increase in claims payable of $2.0 million due to claims experience; and increase in other postemployment benefits liability of $988 thousand.

- The decrease in long-term liabilities of $8.0 million for business-type activities is primarily due to a reduction in total bonds payable of $6.8 million from scheduled principal payments and elimination of the net pension liability of $817 thousand in fiscal 2023.

- The City's bonds payable as of September 30, 2023, consists entirely of revenue bonds and direct placement bank loans (secured solely by specified revenue sources) with no general obligation debt or special assessment debt outstanding. Governmental activities revenue bonds totaled $34.3 million while revenue bonds and direct placement bank loans for business-type activities totaled $134.0 million.

The City's Charter limits indebtedness to 20% of the assessed valuation of non-exempt real estate. The current debt limitation is approximately $3.6 billion, which is significantly in excess of the City's applicable indebtedness of approximately $159.0 million at September 30, 2023.

Additional information on the City's long-term debt can be found in Note III (J) of the notes to the financial statements.

Economic Factors and Year 2024 Budgets and Rates

Factors considered in preparing the City of Clearwater's budget for fiscal year 2024 included:

- Taxable property values for 2023 have increased by approximately 11.1%, from $15.2 billion to $16.9 billion, including new construction. The bulk of this increase ($1.57 billion) is related to increases in current real estate values, while the value of new construction and annexations totals $106.9 million. Taxable values have experienced a significant increase again this year due to the real estate market in the Tampa Bay area. Clearwater residents that qualify for homestead will recognize the Save Our Homes cap which limits the increase in assessed value to a cap of 3%, well below the actual growth in the real estate market. The approved millage rate of 5.8850 mills for fiscal year 2024 is the same as in the prior year. The millage was decreased by 0.07 mills in fiscal year 2023.
- Total full-time equivalent (FTE) positions for 2023/24 are budgeted at 1,891.9 FTEs for all City operations, an increase of 14.9 FTEs from the 2022/23 amended budget. In the General Fund, this represents a net increase of 14.9 for a total of 1,167.8 FTEs. All other funds total 724.1 FTEs, the same as the current amended budget.
- The actuary report for the Employees' Pension Plan as of January 1, 2023, indicates that a minimum required City contribution of $13.5 million, equivalent to 13.40% of total covered payroll, is required for fiscal year 2023/24. This is an increase of approximately $751,000 from the City's fiscal year 2022/23 required contribution of $12.8 million. The plan's credit balance, which reflects actual contributions in excess of actuarial required contributions in prior years, increased from $33.82 million to $35.64 million during calendar year 2022, primarily due to interest earned on the credit balance. This credit balance is available to subsidize volatile employer contribution requirements during future investment market downturns. The proposed budget plans for a contribution rate of 7.26% for non-hazardous and 21.89% of hazardous covered payroll in fiscal year 2023/24, as provided in the actuarial valuation.
- For fiscal year 2023/24, the cost of medical care for employees is budgeted at $23.5 million across all City operations, representing an estimated 5.3% increase. Included in this total is $1.7 million to fund the operating costs of the employee health clinic. The budgeted cost for medical care to the General Fund is estimated at $14.6 million, an increase of $0.8 million, or 6%, over the current budget. Total cost for health insurance, to include coverage of dependents and retirees, is estimated at $25 million, which is budgeted in the Central Insurance Fund. Revenues from payroll deductions are budgeted to offset this expense.
- A water and sewer utility rate study update was completed in June 2023. This rate study confirmed the previously adopted plan of 3% annual increases effective each October 1 through fiscal year 2027, but projected the need for 4% annual increases beginning with fiscal year 2028. A gas utility rate study was completed in December 2023, which projected the financial position of the Gas Fund through 2028 and a cost-of-service analysis for each of the various classes of customers served. The rate study confirmed that current rates adopted per the previous December 2020 rate study were adequate, with some minor net revenue neutral adjustments between rate and customer categories. A solid waste and recycling rate study update was completed in May 2021, and confirmed the current rate structure approved by the City Council in August 2019. Effective each October 1, rates will

increase by 3.75% annually, through fiscal year 2024. A stormwater rate study was completed in July 2022. Based upon this rate study, 1.75% annual increases were approved by the City Council in September 2022, effective October 1, 2022 through fiscal year 2027.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in our government and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Clearwater, Finance Department, 100 South Myrtle Avenue, Clearwater, Florida 33756-5520.

Basic Financial Statements

City of Clearwater, Florida
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 257,145,010	$ 364,922,999	$ 622,068,009
Receivables (net)	13,532,293	23,701,254	37,233,547
Internal balances	6,379,732	(6,379,732)	-
Due from other governments	9,273,174	746,600	10,019,774
Prepaid items	4,058,072	349,460	4,407,532
Inventories	619,396	5,003,650	5,623,046
Restricted assets:			
Cash and investments	-	24,685,689	24,685,689
Net pension asset	16,348,471	2,076,265	18,424,736
Capital assets:			
Land	94,477,071	30,649,872	125,126,943
Buildings	95,350,409	56,393,968	151,744,377
Improvements other than buildings	111,952,532	294,943,326	406,895,858
Machinery and equipment	26,216,344	8,186,625	34,402,969
Infrastructure	39,146,914	-	39,146,914
Construction in progress	1,979,131	29,662,755	31,641,886
Intangible right-to-use lease assets, net of accumulated amortization	2,636,270	-	2,636,270
Intangible right-to-use subscription assets, net of accumulated amortization	5,636,849	-	5,636,849
Total assets	684,751,668	834,942,731	1,519,694,399
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - bond refunding	-	7,152,488	7,152,488
Deferred outflows - pension	72,103,091	9,943,599	82,046,690
Deferred outflows - other postemployment benefits	546,824	228,604	775,428
Total deferred outflows of resources	72,649,915	17,324,691	89,974,606
LIABILITIES			
Accounts payable and other current liabilities	13,216,515	12,289,474	25,505,989
Accrued liabilities	2,580,200	734,271	3,314,471
Accrued interest payable	724,158	300,607	1,024,765
Due to other governments	479,130	-	479,130
Deposits	5,300	77,011	82,311
Unearned revenue and liens	9,705	-	9,705
Payable from restricted assets:			
Construction contracts payable	-	1,549,666	1,549,666
Accrued interest payable	-	1,643,185	1,643,185
Customer deposits	-	9,724,062	9,724,062
Bonds payable	-	4,644,166	4,644,166
Non-current liabilities due within one year:			
Compensated absences	6,159,518	1,227,227	7,386,745
Other postemployment benefits	746,796	312,204	1,059,000
Financed purchases	2,065,510	173,906	2,239,416
Lease liability	812,118	-	812,118
Subscription liability	2,014,413	-	2,014,413
Bonds payable	530,000	1,505,834	2,035,834
Claims payable	4,580,901	-	4,580,901
Long-term debt and liabilities:			
Compensated absences	3,789,975	755,120	4,545,095
Other postemployment benefits	16,264,418	6,799,461	23,063,879
Financed purchases	1,449,304	145,303	1,594,607
Lease liability	1,836,939	-	1,836,939
Subscription liability	1,731,525	-	1,731,525
Bonds payable	33,819,113	127,868,700	161,687,813
Claims payable	7,207,414	-	7,207,414
Total liabilities	100,022,952	169,750,197	269,773,149
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - business tax receipts	1,600,564	-	1,600,564
Deferred inflows - pension	5,924,099	818,266	6,742,365
Deferred inflows - other postemployment benefits	6,219,060	2,599,925	8,818,985
Deferred inflows - leases	2,823,522	5,980,896	8,804,418
Total deferred inflows of resources	16,567,245	9,399,087	25,966,332
NET POSITION			
Net investment in capital assets	328,830,303	289,246,103	618,076,406
Restricted for:			
Capital projects	47,158,213	-	47,158,213
Debt service	632,624	6,019,478	6,652,102
Renewal and replacement	-	1,854,730	1,854,730
Grant programs	2,277,342	-	2,277,342
Impact fees	-	3,922,919	3,922,919
Stormwater system fees	-	14,318	14,318
Pensions	16,348,471	2,076,265	18,424,736
Unrestricted	245,564,433	369,984,325	615,548,758
Total net position	$ 640,811,386	$ 673,118,138	$ 1,313,929,524

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

City of Clearwater, Florida
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 20,433,617	$ 29,115,802	$ -	$ -	$ 8,682,185	$ -	$ 8,682,185
Public safety	121,525,470	14,022,022	3,246,712	340,180	(103,916,556)	-	(103,916,556)
Physical environment	1,940,448	31,716	25,000	78,004	(1,805,728)	-	(1,805,728)
Transportation	19,600,447	136,035	845,400	424,338	(18,194,674)	-	(18,194,674)
Economic environment	6,495,763	132,756	5,146,425	-	(1,216,582)	-	(1,216,582)
Human services	2,162,743	-	626,721	-	(1,536,022)	-	(1,536,022)
Culture and recreation	53,120,354	11,213,308	1,536,790	2,866,350	(37,503,906)	-	(37,503,906)
Interest on long-term debt	1,770,290	-	-	-	(1,770,290)	-	(1,770,290)
Total governmental activities	227,049,132	54,651,639	11,427,048	3,708,872	(157,261,573)	-	(157,261,573)
Business-type activities:							
Water & Sewer Utility	94,446,651	106,132,661	-	2,513,404	-	14,199,414	14,199,414
Gas Utility	37,731,287	47,171,644	-	-	-	9,440,357	9,440,357
Solid Waste Utility	23,278,994	29,480,906	-	-	-	6,201,912	6,201,912
Stormwater Utility	12,109,333	17,573,376	-	-	-	5,464,043	5,464,043
Recycling Utility	3,810,190	2,874,067	-	-	-	(936,123)	(936,123)
Marine	5,647,586	6,880,629	-	49,192	-	1,282,235	1,282,235
Aviation	477,597	268,872	-	45,804	-	(162,921)	(162,921)
Parking System	7,761,495	11,155,136	-	-	-	3,393,641	3,393,641
Clearwater Harbor Marina	1,259,211	939,888	-	-	-	(319,323)	(319,323)
Total business-type activities	186,522,344	222,477,179	-	2,608,400	-	38,563,235	38,563,235
Total primary government	$ 413,571,476	$ 277,128,818	$ 11,427,048	$ 6,317,272	(157,261,573)	38,563,235	(118,698,338)
		General revenues:					
		Taxes:					
		Property taxes			86,167,933	-	86,167,933
		Sales taxes			26,876,285	-	26,876,285
		Utility taxes			19,944,845	-	19,944,845
		Communications services taxes			4,558,837	-	4,558,837
		Local business tax			2,082,520	-	2,082,520
		Local option gas tax			1,483,005	-	1,483,005
		Intergovernmental:					
		State revenue sharing - unrestricted			5,583,615	-	5,583,615
		Investment earnings (loss)			9,640,086	7,888,051	17,528,137
		Miscellaneous			145,639	-	145,639
		Transfers			9,120	(9,120)	-
		Total general revenues and transfers			156,491,885	7,878,931	164,370,816
		Change in net position			(769,688)	46,442,166	45,672,478
		Net position - beginning (as previously reported)			641,581,074	626,194,119	1,267,775,193
		Prior period adjustment (See Note IV.H.)			-	481,853	481,853
		Net position - beginning (restated)			641,581,074	626,675,972	1,268,257,046
		Net position - ending			$ 640,811,386	$ 673,118,138	$ 1,313,929,524

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

City of Clearwater, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS						
Cash and investments	$ 62,333,254	$ 10,179,606	$ 21,419,871	$ 55,879,131	$ 17,280,995	$ 167,092,857
Receivables (net where applicable, of allowances for estimated uncollectible amounts):						
Accrued interest	371,545	109,903	80,738	37,763	47,781	647,730
Accounts and contracts	418,164	-	-	-	-	418,164
Mortgages, notes and other loans	-	-	3,776,012	-	2,413,919	6,189,931
Property taxes	49,261	5,229	-	-	-	54,490
Utility taxes	1,542,199	-	-	-	-	1,542,199
Franchise fees	1,249,649	-	-	-	-	1,249,649
Leases	2,856,745	-	-	-	-	2,856,745
Other	244,914	-	150	-	-	245,064
Due from other funds	-	-	-	5,118,817	-	5,118,817
Due from other governmental entities - grants	-	-	416,781	2,789,964	-	3,206,745
Due from other governmental entities - other	2,688,654	3,016,363	240,615	120,330	-	6,065,962
Inventories, at cost	98,976	-	-	-	-	98,976
Prepaid items	1,808	-	-	-	-	1,808
Advances to other funds	-	-	325,440	10,808,529	-	11,133,969
Total assets	$ 71,855,169	$ 13,311,101	$ 26,259,607	$ 74,754,534	$ 19,742,695	$ 205,923,106
LIABILITIES						
Accounts and contracts payable	$ 1,668,109	$ -	$ 415,776	$ 8,177,317	$ 84,092	$ 10,345,294
Accrued payroll	2,303,843	-	45,955	-	-	2,349,798
Due to other funds	286,705	-	-	-	-	286,705
Due to other governments	66,439	364,676	15	-	48,000	479,130
Deposits	5,300	-	-	-	-	5,300
Unearned revenue	180,324	-	9,706	-	-	190,030
Advances from other funds	956,353	-	-	-	325,440	1,281,793
Total liabilities	5,467,073	364,676	471,452	8,177,317	457,532	14,938,050
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - business tax receipts	1,600,564	-	-	-	-	1,600,564
Deferred inflows - unavailable property tax revenues	49,261	5,229	-	-	-	54,490
Deferred inflows - unavailable code enforcement lien revenues	258,327	-	-	-	-	258,327
Deferred inflows - unavailable mortgage note revenues	-	-	2,737,413	-	2,413,919	5,151,332
Deferred inflows - unavailable intergovernmental revenues	-	-	164,063	-	-	164,063
Deferred inflows - leases	2,823,522	-	-	-	-	2,823,522
Total deferred inflows of resources	4,731,674	5,229	2,901,476	-	2,413,919	10,052,298
FUND BALANCES						
Nonspendable	100,784	-	1,364,039	10,808,529	-	12,273,352
Restricted	-	10,090,333	9,023,573	33,882,953	16,871,244	69,868,103
Committed	-	-	12,446,890	21,885,735	-	34,332,625
Assigned	751,963	2,850,863	52,177	-	-	3,655,003
Unassigned	60,803,675	-	-	-	-	60,803,675
Total fund balances	61,656,422	12,941,196	22,886,679	66,577,217	16,871,244	180,932,758
Total liabilities, deferred inflows and fund balances	$ 71,855,169	$ 13,311,101	$ 26,259,607	$ 74,754,534	$ 19,742,695	$ 205,923,106

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

City of Clearwater, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2023

Total fund balances of governmental funds		$ 180,932,758
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets totals $730,975,399 and the accumulated depreciation totals $361,852,998.		369,122,401
Intangible right-to-use assets used in governmental activities are not financial resources and therefore are not recognized in the funds:		
Lease assets and subscription assets		9,903,226
Accumulated amortization of lease assets and subscription assets		(1,630,107)
Unavailable revenues that are not available as financial resources in the current period and therefore are not recognized in the funds:		
Deferred inflows - mortgage notes	$ 5,151,332	
Deferred inflows - intergovernmental revenues	164,063	
Accrued property taxes	54,490	
Accrued liens	415,275	
Accrued permit fees	23,377	
		5,808,537
The net pension asset related to governmental activities does not represent financial resources and is not reported in the funds.		16,348,471
Deferred outflows relating to deferred amounts on bond refundings, pensions, and OPEB are not financial resources and, therefore, are not reported in the funds		72,649,915
Deferred inflows relating to pensions and other postemployment benefits are not current liabilities or financial uses and, therefore, are not reported in the funds		(12,143,159)
Accrued pollution remediation obligation expenses are not financial uses and, therefore, are not reported in the funds.		(160,683)
Accrued general long-term debt, lease and subscription interest expenses are not financial uses and, therefore, are not reported in the funds.		(686,018)
The assets and liabilities of the internal service funds (funds used to charge the costs of certain activities to individual funds) are included in the governmental activities in the statement of net position.		
Net position of internal service funds	91,288,040	
Less: Capital assets included in total governmental capital assets above	(24,541,479)	
Less: Lease assets included in total governmental capital assets above	(1,001,374)	
Less: Subscription assets included in total governmental capital assets above	(5,373,111)	
Less: Net pension asset included in total governmental net pension asset above	(640,511)	
Less: Deferred outflows included in total governmental above	(3,131,362)	
Add: Deferred inflows included in total governmental above	978,495	
Add: Financed purchases included in total governmental below	3,155,796	
Add: Lease liabilities included in total governmental below	1,001,958	
Add: Subscription liabilities included in total governmental below	3,566,103	
Add: Compensated absences included in total governmental below	810,988	
Add: Other postemployment benefits included in total governmental below	1,898,849	
Less: Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	3,781,613	
		71,794,005
Lease interest revenues are not recognized in the current period because the resources are not available and, therefore, are not reported in the funds.		4,482
Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the funds.		
Long-term liabilities at year-end consist of:		
Bonds payable	(31,944,061)	
Add: Issuance premium (to be amortized as a reduction of interest expense)	(2,405,052)	
Financed purchases	(3,514,814)	
Lease liabilities	(2,649,057)	
Subscription liabilities	(3,745,938)	
Other postemployment benefits	(16,924,027)	
Compensated absences	(9,949,493)	
		(71,132,442)
Total net position of governmental activities		$ 640,811,386

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

City of Clearwater, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 82,061,583	$ 4,105,687	$ -	$ -	$ -	$ 86,167,270
Sales	-	16,875,895	-	-	-	16,875,895
Utility	19,944,845	-	-	-	-	19,944,845
Communications services	4,558,837	-	-	-	-	4,558,837
Other taxes	2,082,520	1,483,005	-	-	-	3,565,525
Total taxes	108,647,785	22,464,587	-	-	-	131,112,372
Franchise fees	13,048,736	-	-	-	-	13,048,736
Licenses, permits, and fees	3,968,622	514,673	-	-	-	4,483,295
Intergovernmental:						
Federal	-	-	1,773,745	1,493,242	-	3,266,987
State	19,557,633	-	25,619	1,317,137	1,176,152	22,076,541
Local	11,021,530	-	491,440	340,180	2,649,416	14,502,566
Total intergovernmental	30,579,163	-	2,290,804	3,150,559	3,825,568	39,846,094
Charges for services	17,810,784	-	1,999,512	4,409	-	19,814,705
Fines and forfeitures	1,426,817	-	510,784	-	-	1,937,601
Investment earnings (loss):						
Interest	2,239,350	694,741	551,616	262,595	330,018	4,078,320
Net appreciation (depreciation) in fair value	1,206,841	1,492,231	712,902	-	(63,486)	3,348,488
Total investment earnings (loss)	3,446,191	2,186,972	1,264,518	262,595	266,532	7,426,808
Rents and leases	3,030,129	-	-	-	-	3,030,129
Miscellaneous	1,426,859	-	1,503,995	25,746	81,504	3,038,104
Total revenues	183,385,086	25,166,232	7,569,613	3,443,309	4,173,604	223,737,844
EXPENDITURES						
Current:						
General government	18,319,983	-	145,592	1,277,940	-	19,743,515
Public safety	90,872,019	-	3,140,695	946,380	-	94,959,094
Physical environment	1,671,430	-	28,458	104,159	-	1,804,047
Transportation	6,855,256	-	-	7,944,399	-	14,799,655
Economic environment	2,496,988	-	2,758,021	-	1,074,503	6,329,512
Human services	243,668	-	1,694,716	186,302	-	2,124,686
Culture and recreation	37,937,816	-	831,538	3,332,513	-	42,101,867
Debt service:						
Principal	430,214	-	-	27,184	829,405	1,286,803
Interest & fiscal charges	45,063	-	-	66	1,142,404	1,187,533
Capital outlay	-	-	72	47,405,089	2,039,580	49,444,741
Total expenditures	158,872,437	-	8,599,092	61,224,032	5,085,892	233,781,453
Excess (deficiency) of revenues over (under) expenditures	24,512,649	25,166,232	(1,029,479)	(57,780,723)	(912,288)	(10,043,609)
OTHER FINANCING SOURCES (USES)						
Transfers in	12,514,215	-	1,455,900	46,845,872	9,508,079	70,324,066
Transfers out	(36,730,631)	(28,545,390)	(2,825,742)	(1,746,961)	(5,737,226)	(75,585,950)
Proceeds from the sale of capital assets	202,924	-	-	8,475	-	211,399
Proceeds from lease obligations	1,540,422	-	-	-	-	1,540,422
Proceeds from subscription obligations	330,392	-	-	-	-	330,392
Total other financing sources (uses)	(22,142,678)	(28,545,390)	(1,369,842)	45,107,386	3,770,853	(3,179,671)
Net change in fund balances	2,369,971	(3,379,158)	(2,399,321)	(12,673,337)	2,858,565	(13,223,280)
Fund balances - beginning	59,286,451	16,320,354	25,286,000	79,250,554	14,012,679	194,156,038
Fund balances - ending	$ 61,656,422	$ 12,941,196	$ 22,886,679	$ 66,577,217	$ 16,871,244	$ 180,932,758

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

City of Clearwater, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023

Net change in fund balances - total governmental funds		$ (13,223,280)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those costs over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital assets	$ 49,693,983	
Less current year depreciation	(14,043,269)	
Expenditures for lease assets and subscription assets	1,845,529	
Amortization of lease assets and subscription assets	(383,062)	
		37,113,181
The net book value of capital asset dispositions is reported in the Statement of Activities but does not require the use of current financial resources and therefore is not reported in the funds.		(151,088)
The issuance of long-term debt provides current financial resources to governmental funds; however issuance of long-term debt increases long-term liabilities in the Statement of Net Position. In the current year these amounts are:		
Proceeds from lease obligations		(1,540,422)
Proceeds from subscription obligations		(330,392)
Deferred outflows and deferred inflows are not current resources or uses of current financial resources and consequently are not reported in the funds:		
Current year change in deferred outflows		(51,050,257)
Current year change in deferred inflows		5,054,151
Repayment of long term debt principal is an expenditure in the governmental funds; however, the repayment reduces long-term liabilities in the Statement of Net Position. Current year amounts are:		
Revenue bond principal payments	310,000	
Lease liability principal payments	306,841	
Subscription liability principal payments	150,557	
Financed purchase principal payments	519,405	
		1,286,803
Net pension asset is not a current financial resource and consequently is not reported in the funds; however, it is an asset in the Statement of Net Position.		
Current year change in the net pension asset		20,317,840
Liability for other post-employment benefits (OPEB) does not require the use of current financial resources and consequently is not reported in the funds; however, it is a liability in the Statement of Net Position.		
Current year change in the liability for other postemployment benefits		(942,321)
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 the governmental funds:		
Current year change in compensated absences	(92,059)	
Amortization of bond discounts and premiums	72,334	
Current year change in pollution remediation obligation	16,495	
Current year change in accrued interest expense	(382,390)	
		(385,620)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Current year change in accrued property taxes receivable		663
Current year change in accrued liens receivable		(43,759)
Current year change in accrued lease interest receivable		(7,410)
Current year change in deferred permit fees		2,600
The net revenues of internal service funds (funds used to charge the costs of certain activities to individual funds) for governmental activities are reported in the Statement of Activities but not in the governmental funds.		3,129,623
Total change in net position of governmental activities		$ (769,688)

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

City of Clearwater, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Taxes:				
Property	$ 80,964,710	$ 82,044,210	$ 82,061,583	$ 17,373
Utility taxes	17,890,000	19,180,090	19,944,845	764,755
Communications services	4,130,000	4,130,000	4,558,837	428,837
Other taxes	2,300,000	2,100,000	2,082,520	(17,480)
Total taxes	105,284,710	107,454,300	108,647,785	1,193,485
Franchise fees	11,000,000	11,806,100	13,048,736	1,242,636
Licenses, permits, and fees	3,908,500	3,663,500	3,968,622	305,122
Intergovernmental:				
State	17,822,369	19,473,232	19,557,633	84,401
Local	10,946,351	10,816,351	11,021,530	205,179
Total intergovernmental	28,768,720	30,289,583	30,579,163	289,580
Charges for services	17,218,270	17,643,270	17,810,784	167,514
Fines and forfeitures	1,439,000	1,439,000	1,426,817	(12,183)
Investment earnings (loss):				
Interest	800,000	1,800,000	2,171,170	371,170
Net appreciation (depreciation) in fair value	-	-	1,206,841	1,206,841
Total investment earnings (loss)	800,000	1,800,000	3,378,011	1,578,011
Rents and leases	1,920,000	2,920,000	3,098,309	178,309
Miscellaneous	792,759	792,758	1,426,859	634,101
Total revenues	171,131,959	177,808,511	183,385,086	5,576,575
EXPENDITURES				
General government				
City Council	421,756	496,106	436,366	59,740
City Manager's Office	1,031,245	1,131,245	1,056,446	74,799
City Attorney's Office	2,549,409	2,560,279	2,356,934	203,345
Office of Innovation	839,534	831,534	658,011	173,523
Official Records & Legislative Services	1,274,878	1,274,878	1,013,896	260,982
Public Communications	1,548,275	1,548,275	1,439,337	108,938
Finance	2,938,832	2,938,832	2,849,033	89,799
Human Resources	1,918,965	1,918,965	1,609,894	309,071
Non-Departmental	4,933,031	3,393,871	4,593,299	(1,199,428)
Public Works	642,411	722,012	695,533	26,479
Planning	1,796,311	1,796,311	1,558,837	237,474
City Auditor's Office	372,930	372,930	338,727	34,203
Total general government	20,267,577	18,985,238	18,606,313	378,925
Public safety				
Police	53,113,768	53,243,837	52,669,149	574,688
Fire	32,949,476	33,722,300	33,005,009	717,291
Development & Neighborhood Services	5,530,714	5,530,714	4,898,356	632,358
Public Works	462,091	462,091	444,503	17,588
Total public safety	92,056,049	92,958,942	91,017,017	1,941,925
Physical environment				
Public Works	2,193,308	2,193,308	1,671,430	521,878
Total physical environment	2,193,308	2,193,308	1,671,430	521,878
Transportation				
Public Works	7,087,558	7,087,558	6,232,935	854,623
Parks and Recreation	408,015	283,331	200,756	82,575
Public Utilities	412,520	412,520	421,565	(9,045)
Total transportation	7,908,093	7,783,409	6,855,256	928,153
Economic environment				
CRA Administration	691,422	691,422	658,264	33,158
Economic Development	2,019,501	1,982,010	1,882,673	99,337
Total economic environment	2,710,923	2,673,432	2,540,937	132,495
Human Services				
Human Resources / Equity Services	314,541	314,541	243,668	70,873
Total human services	314,541	314,541	243,668	70,873
Culture and recreation				
Parks and Recreation	28,843,138	28,553,220	27,818,212	735,008
Library	8,704,039	8,704,039	8,302,536	401,503
Public Works	317,688	317,688	305,596	12,092
Marine	1,491,046	1,491,046	1,511,472	(20,426)
Total culture and recreation	39,355,911	39,065,993	37,937,816	1,128,177
Total expenditures	164,806,402	163,974,863	158,872,437	5,102,426
Excess (deficiency) of revenues over (under) expenditures	6,325,557	13,833,648	24,512,649	10,679,001
OTHER FINANCING SOURCES (USES)				
Transfers in	12,497,802	12,652,501	12,514,215	(138,286)
Transfers out	(18,823,359)	(36,962,179)	(36,730,631)	231,548
Proceeds from sale of capital assets	-	200,724	202,924	2,200
Proceeds from lease obligations	-	-	1,540,422	1,540,422
Proceeds from subscription obligations	-	-	330,392	330,392
Total other financing sources (uses)	(6,325,557)	(24,108,954)	(22,142,678)	1,966,276
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(10,275,306)	2,369,971	12,645,277
Fund balances - beginning	59,286,451	59,286,451	59,286,451	-
Fund balances - ending	$ 59,286,451	$ 49,011,145	$ 61,656,422	$ 12,645,277

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

City of Clearwater, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (GAAP Basis)
Special Development Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	$ 4,050,410	$ 4,104,818	$ 4,105,687	$ 869
Sales	16,441,000	16,441,000	16,875,895	434,895
Other taxes	1,327,150	1,450,000	1,483,005	33,005
Total taxes	21,818,560	21,995,818	22,464,587	468,769
Licenses, permits, and fees	140,000	505,598	514,673	9,075
Investment earnings (loss):				
Interest	450,000	800,000	694,741	(105,259)
Net appreciation (depreciation) in fair value	-	-	1,492,231	1,492,231
Total investment earnings (loss)	450,000	800,000	2,186,972	1,386,972
Total revenues	22,408,560	23,301,416	25,166,232	1,864,816
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	22,408,560	23,301,416	25,166,232	1,864,816
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(28,466,190)	(28,545,390)	(28,545,390)	-
Total other financing sources (uses)	(28,466,190)	(28,545,390)	(28,545,390)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(6,057,630)	(5,243,974)	(3,379,158)	1,864,816
Fund balances - beginning	16,320,354	16,320,354	16,320,354	-
Fund balances - ending	$ 10,262,724	$ 11,076,380	$ 12,941,196	$ 1,864,816

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

City of Clearwater, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Enterprise		
	Water and Sewer Utility	Gas Utility	Solid Waste & Recycling Utility
ASSETS			
Current assets:			
Cash and investments	$ 179,166,725	$ 29,547,189	$ 48,651,944
Accrued interest receivable	575,615	92,591	138,386
Accounts and contracts receivable:			
Billed	5,123,161	1,276,736	1,523,963
Unbilled charges estimated	3,640,100	1,582,400	1,211,117
	8,763,261	2,859,136	2,735,080
Less: Allowance for uncollectable accounts	(60,029)	(43,689)	(18,210)
Total receivables, net	8,703,232	2,815,447	2,716,870
Lease receivables	39,377	-	-
Other receivables	33,181	41,755	1,432
Due from other funds	-	-	-
Due from other governments	706,787	9,813	-
Inventories, at cost	1,212,890	3,709,811	-
Prepaid expenses and other assets	5,080	344,280	-
Total current assets - unrestricted	190,442,887	36,560,886	51,508,632
Current assets - restricted:			
Restricted cash and investments	11,348,773	3,816,615	1,368,082
Total current assets - restricted	11,348,773	3,816,615	1,368,082
Total current assets	201,791,660	40,377,501	52,876,714
Noncurrent assets:			
Restricted:			
Restricted cash and investments	5,449,298	300,000	-
Advances to other funds	-	-	-
Net pension asset	785,281	398,555	512,951
Capital assets:			
Land and other nondepreciable assets	24,986,183	2,439,629	1,858,115
Capital assets, net of accumulated depreciation	180,237,332	100,420,933	18,341,350
Intangible right-to-use lease assets, net of accumulated amortization	-	-	-
Intangible right-to-use subscription assets, net of accumulated amortization	-	-	-
Total noncurrent assets	211,458,094	103,559,117	20,712,416
Total assets	413,249,754	143,936,618	73,589,130
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - bond refunding	6,911,662	93,396	-
Deferred outflows - pension	3,760,850	1,908,749	2,456,615
Deferred outflows - other postemployment benefits	81,761	40,059	54,303
Total deferred outflows of resources	10,754,273	2,042,204	2,510,918

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

Activities Funds				Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total		
$ 45,126,447	$ 62,430,694	$ 364,922,999	$	90,052,153
131,087	189,931	1,127,610		275,633
873,622	-	8,797,482		-
1,445,600	-	7,879,217		-
2,319,222	-	16,676,699		-
(12,090)	-	(134,018)		-
2,307,132	-	16,542,681		-
-	5,914,416	5,953,793		-
802	-	77,170		48,206
-	-	-		353,302
-	30,000	746,600		467
-	80,949	5,003,650		520,420
-	100	349,460		4,056,264
47,565,468	68,646,090	394,723,963		95,306,445
1,027,609	-	17,561,079		-
1,027,609	-	17,561,079		-
48,593,077	68,646,090	412,285,042		95,306,445
1,375,312	-	7,124,610		-
-	-	-		1,498,208
173,993	205,485	2,076,265		640,511
25,325,058	5,703,642	60,312,627		1,047,490
46,013,239	14,511,065	359,523,919		23,493,989
-	-	-		1,001,374
-	-	-		5,373,111
72,887,602	20,420,192	429,037,421		33,054,683
121,480,679	89,066,282	841,322,463		128,361,128
147,430	-	7,152,488		-
833,282	984,103	9,943,599		3,067,521
21,061	31,420	228,604		63,841
1,001,773	1,015,523	17,324,691		3,131,362

(Continued)

City of Clearwater, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Enterprise		
	Water and Sewer Utility	Gas Utility	Solid Waste & Recycling Utility
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	7,794,896	1,966,630	668,914
Accrued payroll	288,148	135,675	165,441
Accrued interest payable	142,672	115,417	42,518
Deposits	-	-	-
Current portion of long-term liabilities:			
Compensated absences	430,413	288,479	246,622
Other postemployment benefits	111,661	54,708	74,162
Bonds payable	745,000	682,917	-
Financed purchases	173,906	-	-
Lease liabilities	-	-	-
Subscription liabilities	-	-	-
Due to other funds	108,132	-	539,493
Claims payable	-	-	-
Total current liabilities (payable from current assets)	9,794,828	3,243,826	1,737,150
Current liabilities (payable from restricted assets):			
Construction contracts payable	1,549,666	-	-
Accrued interest payable	1,456,070	16,589	-
Current portion of long-term liabilities, bonds payable	3,725,000	62,083	-
Customer deposits	4,618,037	3,737,943	1,368,082
Total current liabilities (payable from restricted assets)	11,348,773	3,816,615	1,368,082
Total current liabilities	21,143,601	7,060,441	3,105,232
Noncurrent liabilities:			
Compensated absences	264,835	177,502	151,748
Other postemployment benefits	2,431,855	1,191,480	1,615,163
Bonds payable (net of unamortized premiums/discounts)	111,501,004	5,685,000	-
Financed purchases	145,303	-	-
Lease liabilities	-	-	-
Subscription liabilities	-	-	-
Advances from other funds	216,437	-	1,708,860
Claims payable	-	-	-
Total noncurrent liabilities	114,559,434	7,053,982	3,475,771
Total liabilities	135,703,035	14,114,423	6,581,003
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	309,483	157,072	202,157
Deferred inflows - other postemployment benefits	929,874	455,589	617,593
Deferred inflows - leases	61,086	-	-
Total deferred inflows of resources	1,300,443	612,661	819,750
NET POSITION			
Net investment in capital assets	93,531,493	96,098,674	20,199,465
Restricted for:			
Revenue bond debt service and sinking fund requirements	3,725,000	62,083	-
Revenue bond renewal and replacement requirements	1,554,730	300,000	-
Water and sewer impact fees	3,922,919	-	-
Stormwater system fees	-	-	-
Pensions	785,281	398,555	512,951
Unrestricted	183,481,126	34,392,426	47,986,879
Total net position	$ 287,000,549	$ 131,251,738	$ 68,699,295

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

Activities Funds				Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total		
1,165,355	693,679	12,289,474		2,710,538
61,000	84,007	734,271		230,402
-	-	300,607		38,140
-	77,011	77,011		-
154,794	106,919	1,227,227		502,065
28,762	42,911	312,204		87,187
77,917	-	1,505,834		-
-	-	173,906		1,802,756
-	-	-		526,874
-	-	-		1,863,478
-	4,755	652,380		4,533,034
-	-	-		4,580,901
1,487,828	1,009,282	17,272,914		16,875,375
-	-	1,549,666		-
170,526	-	1,643,185		-
857,083	-	4,644,166		-
-	-	9,724,062		-
1,027,609	-	17,561,079		-
2,515,437	1,009,282	34,833,993		16,875,375
95,246	65,789	755,120		308,923
626,415	934,548	6,799,461		1,898,849
10,682,696	-	127,868,700		-
-	-	145,303		1,353,040
-	-	-		475,084
-	-	-		1,702,625
-	20,442	1,945,739		9,404,645
-	-	-		7,207,414
11,404,357	1,020,779	137,514,323		22,350,580
13,919,794	2,030,061	172,348,316		39,225,955
68,571	80,983	818,266		252,428
239,524	357,345	2,599,925		726,067
-	5,919,810	5,980,896		-
308,095	6,358,138	9,399,087		978,495
59,423,969	19,992,502	289,246,103		22,999,559
2,232,395	-	6,019,478		-
-	-	1,854,730		-
-	-	3,922,919		-
14,318	-	14,318		-
173,993	205,485	2,076,265		640,511
46,409,888	61,495,619	373,765,938		67,647,970
$ 108,254,563	$ 81,693,606	676,899,751	$	91,288,040
		(3,781,613)		
		$ 673,118,138		

City of Clearwater, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Enterprise		
	Water and Sewer Utility	Gas Utility	Solid Waste & Recycling Utility
Operating revenues:			
Sales to customers	$ 105,428,586	$ 44,076,030	$ 31,731,506
Service charges to customers	222,166	2,606,437	-
User charges to customers	-	-	-
Billings to departments	-	-	-
Rentals	65,659	-	376,566
Other	416,250	489,177	246,901
Total operating revenues	106,132,661	47,171,644	32,354,973
Operating expenses:			
Personal services	14,794,262	6,823,739	9,495,635
Purchases for resale	7,578,170	15,045,400	-
Operating materials and supplies	6,288,980	773,729	682,541
Transportation	1,467,770	654,950	5,018,160
Utility service	4,253,464	203,767	177,163
Dumping charges	34,784	-	5,490,838
Depreciation	11,615,441	4,085,464	1,109,148
Amortization of intangible right-to-use lease assets	-	-	-
Amortization of intangible right-to-use subscription assets	-	-	-
Interfund administrative charges	6,933,290	3,022,990	1,671,360
Other current charges:			
Professional fees	8,186,594	1,161,862	984,762
Advertising and marketing	40,065	1,236,670	52,943
Communications	202,622	158,140	89,097
Printing and binding	5,048	9,942	16,478
Insurance	1,861,440	640,040	358,890
Repairs and maintenance	23,962,131	22,631	166,043
Rentals	221,223	11,057	2,767
Miscellaneous	437,024	252,814	225,829
Data processing charges	1,219,680	702,520	275,170
Taxes	-	2,338,741	11,207
Total other current charges	36,135,827	6,534,417	2,183,186
Total operating expenses	89,101,988	37,144,456	25,828,031
Operating income (loss)	17,030,673	10,027,188	6,526,942

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

Activities Funds			Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total	
$ 17,403,343	$ 13,951,100	$ 212,590,565	$ -
-	-	2,828,603	-
-	192,210	192,210	-
-	-	-	70,441,026
-	3,562,922	4,005,147	-
170,033	1,538,293	2,860,654	622,949
17,573,376	19,244,525	222,477,179	71,063,975
3,410,904	4,588,338	39,112,878	12,014,244
-	3,004,317	25,627,887	5,258,728
199,162	449,725	8,394,137	1,641,474
906,741	111,414	8,159,035	307,805
79,005	748,090	5,461,489	505,718
107,977	-	5,633,599	-
3,424,732	813,227	21,048,012	9,817,922
-	-	-	665,563
-	-	-	132,432
1,486,990	2,494,160	15,608,790	285,050
640,991	806,756	11,780,965	13,200,159
-	1,618	1,331,296	-
32,558	58,847	541,264	1,206,685
344	21,751	53,563	31,579
113,920	156,840	3,131,130	30,092,023
702,186	480,259	25,333,250	1,345,688
5,262	2,209	242,518	219,472
82,304	1,001,371	1,999,342	485,437
338,340	239,220	2,774,930	731,610
-	29,247	2,379,195	16,205
1,915,905	2,798,118	49,567,453	47,328,858
11,531,416	15,007,389	178,613,280	77,957,794
6,041,960	4,237,136	43,863,899	(6,893,819)

(Continued)

City of Clearwater, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Enterprise		
	Water and Sewer Utility	**Gas Utility**	**Solid Waste & Recycling Utility**
Nonoperating revenues (expenses):			
Investment earnings (loss):			
Interest	3,783,430	608,773	909,696
Net appreciation (depreciation) in fair value	1,594,500	100,674	83,175
Total investment earnings (loss)	5,377,930	709,447	992,871
Interest expense	(4,578,943)	(351,315)	(103,917)
Gain (loss) on disposal of capital assets	(66,062)	5,556	-
Total nonoperating revenue (expenses)	732,925	363,688	888,954
Income (loss) before contributions and transfers	17,763,598	10,390,876	7,415,896
Capital grants and contributions	2,513,404	-	-
Transfers in	-	-	-
Transfers out	(5,355,375)	(1,700,000)	(1,624,340)
Change in net position	14,921,627	8,690,876	5,791,556
Net position - beginning (as previously reported)	272,078,922	122,560,862	62,907,739
Prior period adjustment (See Note IV.H.)	-	-	-
Net position - beginning (restated)	272,078,922	122,560,862	62,907,739
Total net position - ending	$ 287,000,549	$ 131,251,738	$ 68,699,295

Change in Net Position of Proprietary Funds

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

Change in net position of business-type activities (page 23)

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

Activities Funds			Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total	
861,010	1,379,074	7,541,983	1,863,405
266,264	(1,698,545)	346,068	403,756
1,127,274	(319,471)	7,888,051	2,267,161
(388,996)	-	(5,423,171)	(323,313)
-	-	(60,506)	383,203
738,278	(319,471)	2,404,374	2,327,051
6,780,238	3,917,665	46,268,273	(4,566,768)
-	94,996	2,608,400	-
-	11,750,000	11,750,000	5,467,851
(1,428,042)	(1,651,363)	(11,759,120)	(196,847)
5,352,196	14,111,298	48,867,553	704,236
102,902,367	67,100,455	627,550,345	90,583,804
-	481,853	481,853	-
102,902,367	67,582,308	628,032,198	90,583,804
$ 108,254,563	$ 81,693,606	$ 676,899,751	$ 91,288,040
		$ 48,867,553	
		(2,425,387)	
		$ 46,442,166	

City of Clearwater, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Enterprise		
	Water and Sewer Utility	Gas Utility	Solid Waste & Recycling Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 105,865,097	$ 47,753,752	$ 32,309,566
Cash received from other funds	-	-	-
Cash payments to suppliers	(51,320,602)	(23,175,548)	(7,476,434)
Cash payments to employees	(13,923,663)	(7,122,662)	(8,817,849)
Cash payments to other funds	(12,574,942)	(5,472,510)	(7,640,444)
Net cash provided (used) by operating activities	28,045,890	11,983,032	8,374,839
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Transfers to other funds	(5,355,375)	(1,700,000)	(1,624,340)
Receipt of cash on loans to/from other funds	-	-	-
Payment of cash on loans to/from other funds	(105,476)	-	(528,706)
Net cash provided (used) by noncapital financing activities	(5,460,851)	(1,700,000)	(2,153,046)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on debt	(4,497,803)	(760,741)	-
Interest paid	(4,486,570)	(199,941)	(66,221)
Acquisition of capital assets	(7,464,160)	(5,519,877)	(10,302)
Proceeds from sale of capital assets	37,992	-	-
Capital contributed by:			
Other governmental entities	2,217,833	-	-
Property owners	5,464	-	-
Developers	542,634	-	-
Net cash provided (used) by capital and related financing activities	(13,644,610)	(6,480,559)	(76,523)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5,110,910	664,071	924,006
Net cash provided (used) by investing activities	5,110,910	664,071	924,006
Net increase (decrease) in cash and cash equivalents	14,051,339	4,466,544	7,069,276
Cash and cash equivalents at beginning of year	181,913,457	29,197,260	42,950,750
Cash and cash equivalents at end of year	$ 195,964,796	$ 33,663,804	$ 50,020,026
Cash and cash equivalents classified as:			
Cash and investments	$ 179,166,725	$ 29,547,189	$ 48,651,944
Restricted cash and investments	16,798,071	4,116,615	1,368,082
Total cash and cash equivalents	$ 195,964,796	$ 33,663,804	$ 50,020,026

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

Activities Funds			Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total	
$ 17,479,127	$ 19,249,282	$ 222,656,824	$ -
-	-	-	71,088,094
(1,521,488)	(6,687,498)	(90,181,570)	(51,393,395)
(2,974,543)	(4,372,024)	(37,210,741)	(10,976,610)
(2,928,697)	(3,225,719)	(31,842,312)	(2,215,213)
10,054,399	4,964,041	63,422,201	6,502,876
-	11,750,000	11,750,000	5,467,851
(1,428,042)	(1,651,363)	(11,759,120)	(196,847)
-	25,197	25,197	5,643,518
-	-	(634,182)	(3,279,643)
(1,428,042)	10,123,834	(618,105)	7,634,879
(890,000)	-	(6,148,544)	(3,346,054)
(429,369)	-	(5,182,101)	(346,805)
(1,854,257)	(1,474,080)	(16,322,676)	(10,784,324)
-	-	37,992	584,045
-	61,128	2,278,961	-
-	-	5,464	-
-	-	542,634	-
(3,173,626)	(1,412,952)	(24,788,270)	(13,893,138)
1,064,957	(442,193)	7,321,751	2,133,701
1,064,957	(442,193)	7,321,751	2,133,701
6,517,688	13,232,730	45,337,577	2,378,318
41,011,680	49,197,964	344,271,111	87,673,835
$ 47,529,368	$ 62,430,694	$ 389,608,688	$ 90,052,153
$ 45,126,447	$ 62,430,694	$ 364,922,999	$ 90,052,153
2,402,921	-	24,685,689	-
$ 47,529,368	$ 62,430,694	$ 389,608,688	$ 90,052,153

(Continued)

City of Clearwater, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Enterprise		
	Water and Sewer Utility	**Gas Utility**	**Solid Waste & Recycling Utility**
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 17,030,673	$ 10,027,188	$ 6,526,942
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	11,615,441	4,085,464	1,109,148
Amortization of intangible right-to-use lease assets	-	-	-
Amortization of intangible right-to-use subscription assets	-	-	-
Capitalized labor and materials	(107,531)	(711,050)	-
Change in assets, deferred outflows, liabilities and deferred inflows:			
(Increase) decrease in accounts receivable	(176,909)	619,639	(72,069)
(Increase) decrease in lease receivables	152,345	-	-
(Increase) decrease in due from other governments	-	-	-
(Increase) decrease in inventory	(126,218)	(1,551,536)	-
(Increase) decrease in prepaid expenses	209,547	-	-
(Increase) decrease in net pension asset	(785,281)	(398,555)	(512,951)
(Increase) decrease in deferred outflows	2,291,735	1,360,995	1,821,299
Increase (decrease) in accounts and contracts payable	(1,258,475)	(774,661)	106,370
Increase (decrease) in accrued payroll	21,023	(65,513)	(150,305)
Increase (decrease) in deposits	(73,152)	(37,531)	26,662
Increase (decrease) in other postemployment benefits	99,116	(125,646)	24,449
Increase (decrease) in net pension liability	(295,233)	(159,133)	(208,688)
Increase (decrease) in deferred inflows	(551,191)	(286,629)	(296,018)
Total adjustments	11,015,217	1,955,844	1,847,897
Net cash provided by operating activities	$ 28,045,890	$ 11,983,032	$ 8,374,839
Non-cash investing, capital and financing activities:			
Contributions from developers	$ 314,730	$ -	$ -
Contributions from property owners	$ -	$ -	$ -

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

Activities Funds			Governmental Activities - Internal Service Funds
Stormwater Utility	Other Funds	Total	
$ 6,041,960	$ 4,237,136	$ 43,863,899	$ (6,893,819)
3,424,732	813,227	21,048,012	9,817,922
-	-	-	665,563
-	-	-	132,432
-	-	(818,581)	-
(94,249)	-	276,412	40,613
-	(573,766)	(421,421)	-
-	-	-	(459)
-	(5,283)	(1,683,037)	(33,939)
-	(100)	209,447	(1,145,687)
(173,993)	(205,485)	(2,076,265)	(640,511)
826,547	525,459	6,826,035	2,321,205
245,595	(302,010)	(1,983,181)	2,882,616
(15,803)	(346)	(210,944)	(72,472)
-	(11,548)	(95,569)	-
6,611	74,354	78,884	45,641
(80,962)	(73,285)	(817,301)	(263,126)
(126,039)	485,688	(774,189)	(353,103)
4,012,439	726,905	19,558,302	13,396,695
$ 10,054,399	$ 4,964,041	$ 63,422,201	$ 6,502,876
$ -	$ -	$ 314,730	$ -
$ -	$ 49,192	$ 49,192	$ -

City of Clearwater, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and investments	$ 19,267,524	$ 868,140
Receivables:		
Interest and dividends	4,112,603	1,919
Unsettled investment sales	6,905,040	-
Securities lending earnings	24,073	-
Due from others	-	50,947
Total receivables	11,041,716	52,866
Managed investment accounts, at fair value:		
Cash and cash equivalents	22,497,357	-
Government bonds	50,532,262	-
Index linked government bonds	2,877,928	-
Agency bonds	6,001,109	-
Municipal bonds	3,156,037	-
Domestic corporate bonds	112,892,160	-
International equity securities	106,970,687	-
Domestic stocks	264,344,573	-
Mortgage backed bonds	116,848,804	-
Government issued commercial mortgage backed bonds	21,929	-
Asset backed securities	15,397,042	-
Other/rights/warrants	1,606	-
Domestic equity mutual funds	250,879,222	-
International equity mutual funds	20,200,564	-
Infrastructure	91,519,858	-
Real estate	126,246,933	-
Total managed investment accounts	1,190,388,071	-
Securities lending collateral	105,506,639	-
Total assets	1,326,203,950	921,006
LIABILITIES		
Accounts payable	824,785	34,287
Unsettled investment purchases	14,945,354	-
Other payables	42,750	-
Obligations under securities lending	105,506,639	-
Total liabilities	121,319,528	34,287
NET POSITION		
Restricted for:		
Pensions	1,204,884,422	-
Individuals, organizations and other governments	-	886,719
Total net position	$ 1,204,884,422	$ 886,719

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

City of Clearwater, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2023

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
Contributions from employer	$ 12,659,053	$ -
Contributions from employer - state tax	2,943,043	-
Contributions from employees	8,941,002	-
Individuals, organizations and other governments	-	795,142
Total contributions	24,543,098	795,142
Investment earnings (loss):		
Net increase (decrease) in fair value of investments	112,353,833	-
Interest, dividends and other	21,949,610	22,280
Securities lending income	5,962,399	-
Total investment earnings (loss)	140,265,842	22,280
Less investment costs:		
Investment management / custodian fees	(6,904,501)	-
Securities lending costs	(5,656,768)	-
Net investment earnings (loss)	127,704,573	22,280
Miscellaneous	9,967	-
Total additions	152,257,638	817,422
DEDUCTIONS		
Benefits	65,312,560	-
Refunds and transfers to other systems	1,354,890	-
Administrative expenses	425,542	-
Payments to individuals, organizaions and other governments	-	787,486
Total deductions and administrative expenses	67,092,992	787,486
Net increase (decrease) in fiduciary net position	85,164,646	29,936
Fiduciary net position - beginning	1,119,719,776	856,783
Fiduciary net position - ending	$ 1,204,884,422	$ 886,719

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

Note I – Summary of Significant Accounting Policies

The City of Clearwater was first incorporated in 1915 and reestablished in 1923 as a municipal corporation by Chapter 9710, Special Laws of Florida, 1923, as amended. The City is a Florida municipal corporation governed by a five-member City Council including a mayor-council member. The City has an estimated population of 118,904 and is located in the four-county Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA), which has an estimated population of 3,331,228.

The financial statements of the City of Clearwater, Florida, reporting entity (City) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City's more significant accounting policies are described below.

I.A. Financial Reporting Entity

In evaluating the City as a reporting entity, management has included in the accompanying financial statements the City of Clearwater (the primary government) and its component units, entities for which the government is financially accountable. The City has adhered to the standards set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61 and GASB Statement No. 90, in reporting the primary government (including blended component units), the reporting entity, and related organizations.

Blended Component Unit – Clearwater Community Redevelopment Agency: Component units that meet the criteria for blended presentation are reported in a manner similar to that of the primary government itself. Accordingly, throughout this report, data presented for the primary government includes data of the following blended component unit. The Clearwater Community Redevelopment Agency (CRA) is a dependent special district created by Resolution 81-67 and Ordinance 2779-82 by authority of Chapter 163, Part III, of the Florida Statutes. Although it is legally separate, it is reported as if it were part of the City (blended component unit) because the City Council serves as the governing board of the CRA per Resolution 81-68, and City management has operational responsibility for the CRA. Therefore, financial statements for the CRA are included in the City's annual comprehensive financial report as a governmental non-major special revenue fund and a governmental non-major capital projects fund. In accordance with Chapter 163.387(8), Florida Statutes, and Rule 10.556, Rules of the Auditor General, separate audited financial statements of the CRA are available from the City of Clearwater Finance Department.

Related Organization – Clearwater Housing Authority (CHA): CHA is a dependent special district created by General Law by authority of Chapter 421, Part I, Florida Statutes. As a public housing authority, CHA receives primary funding from the Federal Department of Housing and Urban Development (HUD). The City Council appoints the governing board; however, the City Council is not able to impose its will on the CHA, nor does the City have any responsibility for the budget, debt, financing deficits, or fiscal management of CHA. Consequently, it is not a component unit of the City of Clearwater. Separate audited financial statements of the CHA as of March 31, 2023 are available from CHA.

Related Organization – Downtown Development Board: The City of Clearwater serves as administrative agent for the Clearwater Downtown Development Board (DDB). The Downtown Development Board is an independent special district created by Special Act by authority of Chapter 189.031, Florida Statutes. The DDB is governed by a board elected by its members, levies ad valorem taxes (0.9700 mills for fiscal 2023) on downtown properties, and is not financially dependent upon the City. Consequently, it is not a component unit of the City of Clearwater. The DDB's cash balance held by the City as administrative agent is reflected in the City's fiduciary custodial fund. Separate audited financial statements of the DDB as of September 30, 2023 are available from the City of Clearwater Finance Department.

Jointly governed organization – Florida Gas Utility: The City of Clearwater is a member of the Florida Gas Utility (FGU), a non-profit municipal public entity created for the primary purpose of reducing the costs of purchased gas for its members. FGU is a public body corporate and politic pursuant to Section 163.01, Florida Statutes (the Florida Interlocal Cooperation Act), as amended, and the Interlocal Agreement, dated September 1, 1989, which was subsequently amended by the

Amended Interlocal Agreement on June 1, 1992, amended and restated by the Amended and Restated Interlocal Agreement, dated July 1, 1996, then amended and restated by the Second Amended and Restated Interlocal Agreement, dated July 27, 1999, and then amended and restated by the Third Amended and Restated Interlocal Agreement dated March 25, 2011 (the Interlocal Agreement), executed and delivered among FGU and its members, which include municipalities, municipal utilities, and an interlocal agreement consisting of such entities. Due to the diverse needs of municipal utility systems, FGU established itself as a project-oriented agency. Under this structure, each member has the option to participate in a project. FGU has the authority to, among other things, plan, finance, acquire, construct, manage, operate, deliver, service, utilize, own, broker, exchange, and distribute natural gas, or other energy and energy services, pursuant to the Interlocal Agreement. As of September 30, 2023, FGU has 25 members. Separate audited financial statements of FGU as of September 30, 2023, are available from FGU.

I.B. Basis of Presentation

The City's Basic Financial Statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

I.B.1. Government-wide financial statements. The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component unit using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City. Net position is defined as the residual of all other elements presented in a statement of financial position. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Changes in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

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 function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Taxes and other items not properly included among program revenues are reported instead as general revenues. All revenues and expenses are reported as soon as the underlying transaction has occurred, regardless of when cash is received or paid.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

I.B.2. Fund financial statements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. An emphasis is on the major funds in either the governmental or business-type categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds (by category) are summarized into a single column.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Development Fund is a special revenue fund used to account for impact fees, property taxes for road improvements, local option gas taxes, infrastructure taxes, and other revenues which are restricted legally or by City Council policy to be used for specific capital improvement projects.

The Special Programs Fund is a special revenue fund used to account for grants and contributions, the use of which is restricted for certain programs.

The Capital Improvement Fund is used to provide combined accounting presentation for all City capital improvement projects except those financed from proprietary funds or bond proceeds where bond ordinance provisions require the segregation of bond proceeds in separate funds.

The City reports the following major enterprise funds:

The Water and Sewer Utility enterprise fund is used to account for the financing, construction, operation, and maintenance of the water and sewer services of the City from charges made to users of the service.

The Gas Utility enterprise fund is used to account for the financing, construction, operation, and maintenance of the gas services of the City from charges made to the users of the service.

The Solid Waste & Recycling Utility enterprise fund is used to account for the financing, construction, operation, and maintenance of the solid waste and recycling services of the City from charges made to the users of the service.

The Stormwater Utility enterprise fund is used to account for the financing, construction, operation, and maintenance of the stormwater management system of the City from charges assessed against each developed property.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the City reports the following fund types:

Internal service funds account for fleet management, information technology, telephone, employee relations, facilities management, radio communications, insurance, and risk management services provided to other City departments on a cost reimbursement basis. The Garage, Administrative Services, General Services, and Central Insurance funds primarily benefit governmental funds and are consequently included as governmental activities.

Pension trust funds account for the financial operation and condition of the Employees' Pension Plan, the Firefighters' Relief and Pension Plan, the Police Supplemental Pension Plan, and the Firefighters' Supplemental Pension Plan.

The custodial fund accounts for the receipt, custody, and expenditure of monies held temporarily in an agency capacity for other parties. The custodial fund holds the cash balance for the Clearwater Downtown Development Board (DDB), an independent special district for which the City serves as administrative agent, and also the Treasurer's Escrow Fund, which includes amounts held by the City in an escrow capacity for various parties.

The pension trust funds and the custodial fund are fiduciary funds used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

I.C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and 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 imposed by the provider have been met.

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. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal year. Other revenues are considered to be available if they are collected within 90 days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, have been met, and funds are available from the grantor agency or government.

Taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period for the governmental funds. All other revenue items are considered to be measurable and available only when cash is received by the City.

I.D. Statements of cash flows

For purposes of the statements of cash flows, investments with original maturities of three months or less are considered to meet the definition of cash equivalents. The majority of the investments in which the City's proprietary funds have equity are held by the City's consolidated pool of cash and investments. Since fund equities in this cash management pool have the general characteristics of demand deposits in that additional funds may be deposited at any time, and funds may be withdrawn at any time without prior notice or penalty, each fund's equity account is considered a cash equivalent regardless of the maturities of investments held by the pool. Funds with deficit (overdraft) positions within the consolidated pool report the deficits as interfund payables to the City's Capital Improvement Fund.

I.E. Assets, Liabilities, and Net position or Fund Balance

I.E.1. Deposits, pooled cash, and investments

Cash and investments are presented on the balance sheet in the basic financial statements at fair value in accordance with Generally Accepted Accounting Principles.

Investments with original maturities of three months or less are considered to meet the definition of cash equivalents. The majority of the investments are held by the City's consolidated pool of cash and investments. The City utilizes the consolidated cash pool to account for cash and investments of all City funds other than those that are required by ordinance to be physically segregated. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield that are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The cash pool utilizes a single checking account for all City receipts and disbursements.

Since fund equities in this cash management pool have the general characteristics of demand deposits in that additional funds may be deposited at any time and funds may be withdrawn at any time without prior notice or penalty, each fund's equity in pooled cash account is considered a cash equivalent, regardless of the maturities of investments held by the pool.

All individual fund cash equity in a deficit (overdraft) position with respect to the consolidated cash pool is reclassified at year-end to short-term interfund payables to the Capital Improvement Fund. The Capital Improvement Fund is the fund selected by management to reflect the offsetting interfund receivables in such cases.

The City Charter and the current Investment Policy, adopted by the City Council on September 9, 2010, authorize consolidated cash pool investments in the following: direct federal government obligations; federal agencies and

instrumentalities; SEC registered money market funds with the highest credit quality rating; interest bearing time deposits or savings accounts in qualified public depositories; debt issued by the State of Florida or any political subdivision thereof including pools; securities of open-end or closed-end management-type investment companies as defined in the policy; collateralized repurchase agreements and reverse repurchase agreements; local government investment pools per Section 163.01, Florida Statutes; and commercial paper of prime quality as defined in the policy. All investments are reported at fair value.

The City utilizes a conservative investment philosophy when it invests its pooled cash funds in that the return of the principal is more important than the return on the principal. The City does not actively trade its portfolio and generally holds investments until maturity. Using a laddered approach to maturities and timing maturities to cash needs, the City does not anticipate selling investments to meet cash flow requirements.

Under the City's Investment Policy, a performance measurement standard has been established. The performance measure chosen is a weighted average of the overnight interest rate; and three-month, six-month, one-year, three-year, five-year, and ten-year Treasury rates, respectively. For the fiscal year ended September 30, 2023, the performance measure weighted average was 4.53%. The actual pooled cash earnings performance before bank charges was 1.84%.

Investments being held outside of the consolidated cash pool include escrowed debt service investments and employee retirement investments. Permissible escrowed debt service investments are specifically defined in each individual debt instrument, but generally follow the same limitations applicable to consolidated cash pool investments. The City maintains four different employee retirement programs, and each one has its own list of permitted investments. Generally, each plan allows the same type of investments as the consolidated cash pool, but additionally allows some portion of its assets to be invested in corporate bonds, notes of corporations, and stocks that are listed on one or more of the recognized national or international stock exchanges.

I.E.2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable less than 60 days are included in the trade accounts receivable allowance for uncollectible accounts at the five-year average loss experience rate of 2.12%. Trade accounts receivable in excess of 60 days are reserved at 40%. The property tax receivable allowance for uncollectible accounts is 10% of the current year portion of the receivable, and 30%, 50%, 70%, 90%, and 95% for the receivable portions attributable to the prior five years respectively (fiscal 2018 thru 2022), and 100% of the receivable attributable to fiscal years 2017 and prior.

Property tax revenue is recognized in the fiscal year for which the taxes are levied, provided the availability test is met, in conformance with National Council on Governmental Accounting Interpretation No. 3. Property taxes for the following fiscal year are levied by City Council action in September of each year. This levy is apportioned to property owners based on the previous January 1 assessed values. Tax bills are mailed out on or about November 1, and the collection period runs from November 1 through March 31. On April 1, unpaid property taxes are considered delinquent and become a lien. Tax certificates are sold in June for real property with delinquent taxes.

Since taxes are not collected prior to November 1, the City does not record revenue for advance collections. Uncollected taxes receivable at year-end are recorded, with an appropriate allowance for estimated uncollectible amounts. The net amount deemed to be collectible but not current (not expected to be collected within sixty days after the close of the fiscal year) is shown as deferred inflows in the appropriate fund.

All delinquent property taxes, except those levied specifically for the restricted purposes of financing activities accounted for in the Special Development Fund, are recorded in the General Fund. Property tax revenues are recognized in the General

Fund and the required transfers to the appropriate debt service or pension fund are recorded as transfers from the General Fund.

The City is permitted by State law to levy ten mills without referendum. Additional millage not subject to the ten mill limitation is authorized if approved by referendum, for a period not to exceed two years. The tax rate of 5.8850 mills for the year ended September 30, 2023 was reduced from 5.9550 mills in fiscal 2022.

Water, gas, solid waste and recycling charges to customers are based on actual consumption. Consumption is determined on a monthly cycle basis. The City recognizes the unbilled consumption as revenue as of September 30th. Stormwater revenues are billed according to Equivalent Residential Units (ERU's). There is no unbilled component of stormwater revenues as of September 30th.

I.E.3. Inventories and prepaid items

Inventories of proprietary funds are stated at cost and valued on the first-in first-out (FIFO) basis. In governmental funds, the majority of inventory items are accounted for under the purchase method, which provides that expenditures are recognized when the inventory item is purchased. The only governmental fund inventory that is accounted for under the consumption method is the General Fund inventory of items for resale at the City's public fishing pier. Under the consumption method, the expenditure/expense is recognized when the inventory item is sold (or consumed).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I.E.4. Restricted assets

Certain resources of the City's enterprise funds are classified as restricted assets. Restricted assets include: Water and Sewer improvement charges restricted by the authorizing ordinances to the construction of additions and improvements to the water and sewer systems; Water & Sewer Utility, Gas Utility and Solid Waste & Recycling Utility restricted customer deposits; assets of the Water & Sewer Utility, Gas Utility, and Stormwater Utility funds restricted under the provisions of authorizing ordinances for revenue bonds to the payment of future revenue bond debt service, system construction, and renewals and replacements; and the net pension assets of the enterprise and internal service funds that are in an irrevocable trust restricted for pensions.

I.E.5. Capital and intangible right-to-use assets

Capital assets, which include property, plant, equipment, and certain infrastructure assets, (e.g. roads, bridges, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, as defined by the City, are assets with an initial individual cost of more than $10,000 (amount not rounded) and useful life greater than one year. Individual assets that cost less than $10,000, but that operate as part of a network system, may be capitalized in the aggregate, using the group method. Additionally, higher thresholds for capitalization apply to the following categories: land improvements, $50,000; buildings, building improvements, and utility systems, $100,000; intangible assets (other than right-to-use leases and subscriptions), $100,000; and infrastructure, $500,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. When City crews contribute to the completion of a capital asset, time and materials are capitalized to the project cost.

Intangible right-to-use lease assets, which include buildings and equipment, are amortized on a straight-line basis over the life of the related lease.

Intangible right-to-use subscription assets, which include computer software, are amortized on a straight-line basis over the life of the related subscription.

Property, plant, equipment, and intangible right-to-use assets of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	10 – 40
Public domain infrastructure	20 – 40
Utility systems	18 – 40
Machinery & equipment	3 – 15
Vehicles	5 – 10
Intangible assets	5 – 20

I.E.6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave "caps" vary depending upon an employee's bargaining unit, hire date, etc., but generally employees may accumulate vacation time not exceeding 342 hours and sick leave not exceeding 1,664 hours. Upon retirement from City service a qualified employee is paid for all vacation time not exceeding the applicable vacation "cap" and one-half of accumulated unused sick leave not exceeding the sick leave cap (i.e. maximum pay-out of 832 hours for an employee with a 1,664 hour cap). The City accrues for all earned but unused vacation pay up to the applicable cap and the portion of unused sick leave estimated to be payable upon retirement. The current portion of compensated absences is the amount estimated to be used in the following year. For governmental activities, compensated absences are liquidated within the same governmental funds where the employee vacation and/or sick leave was earned.

I.E.7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable unamortized bond premium or discount. Bond issuance costs are expended when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

I.E.8. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption on net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

Similarly, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies for a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to pensions and other post-employment benefits (OPEB) in the government-wide and all enterprise and internal service fund statements. Deferred inflows related to business tax receipts are reported in both the government-wide and governmental fund statements, while deferred inflows related to property taxes, code enforcement liens, mortgage notes, and intergovernmental revenues are reported in the governmental fund financial statements, but not the government-wide statements, when the receivable is recorded but the revenue is not available.

Deferred outflows related to deferred amounts on bond refundings are reported in the Water and Sewer Utility, Gas Utility and Stormwater Utility funds, as well as in the government-wide statements. These amounts represent the difference between the reacquisition price and the net carrying amount of the old debt, which is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Changes in total pension liability arising from the differences between expected and actual experience, changes of assumption of future economic and demographic factors and the net difference between projected and actual earnings on pension plan investments are recognized as deferred outflows of resources or deferred inflows of resources and are reported in all enterprise and internal service funds, as well as in the government-wide statements. Changes between expected and actual experience and changes of assumptions are recognized in pension expense over a closed period equal to the average of the expected remaining service lives of all active and inactive employees, while the difference between projected and actual earnings is recognized in pension expense over a closed five-year period.

Differences between expected and actual experience and changes in assumptions related to OPEB are recognized as deferred outflows of resources or deferred inflows of resources and are reported in all enterprise and internal service funds, as well as in the government-wide statements, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees), determined as of the beginning of the measurement period. At October 1, 2022, the beginning of the current measurement period, the average of the expected remaining services lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period was 7.1 years.

Deferred inflows related to leases in which the City is the lessor are recorded in the General Fund, Water and Sewer Utility Fund, Marine Operations Fund, Aviation Operations Fund, and the government-wide statements. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable at inception of the lease, and is recognized as revenue in a systematic and rational manner over the term of the lease.

I.E.9. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both unrestricted resources and restricted resources, such as restricted bond or grant proceeds. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made regarding the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

I.E.10. Fund balance flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made regarding the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

I.E.11. Fund balance policies

The fund balance of governmental funds is reported in various classifications that comprise a hierarchy based primarily on the extent to which the government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. Each classification of fund balance is based on the relative strength of the constraints that control how specific amounts can be spent. The order of spending follows the same hierarchy. Restricted resources are applied first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Nonspendable fund balance represents amounts that cannot be spent, such as inventories, prepaid amounts, and amounts that are legally or contractually required to remain intact.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by the adoption of an ordinance prior to the end of the fiscal year by the City Council, the highest level of decision-making authority. Once adopted by ordinance, a commitment can only be revised or removed by the adoption of another ordinance.

Assigned fund balance includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed because they are supported by management's intent rather than a formal action of the City Council. The Finance Director is authorized by Section 2.511 of the Code of Ordinances to assign fund balance. Since assignments only exist temporarily, no further action is required to revise or remove them.

Unassigned fund balance includes amounts not classified above. Positive unassigned fund balance may only be reported in the general fund. In all other funds, unassigned fund balance is limited to negative residual fund balances.

Minimum fund balance. Per City Council Policy, a minimum General Fund unassigned balance of 8.0% of the subsequent year's budgeted expenditures must be maintained as a contingency fund for unanticipated financial needs. In addition, 0.5% of the subsequent year's budgeted expenditures must be maintained to fund unanticipated retirements of employees residing in General Fund departments. Budgeted appropriations will maintain these minimum reserves of 8.5% of subsequent year's budgeted expenditures, with excess reserves available for specific capital improvement projects or other "one-time" needs.

Stabilization arrangement. As of September 30, 2023, the City Council has not established a separate revenue stabilization reserve.

I.E.12. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

I.F. Adoption of new GASB pronouncements

During the fiscal year ended September 30, 2023, the City implemented the following GASB pronouncement:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* Issued in May 2020, this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results

in an intangible right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended. The City reports right-to-use subscription assets and corresponding subscription liabilities as governmental activities in the government-wide statements, as well as in the Administrative Services and Central Insurance internal service funds.

Note II – Stewardship, Compliance, and Accountability

II.A. Budgets and budgetary accounting

Annual budgets are legally adopted for the General Fund, Special Development special revenue fund, and the Community Redevelopment Agency special revenue fund. The budgets for the General Fund and the Special Development Fund are adopted on a basis consistent with GAAP, and appropriations lapse at year-end. The Community Redevelopment Agency (CRA) Fund annual budget is adopted by the trustees of that agency in accordance with state law. The level of budgetary control is the total fund. The CRA Fund Budget is adopted on a basis consistent with GAAP, and all appropriations lapse at year-end.

The level of budgetary control established by the legislative body, the level on which expenditures may not legally exceed appropriations, is the individual fund. In accordance with provisions of Ordinance 5025-90 and with Section 2.519(4) of the Clearwater Code, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within an operating fund, provided such action does not result in the discontinuance of a program. Such transfers must be included in the next budget review presented to the City Council. Upon detailed written request by the City Manager, the City Council may by ordinance transfer part or all of any unencumbered appropriation balance from one fund to another.

As established by administrative policy, department directors may transfer money from one operating code to another within a program without a formal written amendment. Formal requests for budget amendments from department directors are required for transfers, capital expenditures, and reserves. Thus, certain object classifications within departmental and/or program budget appropriations are subject to administratively imposed controls, in addition to the legal controls imposed by City Council action described above.

Budget amounts presented in the accompanying financial statements reflect all amendments adopted by the City Council and the governing board of the component unit. All amendments were adopted in conformance with legal requirements. Individual amendments, as well as the net effects of all amendments during the fiscal year, were not material in relation to the original appropriations for the governmental funds in the aggregate.

Budgets for the Capital Projects Funds, the Special Programs Fund, the SHIP Local Housing Assistance Trust Fund, and the Pinellas County Local Housing Assistance Trust Fund are adopted on a multi-year completed program basis, where budgetary appropriations do not lapse at year-end, but may extend across two or more fiscal years. A comparison of annual results with these budgets would not be meaningful and is therefore not included in this report.

All City Council adopted budgets are integrated into the formal accounting system to allow for monthly comparison of projected and actual results in all funds for which budgets are adopted.

Note III – Detailed Notes on All Funds

III.A. Deposits and investments

Investments with original maturities of three months or less are considered to meet the definition of cash equivalents. The majority of the investments in which the City's proprietary funds have equity are held by the City's consolidated pool of cash and investments. Since fund equities in this cash management pool have the general characteristics of demand deposits, in that additional funds may be deposited at any time, and funds may be withdrawn at any time without prior notice or penalty, each fund's equity account is considered a cash-equivalent regardless of the maturities of investments held by the pool. Funds with deficit (overdraft) positions within the consolidated pool report the deficits as interfund payables to the City's Capital Improvement Fund.

Fair Value and Net Asset Value

The City of Clearwater and the City's pension plans categorize fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the securities and assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. Certain investments held by the City and the pension plans are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with GAAP requirements.

Equity and Fixed Income Securities – Equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets issued by pricing vendors for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank, Wells Fargo, for the City's pooled cash investments. Prices for pension investments are obtained by the custodial agents for each of the pension plans. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by matrix pricing techniques maintained by various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities classified in Level 3 of the fair value hierarchy, when applicable, are securities whose stated market price is unobservable by the marketplace; often these securities are priced by the issuer or industry groups.

Real Estate Funds – Investments in real estate funds are valued at estimated fair value, as determined in good faith by the General Partner (GP). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the GP. These assets are valued at NAV.

Deposits

All cash of the City is entirely insured either by federal depository insurance or via banks' participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, "Security for Public Deposits". The City is required to verify that monies are invested in "qualified public depositories" as defined in Florida Statutes section 280.02.

Pooled Cash and Investments

To increase returns and minimize fees, the City follows the practice of pooling available cash and investments of all funds, with the exception of retirement plan investments and assets held under Bond Trust Indenture Agreements. Please refer to Note I.E.1. for a discussion of allowable investments under the pooled cash and investments investment policy. All investments at year-end were in compliance with the pooled cash and investments investment policy.

The City utilizes an overnight repurchase agreement, or "sweep account" with Wells Fargo. The City authorizes the bank to "sweep" the City's operating account into the Allspring Treasury Plus Money Market Fund overnight on a daily basis. This money market sweep account only invests in United States Treasury Bills, Treasury Notes, US government agencies, and repurchase agreements overcollateralized at 102% by treasuries and agencies. The next day the same account is credited for the principal amount of the previous day's sweep. As such, the balance is included as part of the deposit total for

purposes of financial statement presentation. The outstanding balance in the Wells Fargo sweep Allspring Treasury Plus Money Market Fund at 9/30/2023 totaled $36,952,613.

Pooled cash and investments as of September 30, 2023 are classified in the accompanying financial statements as follows:

Statement of net position	**9/30/2023**
Primary Government:	
Cash and investments	$ 622,068,009
Restricted cash and investments	24,685,689
Fiduciary Funds:	
Cash and investments	20,135,664
Total pooled cash and investments	$ 666,889,362

Pooled Cash and Investments	Carrying Amount	% of Portfolio	Investment Maturities in Years: Less than 1	1-3 Years	More than 3	Moody's Rating
Cash and cash equivalents:						
Cash on hand	$ 28,090	0.00%				N/A
Time / interest bearing / sweep accounts	32,552,117	4.88%				N/A
Total cash and cash equivalents	32,580,207					
Investments:						Standard & Poor's Rating
Local Government Investment Pools:						
Florida Safe Investment Pool	13,826,443	2.07%	13,826,443	-	-	AAAm
Florida Cooperative Liquid Assets Securities System	71,508,837	10.72%	71,508,837	-	-	AAAm
	85,335,280		85,335,280	-	-	
						Moody's Rating
Treasuries	14,303,516	2.14%	9,529,688	-	4,773,828	N/A
U.S. Agencies:						
Federal Home Loan Bank (FHLB)	305,577,207	45.83%	40,196,756	167,935,689	97,444,762	Aaa
Federal National Mortgage Assn (FNMA)	56,588,091	8.49%	19,972,310	36,615,781	-	Aaa
Federal Farm Credit Bank (FFCB)	84,011,697	12.60%	9,528,887	52,757,972	21,724,838	Aaa
Federal Home Loan Mortgage Corp (FHLMC)	29,019,363	4.35%	29,019,363	-	-	Aaa
Total U.S. Agencies	475,196,358		98,717,316	257,309,442	119,169,600	
Municipal bonds	9,283,197	1.39%	-	9,283,197	-	Aa2
Mortgage backed securities	49,855,071	7.48%	203,108	8,706,196	40,945,767	Aaa
Asset backed securities	335,733	0.05%	15,329	-	320,404	Aaa
Total investments	634,309,155		193,800,721	275,298,835	165,209,599	
Total pooled cash and investments	$ 666,889,362	100.00%				

Interest Rate Risk – Pooled Cash and Investments:

As a means of limiting exposure to fair value losses arising from rising interest rates, the City's pooled cash investment policy prohibits investments in securities maturing more than fifteen years from the date of purchase, unless matched to a specific cash flow requirement. Additionally, the policy allows no more than 10% of the portfolio to have maturities in excess of ten years unless specifically matched against a debt or obligation. Finally, the investment policy states that it is the City's intent to keep the weighted average maturity to three years or less, except for temporary situations due to market conditions and/or cash needs when the average maturity may exceed three years but shall not exceed five years. Weighted average maturities for the City's pooled cash investments are indicated in the table above.

Credit Risk – Pooled Cash and Investments:

The City's pooled cash investment policy, in accordance with Florida Statutes, allows investments to direct obligations of the United States, federal agencies, debt issued by the State of Florida or any political subdivision, and commercial paper of prime quality of the highest letter and numerical rating as provided by at least one nationally recognized rating service. Ratings for the City's pooled cash investments are disclosed in the preceding table.

Concentration of Credit Risk – Pooled Cash and Investments:

The City's pooled cash investment policy limits the investment in any one issuer to 40% of the portfolio. Concentrations of the various issuers are disclosed in the preceding table.

Custodial Credit Risk – Pooled Cash and Investments:

Monies on deposit with financial institutions are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, which provides protection against any loss to public depositors. Consistent with the City's investment policy, investment securities owned by the City are held by the City's custodian in the City's name and all purchases use the "delivery versus payment" procedure.

Fair Value and Net Asset Value Measurement:

The City has adopted the provisions of GASB Statements No. 72 and No. 79 and fully disclosed in the notes to the financial statements the fair value hierarchy and the methods of valuing the related investments as required under generally accepted accounting principles. The City of Clearwater categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the securities and assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. Certain investments held by the City are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with GAAP requirements.

Fixed Income Securities – Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank, Bank of America, for the City's pooled cash investments. Debt securities classified in Level 2 of the fair value hierarchy are valued using prices determined by matrix pricing techniques maintained by various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The City has the following recurring fair value and net asset value measurements as of September 30, 2023:

(in thousands)		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
U.S. Government securities	$ 14,304	$ 14,304	$ -	$ -
Federal Agency securities	475,196	-	475,196	-
Municipal obligations	9,283	-	9,283	-
Mortgage backed securities	49,855	-	49,855	-
Asset backed securities	336	-	336	-
Total investments measured at fair value	548,974	$ 14,304	$ 534,670	$ -
Investments measured at net asset value:				
Florida Safe Investment Pool	13,826			
Florida Cooperative Liquid Assets Securities System	71,509			
Total investments measured at net asset value	85,335			
Total pooled cash investments	$ 634,309			

The Florida SAFE Investment Pool (FLSAFE) and the Florida Cooperative Liquid Assets Securities System (FLCLASS) are independent local government investment pools created under the laws of Florida to provide eligible units of local government with investment vehicles to pool their surplus funds. FLSAFE and FLCLASS investment pools are Stable Net Asset Value investment pools rated AAAm by Standard & Poors. The investment advisor and administrator for the FLSAFE investment pool is PMA Financial Network, Inc. and the investment advisor and administrator for the FLCLASS investment pool is Public Trust Advisors, LLC.

The two local government investment pools, Florida Safe Investment Pool (FLSAFE) and Florida Cooperative Liquid Assets Securities System (FLCLASS), have no unfunded commitments and both provide same day or next day redemption. The investment strategies of both prioritize safety of principal and liquidity over return, consistent with the City's investment strategy, investing in high-quality short-term investments.

Pension Plan Assets

The City reports four pension funds in the accompanying financial statements. Each of the plans has a separate governing board of trustees, a separate investment policy, and differing investment restrictions/risks. Consequently, each is disclosed separately below. All investments at year-end were in compliance with the respective plan investment policies. Please refer to Note I.E.1. for a discussion of allowable investments under the pension plans.

Investments are reported at fair value or net asset value, as disclosed, and are managed by third party money managers. The City's independent custodian and the individual money managers price each instrument (using various third-party pricing sources) and reconcile material differences. Investments in certain alternative investments are valued using the net asset value (NAV) per shares outstanding.

Employees' Pension Plan

At year-end, the Employees' Pension Plan cash and investment balances were as follows:

Employees' Pension Plan Cash and Investments		Carrying Amount	% of Portfolio	Weighted avg maturity (years)	Moody's Rating
Cash and cash equivalents:					
Cash in bank	$	18,998,263	1.63%	N/A	N/A
Cash in managed investment accounts		18,221,498	1.56%	N/A	N/A
Total cash and cash equivalents		37,219,761			
Investments:					
Government bonds		47,153,840	4.03%		Aaa
Government bonds		156,089	0.01%	14.3	A
Government bonds		2,385,398	0.20%		Baa
Index linked government bonds		2,877,928	0.25%	15.2	Aaa
Agency bonds		544,908	0.05%		AGY
Agency bonds		929,356	0.08%	12.4	Aaa
Agency bonds		2,069,631	0.18%		B
Municipal bonds		1,685,252	0.14%	14.7	Aa
Municipal bonds		1,320,652	0.11%		A
Domestic corporate bonds		1,703,142	0.15%		Aaa
Domestic corporate bonds		3,270,102	0.28%		Aa
Domestic corporate bonds		43,687,767	3.74%		A
Domestic corporate bonds		56,391,616	4.83%	9.9	Baa
Domestic corporate bonds		3,921,273	0.34%		Ba
Domestic corporate bonds		160,125	0.01%		B
Domestic corporate bonds		2,855,954	0.24%		NR
Asset backed securities		866	0.00%		AGY
Asset backed securities		11,078,328	0.95%		Aaa
Asset backed securities		1,458,836	0.12%	27.6	Aa
Asset backed securities		914,465	0.08%		A
Asset backed securities		1,944,547	0.17%		NR
Other/rights/warrants		1,606	0.00%	N/A	NR
Domestic stocks		260,679,113	22.31%	N/A	N/A
International equity securities		106,230,485	9.09%	N/A	N/A
Mortgage backed bonds		115,704,789	9.90%		AGY
Mortgage backed bonds		25,545	0.00%	27.9	Aaa
Mortgage backed bonds		35,444	0.00%		NR
Government issued commercial mortgage backed bonds		21,929	0.00%	27.0	AGY
International equity mutual funds		15,951,198	1.36%	N/A	N/A
Domestic equity mutual funds		234,335,516	20.05%	N/A	N/A
Infrastructure		91,519,858	7.83%	N/A	N/A
Real Estate/Timber		120,452,905	10.31%	N/A	N/A
Total investments		1,131,468,463			
Total cash and investments	$	1,168,688,224	100.00%		

Interest Rate Risk – Employees' Pension Plan:

As a means of limiting exposure to fair value losses arising from rising interest rates, the Employees' Pension Plan investment policy limits the investment in fixed income investments to no more than 40% of the portfolio. There are no limits related to weighted average maturities due to the long-term nature of pension plan investing.

Credit Risk – Employees' Pension Plan:

The Employees' Pension Plan investment policy limits credit risk by restricting equity investments to corporations that are listed on one of the national or international stock exchanges. Additionally, fixed income corporate bonds must carry an "investment grade" rating as established by one of the nationally recognized rating agencies. As of September 30, 2023, the Plan had $6,151,029 invested in domestic corporate bonds and government agency bonds that had fallen below investment grade (Ba1 and lower) as the result of investment downgrades, as indicated on the previous table. The respective money managers notified the Plan administrators of the downgrades and the planned courses of action related to these securities on a timely basis, consistent with the policy's individual manager guidelines.

Concentration of Credit Risk – Employees' Pension Plan:

The Employees' Pension Plan investment policy limits concentration of credit risk by limiting the investment in common stock or capital stock of any one corporation to 3% of the plan equity assets, unless due to a higher percentage included in a nationally recognized market index at least as broad as the Standard and Poor's Composite Index of 500 companies, or upon a specific finding by the investment committee that such higher percentage is in the best interest of the fund. Additionally, the individual manager guidelines associated with the policy provide further diversification of both equity and fixed income investments to minimize concentration of credit risk.

Custodial Credit Risk – Employees' Pension Plan:

This is the risk that in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. Consistent with the Plan's investment policy, investments are held by the Plan's custodial bank and registered in the Plan's name.

Foreign Currency Risk – Employees' Pension Plan:

Risk of loss arises from changes in currency exchange rates. The Employees' Pension Plan investment policy does not have a formal policy to limit foreign currency risk, other than a guideline of no more than 25% of the plan assets invested in international equities.

The Pension Plan's exposure to foreign currency risk as of September 30, 2023 is as follows:

Investment	Currency	Fair Value
Common stock	Euro currency	$ 21,892,383
Common stock	British pound sterling	11,843,433
Common stock	Japanese yen	10,816,679
Common stock	Swiss franc	5,103,288
Common stock	Australian Dollar	2,541,688
Common stock	Swedish krona	1,493,259
Common stock	Norwegian krone	1,342,976
Common stock	Hong Kong dollar	1,265,881
Common stock	South Korean won	963,095
Common stock	Singapore dollar	889,738
Common stock	Canadian dollar	539,306
Common stock	Danish krone	246,838
Total		$ 58,938,564

Fair Value and Net Asset Value Measurement:

The Employees' Pension Plan has adopted the provisions of GASB Statement No. 72 and fully disclosed in the notes to the financial statements the fair value hierarchy and the methods of valuing the related investments as required under the generally accepted accounting principles. The City's independent custodian and the individual money managers price each instrument (using various third-party pricing sources) and reconcile material differences. Investments in certain alternative investments are valued using the net asset value (NAV) per shares outstanding.

The Employees' Pension Plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the securities and assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. Certain investments held by the pension plan are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with GAAP requirements.

Equity and Fixed Income Securities – Equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets issued by pricing vendors for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank, Bank of America, for the City's pooled cash investments. Prices for pension investments are obtained by the custodial agents for each of the pension plans. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by matrix pricing techniques maintained by various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities classified in Level 3 of the fair value hierarchy, when applicable, are securities whose stated market price is unobservable by the marketplace; often these securities are priced by the issuer or industry groups.

Real Estate Funds – Investments in real estate funds are valued at estimated fair value, as determined in good faith by the General Partner (GP). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the GP. These assets are valued at NAV.

The Employees' Pension Plan has the following recurring fair value and net asset value measurements as of September 30, 2023:

(in thousands)	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Government bonds	$ 49,695	$ -	$ 49,695	$ -
Index linked government bonds	2,878		2,878	
Agency bonds	3,544	-	3,544	-
Municipal bonds	3,006	-	3,006	-
Domestic corporate bonds	111,990	-	111,963	27
Asset backed bonds	15,397	-	15,397	-
Other/Rights/Warrants	2	-	-	2
Domestic stocks	260,679	260,679	-	-
International equity securities	106,229	106,229	-	-
Mortgage backed bonds	115,766	-	115,766	-
Government issued mortgage backed bonds	22	-	22	-
Total investments measured at fair value	669,208	$ 366,908	$ 302,271	$ 29
Investments measured at net asset value:				
International equity mutual funds	15,951			
Domestic equity mutual funds	234,337			
Infrastructure	91,520			
Real Estate/Timber	120,452			
Total investments measured at net asset value	462,260			
Total Employees' Pension Plan investments	$ 1,131,468			

Net Asset Value Investments (in thousands):

Money Manager	Value	Unfunded Commitments	Investment Strategy	Redemption Restrictions
Dimensional	$15,951	$ -	Emerging markets equity collective investment trust seeking long term capital appreciation by investing at least 80% of net assets in equity securities of companies located in emerging market countries.	None
Northern Trust	77,437	-	Collective large cap value index fund seeking to approximate the risk and return characteristics of the Russell 1000 Value Index.	None
Northern Trust	156,900	-	Collective large cap growth index fund seeking to approximate the risk and return characteristics of the Russell 1000 Growth Index.	None
Multi-Employer Property Trust	60,170	-	An open-end commingled real estate equity fund organized as a bank collective trust. Strategy to create top-quality, core, income-producing assets through development, rehab, or acquisition and repositioning of undervalued assets.	Quarterly redemptions with 45 days notice.
Molpus Woodlands Group Funds III & IV	12,128	1,255	Limited Partnership providing income through acquisition, holding, and distribution of timberland.	No redemption due to Limited Partnership term of up to 14 years, ending 10/22/2027.
Hancock Timberland XI LP	8,142	559	Limited Partnership providing income through acquisition, holding, and distribution of timberland	No redemption due to Limited Partnership. Two-year wind-up period begins 12/31/2025 and ends 12/31/2027.
IFM Infrastructure	91,520	-	Limited Partnership investing in a diversified portfolio of global infrastructure assets, favoring proprietary investment opportunities over competitive bidding processes.	Quarterly redemptions with 90 days notice; manager's best efforts within 36 months of end of quarter.
USAA U.S. Government Buildings	23,701	-	Core plus real estate strategy for acquisition and build-to-suit development of high quality assets leased to agencies of the U.S. Federal and State Governments.	Quarterly redemptions with 60 days notice.
Intercontinental U.S. Real Estate Investment Trust	16,311	-	Primarily investing in high-quality core and core plus properties for stable predictable cash flow and opportunity for capital appreciation. To a lesser degree, additional enhanced-core and value properties to further enhance diversification and return.	Quarterly redemptions with 60 days notice.
	$ 462,260	$ 1,814		

Firefighters' Relief and Pension Plan

At year-end, the Firefighters' Relief and Pension Plan cash and investment balances were as follows:

	Carrying Amount	% of Portfolio	Weighted avg maturity (years)	Moody's Rating
Cash and cash equivalents:				
Cash in bank	$ 261,007	9.60%	N/A	N/A
Total cash and cash equivalents	261,007			
Investments:				
U.S. Agency - Federal Agricultural Mortgage Corp. (FAMCA)	996,145	36.65%	0.62	Aaa
U.S. Agency - Federal Home Loan Bank (FHLB)	1,461,069	53.75%	1.16	Aaa
Total investments	2,457,214			
Total managed cash and investments	$ 2,718,221	100.00%		

Interest Rate Risk – Firefighters' Relief and Pension Plan:

As a means of limiting exposure to fair value losses arising from rising interest rates, the Firefighters' Relief and Pension Plan investment policy stipulates that the Plan does not trade securities and will typically hold securities to maturity. There are no limits related to weighted average maturities due to the long-term nature of pension plan investing.

Credit Risk – Firefighters' Relief and Pension Plan:

The Firefighters' Relief and Pension Plan investment policy limits credit risk by restricting the fixed income investments to investment grade securities, per a nationally recognized ranking agency.

Custodial Credit Risk – Firefighters' Relief and Pension Plan:

Monies on deposit with financial institutions are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, which provides protection against any loss to public depositors. Consistent with the City's investment policy, investment securities owned by the Plan are held by the City's custodian in the City's name and all purchases use the "delivery versus payment" procedure.

Concentration of Credit Risk – Firefighters' Relief and Pension Plan:

The Firefighters' Relief and Pension Plan investment policy limits concentration of credit risk by limiting the recommended target allocation of the plan to domestic fixed income to 70% of the portfolio, with the remainder of the portfolio allocated to the City's well-diversified pooled cash portfolio (see above disclosure). There are no additional limitations on concentrations with individual issuers or agencies due to the relatively small portfolio of this closed pension plan.

Foreign Currency Risk – Firefighters' Relief and Pension Plan:

The Firefighters' Relief and Pension Plan investment policy does not permit investment in foreign fixed income or equity securities.

Fair Value Measurement:

The Firefighters' Relief and Pension Plan has the following recurring fair value measurements as of September 30, 2023:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal agency securities	$ 2,457,214	$ -	$ 2,457,214	$ -

Police Supplemental Pension Plan

At year-end, the Police Supplemental Pension Plan cash and investment balances were as follows:

	Carrying Amount	% of Portfolio	Weighted avg maturity (years)	Moody's Rating
Cash and cash equivalents:				
Cash in bank	$ 8,254	0.05%	N/A	N/A
Cash in managed investment accounts	1,623,355	9.08%	N/A	N/A
Total cash and cash equivalents	1,631,609			
Investments:				
Domestic equity mutual funds	11,480,309	64.21%	N/A	N/R
International equity mutual funds	3,058,205	17.11%	N/A	N/R
Real estate	1,707,813	9.55%	N/A	N/R
Total investments	16,246,327			
Total managed cash and investments	$ 17,877,936	100.00%		

Interest Rate Risk – Police Supplemental Pension Plan:

As a means of limiting exposure to fair value losses arising from rising interest rates, the Police Supplemental Pension Plan investment policy limits the duration of the fixed income portfolio to less than 135% of the duration of the Bloomberg Barclay's Intermediate Aggregate Bond Index.

Credit Risk – Police Supplemental Pension Plan:

The Police Supplemental Pension Plan investment policy limits credit risk by restricting equity investments to securities that are fully and easily negotiable. Investments in corporations whose stock has been publicly traded for less than one year are limited to 15% at cost value of the equity portfolio. Investment in equity securities whose market capitalization is less than $10 billion dollars shall be limited to 25% of the total equity portfolio. Exchange traded funds (ETF's) or Exchange Traded Notes (ETN's) may not exceed 10% at cost value of any equity manager's portfolio. Investments in real estate shall not exceed 25% (at market valuation) of the value of the total fund assets. Investments in absolute or real return strategies

shall not exceed 25% of the value of the total fund assets. The average credit quality of the bond portfolio shall be "A" or higher, and those securities rated below "BBB" shall not exceed 15% of the entire fixed income portfolio.

Concentration of Credit Risk – Police Supplemental Pension Plan:

The Police Supplemental Pension Plan investment policy limits concentration of credit risk by limiting the investment in common stock or capital stock of any one issuing company within an investment manager's portfolio to 5% of the portfolio. Similarly, no more than 5% at cost value of a fixed income investment manager's portfolio may be invested in the securities of any single corporate issuer per the plan investment policy. Finally, investments in collateralized mortgage obligations are limited to 25% of the market value of the investment manager's total portfolio.

Custodial Credit Risk – Police Supplemental Pension Plan:

This is the risk that in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. Plan investments are held by the Plan's custodial bank and registered in the Plan's name.

Foreign Currency Risk – Police Supplemental Pension Plan:

Risk of loss arises from changes in currency exchange rates. The Police Supplemental Pension Plan requires that no more than 25% of the market value of the plan's total assets may be invested in foreign equity securities, commingled or mutual funds. Direct investment in foreign companies is limited to those traded on a national exchange and/or American Depository Receipts (ADR's).

Fair Value Measurement:

The Police Supplemental Pension Plan has the following recurring fair value measurements as of September 30, 2023:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic equity mutual funds	$ 11,480,309	$ 11,480,309	$ -	$ -
International equity mutual funds	3,058,205	-	-	3,058,205
Real estate	1,707,813			1,707,813
	$ 16,246,327	$ 11,480,309	$ -	$ 4,766,018

Firefighters' Supplemental Pension Plan

At year-end, the Firefighters' Supplemental Pension Plan cash and investment balances were as follows:

	Carrying Amount	% of Portfolio	Weighted avg maturity (years)	Moody's Rating
Cash and cash equivalents:				
Cash in managed investment accounts	$ 2,652,504	13.02%	N/A	N/A
Total cash and cash equivalents	2,652,504			
Investments:				
U.S. Treasury obligations	836,935	4.11%	7.4	Aaa
Municipal obligations	74,259	0.36%		A1/A2/A3
Municipal obligations	29,769	0.15%	4.6	Aaa
Municipal obligations	46,105	0.23%		N/R
Domestic corporate bonds	370,754	1.82%		A1/A2/A3
Domestic corporate bonds	41,690	0.20%	4.3	Aa1/Aa2/Aa3
Domestic corporate bonds	489,737	2.40%		Baa1/Baa2/Baa3
International equity securities	740,202	3.63%	N/A	N/R
Domestic stocks	3,665,460	17.99%	N/A	N/R
Mortgage backed bonds	1,083,026	5.32%	16.7	N/R
Domestic equity mutual funds	5,063,397	24.86%	N/A	N/R
International equity mutual funds	1,191,161	5.85%	N/A	N/R
Real estate	4,086,215	20.06%	N/A	N/R
Total investments	17,718,710			
Total managed cash and investments	$ 20,371,214	100.00%		

Interest Rate Risk – Firefighters' Supplemental Pension Plan:

As a means of limiting exposure to fair value losses arising from rising interest rates, the Firefighters' Supplemental Pension Plan investment policy limits the duration of the fixed income portfolio to less than 135% of the duration of the Bloomberg Barclay's Intermediate Aggregate Bond Index.

Credit Risk – Firefighters' Supplemental Pension Plan:

The Firefighters' Supplemental Pension Plan investment policy limits credit risk by restricting equity investments to securities that are fully and easily negotiable. Investments in corporations whose stock has been publicly traded for less than one year are limited to 15% at cost value of the equity portfolio. Investment in equity securities whose market capitalization is less than $10 billion dollars shall be limited to 25% of the total equity portfolio. Exchange traded funds (ETF's) or Exchange Traded Notes (ETN's) may not exceed 10% at cost value of any equity manager's portfolio. Investments in real estate shall not exceed 35% (at market valuation) of the value of the total fund assets. Investments in absolute or real return strategies shall not exceed 20% of the value of the total fund assets. The average credit quality of the bond portfolio shall be "A" or higher, and those securities rated below "BBB" shall not exceed 15% of the entire fixed income portfolio.

Concentration of Credit Risk – Firefighters' Supplemental Pension Plan:

The Firefighters' Supplemental Pension Plan investment policy limits concentration of credit risk by limiting the investment in common stock or capital stock of any one issuing company within an investment manager's portfolio to 5% of the portfolio. Similarly, no more than 5% at cost value of a fixed income investment manager's portfolio may be invested in the securities of any single corporate issuer per the plan investment policy. Finally, investments in collateralized mortgage obligations are limited to 25% of the market value of the investment manager's total portfolio.

Custodial Credit Risk – Firefighters' Supplemental Pension Plan:

This is the risk that in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. Plan investments are held by the Plan's custodial bank and registered in the Plan's name.

Foreign Currency Risk – Firefighters' Supplemental Pension Plan:

Risk of loss arises from changes in currency exchange rates. The Firefighters' Supplemental Pension Plan requires that no more than 25% of the market value of the plan's total assets may be invested in foreign equity securities, commingled or mutual funds. Direct investment in foreign companies is limited to those traded on a national exchange and/or American Depository Receipts (ADR's).

Fair Value Measurement:

The Firefighters' Supplemental Pension Plan has adopted the provisions of GASB Statement No. 72 and fully disclosed in the notes to the financial statements the fair value hierarchy and the methods of valuing the related investments as required under generally accepted accounting principles. The Plan has the following recurring fair value measurements as of September 30, 2023:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury obligations	$ 836,935	$ 159,872	$ 677,063	$ -
Municipal obligations	150,133	-	150,133	-
Domestic corporate bonds	902,181	-	902,181	-
International equity securities	740,202	695,681	44,521	-
Domestic stocks	3,665,460	3,665,460	-	-
Mortgage backed bonds	1,083,026	1,083,026	-	-
Domestic equity mutual funds	5,063,397	5,063,397	-	-
International equity mutual funds	1,191,161	-	-	1,191,161
Real estate	4,086,215	-	-	4,086,215
	$ 17,718,710	$ 10,667,436	$ 1,773,898	$ 5,277,376

III.B. Receivables

Receivables as of year-end for the City's governmental, proprietary and internal service funds, including the applicable allowances for uncollectible accounts for the proprietary funds, are segregated on the fund financial statements. Mortgages, Notes, and Other Loans in the amount of $6,189,931 are reported on the Governmental Funds Balance Sheet, net of an allowance for uncollectible accounts in the amount of $11,857,725. The gross receivable of $18,047,656 includes $4,089,950 of long-term loans receivable that are not expected to be collected within the next fiscal year. Mortgage notes receivable and the related payment history are reviewed individually on an annual basis to determine collectability for allowance and bad debt determinations.

Receivables as of year-end for the primary government's individual major funds, as well as non-major funds and internal service funds in the aggregate, are as follows:

Receivables, net of applicable allowances for uncollectible accounts (amounts in thousands):

	Taxes	Franchise Fees	Interest	Accounts and Contracts	Leases	Notes	Other	Total
General fund	$ 1,655	$ 1,250	$ 375	$ 418	$ 2,857	$ -	$ 245	$ 6,800
Special Development	32	-	110	-	-	-	-	142
Special Programs	-	-	81	-	-	10,621	-	10,702
Capital Improvement	-	-	38	-	-	-	-	38
Non-major governmental funds	-	-	48	-	-	7,427	-	7,475
Internal service funds	-	-	276	-	-	-	48	324
Total governmental	1,687	1,250	928	418	2,857	18,048	293	25,481
Less: Allowance for uncollectable accounts	(91)	-	-	-	-	(11,858)		(11,949)
Net governmental receivables	$ 1,596	$ 1,250	$ 928	$ 418	$ 2,857	$ 6,190	$ 293	$ 13,532
Water and Sewer Utility	$ -	$ -	$ 576	$ 8,763	$ 40	$ -	$ 33	$ 9,412
Gas Utility	-	-	93	2,859	-	-	42	2,994
Solid Waste and Recycling Utility	-	-	138	2,735	-	-	1	2,874
Stormwater Utility	-	-	131	2,319	-	-	1	2,451
Non-major enterprise funds	-	-	190	-	5,914	-	-	6,104
Total business-type	-	-	1,128	16,676	5,954	-	77	23,835
Less: Allowance for uncollectable accounts	-	-	-	(134)	-	-	-	(134)
Net business-type receivables	$ -	$ -	$ 1,128	$ 16,542	$ 5,954	$ -	$ 77	$ 23,701

III.C. Lease Receivables

The City, as a lessor, has entered into the following lease agreements:

Fields, Inc. d/b/a Barefoot Beach House leases the premises on Clearwater Beach at 332 South Gulfview Blvd. to operate a food and beach accessory concession and restroom complex. The lease terminates on December 31, 2024. There are no further renewals available. Monthly fixed base rent payments of $8,334 are received in the General Fund, as well as additional rent which varies based on gross sales. A lease receivable of $124,393 and a deferred inflow of $131,514 are recorded in the General Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 0.743%.

Alexandra of Clearwater Beach, Inc. leases the premises on Clearwater Beach at 10 Pier 60 Drive to operate a food and beach accessory concession and restroom complex. The lease terminates on February 28, 2027. There are no further renewals available. Fixed base rent of $50,000 is due annually on March 1st, in addition to fixed monthly rent of $10,000 and additional rent which varies based on gross sales. A lease receivable of $549,854 and a deferred inflow of $564,943 are recorded in the General Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 1.090%.

Clearwater Community Sailing Association, Inc. leases the premises on Clearwater Beach (3,658 square feet of real property and improvements) at 1001 Gulf Blvd., known as the Clearwater Community Sailing Center, and two additional tracts of land. The lease terminates on February 29, 2024. There are no renewals available. Monthly base rent of $1,459 is received in the General Fund, and is subject to increase annually on March 1st based on the CPI for all Urban Consumers (CPI-U), South Urban Area, for the twelve-month period ending December 31st. A lease receivable of $7,287 and a deferred inflow of $8,653 are recorded in the General Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 0.529%.

Clearwater Golf Club, LLC leases the golf course located at 525 Betty Lane North, known as the Clearwater Country Club. The lease terminates on April 30, 2041. There are no renewals available. In lieu of rent, the Club at its sole expense will perform the renovations and construction stated in the agreement, valued at approximately $1.2 million, during the five-year period ending April 30, 2027. A lease receivable of $1,102,705 (present value of the required improvements using a discount rate of 2.36%) and a deferred inflow of $990,912 are recorded in the General Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 2.36%.

Martin Luther King, Jr. Neighborhood Family Center, Inc. leases 530 square feet of office space at the North Greenwood Aquatics and Recreation Complex located at 900 North Martin Luther King, Jr. Avenue. The lease terminates on September 30, 2026 if not renewed for an additional five-year term. Quarterly rent of $5,000 is received in the General Fund, and may be adjusted for the renewal term, if exercised, to reflect applicable changes in the use of the premises or the cost of operating the facility. A lease receivable of $58,951 and a deferred inflow of $63,297 are recorded in the General Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 1.090%.

The Philadelphia Phillies baseball club leases the stadium known as BayCare Ballpark, located at 601 North Old Coachman Road, for use as a spring training facility and also the home of their Class A affiliate, the Clearwater Threshers. The lease was set to expire on December 31, 2023 if renewal options were not exercised; however, the Phillies have exercised a renewal option for an additional five years through December 31, 2028. Annual rent of $204,000 is received in the General Fund. A lease receivable of $952,900 and a deferred inflow of $1,002,892 are recorded in the General Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 2.312%.

Clearwater Golf Associates, Inc. leases a golf course located at 1875 Airport Road, known as The Landings Golf Club of Clearwater. The lease terminates on February 28, 2029. There are no renewals available. Quarterly fixed rent of $3,000 is received in the General Fund, as well as 3% of gross revenues in excess of $1.1 million annually. A lease receivable of $60,655 and a deferred inflow of $61,311 are recorded in the General Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 1.390%.

A portion of the water tower premises at 3200 SR-580 and McMullen Booth Road (5,525 square feet) is leased to Crown Castle (formerly GTE Mobilnet of Tampa, Inc.) for location of a cell tower and related equipment. The lease terminates on September 30, 2025 if not renewed for additional five-year terms through 2040. Annual lease payments are received in the Water and Sewer Utility Fund. A lease receivable of $39,377 and a deferred inflow of $61,086 are recorded in the Water and Sewer Utility Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 0.916%.

Fifty-one commercial boat slips at the Clearwater Beach Marina and one slip at Island Estates are leased to various parties for a term of five years. There is no renewal option. Termination dates range from April 30, 2024 to July 17, 2028. Monthly lease payments ranging from $487.44 to $2,561.27, based on the passenger capacity and number of vessels in the slip, are received in the Marine Operations Fund. There are no scheduled rent increases; however, the City Manager is authorized to adjust vessel slip rent increases or decreases up to ten percent annually, based on surveys of rates charged by other municipal and local area marinas. Current rates reflect the most recent increase on May 1, 2022. A lease receivable of $924,567 and a deferred inflow of $950,112 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate ranges from 0.743% to 3.305% for these leases.

Clearwater Angler, LLC d/b/a The Bait Shop leases the building at 45 Causeway Blvd., located at the Clearwater Beach Marina. The lease was set to expire on September 30, 2023; however, the second and final renewal was exercised to extend the lease term to September 30, 2024. Monthly lease payments of $2,950, increasing 3% to $3,039 on October 1, 2023, are received in the Marine Operations Fund. A lease receivable of $35,726 and a deferred inflow of $38,521 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 3.804%.

Suite #101 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Kenneth Hayslett, individually, and RE/MAX Action First of Florida, Inc. The lease terminates on May 31, 2024 if the renewal options are not exercised. Monthly lease payments of $3,854 are received in the Marine Operations Fund. A lease receivable of $30,746 and a deferred inflow of $33,359 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 0.743%.

Suite #104 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Thomas C. Wolkowsky, Patricia A. Wolkowsky and Olivia O. Wolkowsky d/b/a Pirate's Pantry. The lease was set to expire on September 30, 2023; however, the second and final renewal was exercised to extend the lease term to September 30, 2024. Monthly lease payments of $712, increasing 3% to $734 on October 1, 2023, are received in the Marine Operations Fund. A lease receivable of $8,624 and a deferred inflow of $9,298 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 3.804%.

Suite #106 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Thomas C. Wolkowsky, Patricia A. Wolkowsky and Olivia O. Wolkowsky d/b/a Marina Beach Shoppe. The lease was set to expire on September 30, 2023; however, the second and final renewal was exercised to extend the lease term to September 30, 2024. Monthly lease payments of $2,674, increasing 3% to $2,755 on October 1, 2023, are received in the Marine Operations Fund. A lease receivable of $32,385 and a deferred inflow of $34,918 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 3.804%.

Suite #108 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Marina Cantina, LLC d/b/a Poke Havana. The lease was set to expire on September 30, 2023; however, the second and final renewal was exercised to extend the lease term to September 30, 2024. Monthly lease payments of $1,664, increasing 3% to $1,714 on October 1, 2023, are received in the Marine Operations Fund. A lease receivable of $20,146 and a deferred inflow of $21,722 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 3.804%.

Suite #109 of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd. is leased to Harbor Barber and Beauty Salon, Inc. The lease was set to expire on September 30, 2023; however, the second and final renewal was exercised to extend the lease term to September 30, 2024. Monthly lease payments of $935, increasing 3% to $963 on October 1, 2023, are received in the Marine Operations Fund. A lease receivable of $11,317 and a deferred inflow of $12,202 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 3.804%.

Suite #103 and Suite #105 as well as the entire second floor of the Clearwater Beach Marina headquarters located at 25 Causeway Blvd., is leased to Marina Cantina, LLC for use as restaurant space (10,141 of interior space and 15,578 square feet of exterior/seasonal patio space). The lease terminates on September 30, 2027 if the renewal options are not exercised. Monthly lease payments of $16,902 are received in the Marine Operations Fund. A lease receivable of $791,090 and a deferred inflow of $780,863 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 0.316%.

The premises (land and building) located at 37 Causeway Blvd. is leased to Clearwater Beach Seafood, Inc. for use as Crabby's Dockside Restaurant. The lease terminates on March 31, 2047. There is no renewal option. Current monthly fixed base rent of $13,697 is received in the Marine Operations Fund, as well as a percentage rent that varies according to food and alcohol sales. The base rent is adjusted annually on May 1st, the greater of 2% or the percentage increase in the PPI for the previous twelve months. A lease receivable of $2,930,871 and a deferred inflow of $2,897,151 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 2.461%.

Clearwater Marine Aquarium leases Island Estates boat slips 1-20, for a term of five years expiring on May 31, 2026. There is no renewal option; however, a new agreement may be negotiated at the termination of the current agreement. Consideration in lieu of rent consists of $137,000 of investments and upgrades to the slips to be completed by May 31, 2026. A lease

receivable of $130,369 and a deferred inflow of $130,369 are recorded in the Marine Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 1.090%.

The Clearwater Airpark, a public-use airport located at 1000 N. Hercules Avenue, is leased to FlyUSA PV, LLC for an initial term of five years expiring on February 29, 2028. The agreement provides for one five-year renewal at the discretion of FlyUSA and four subsequent five-year renewals subject to mutual agreement. Monthly lease payments of $20,000 are received in the Aviation Operations Enterprise Fund. A lease receivable of $998,575 and a deferred inflow of $1,011,295 are recorded in the Aviation Operations Enterprise Fund and the government-wide statements as of September 30, 2023. The City's incremental borrowing rate is 2.682%.

III.D. Capital assets

Capital asset activity for the year ended September 30, 2023:

Governmental Activities	Beginning Balance (Restated)	Increases	Decreases	Transfers	Ending Balance
Non-depreciable capital assets:					
Land	$ 92,466,957	$ 2,051,894	$ (41,780)	$ -	$ 94,477,071
Construction in progress	68,922,814	46,924,625	(113,868,308)	-	1,979,131
Total non-depreciable capital assets	161,389,771	48,976,519	(113,910,088)	-	96,456,202
Depreciable capital assets:					
Buildings	173,141,670	21,543,241	(1,653,778)	-	193,031,133
Improvements other than buildings	61,009,215	84,894,001	-	-	145,903,216
Machinery and equipment	120,284,532	9,880,292	(4,520,146)	(82,970)	125,561,708
Infrastructure	163,562,540	6,460,600	-	-	170,023,140
Total depreciable capital assets	517,997,957	122,778,134	(6,173,924)	(82,970)	634,519,197
Less accumulated depreciation for:					
Buildings	(93,569,615)	(5,678,625)	1,567,516	-	(97,680,724)
Improvements other than buildings	(30,358,727)	(3,591,957)	-	-	(33,950,684)
Machinery and equipment	(93,447,095)	(10,277,497)	4,301,814	77,414	(99,345,364)
Infrastructure	(126,563,114)	(4,313,112)	-	-	(130,876,226)
Total accumulated depreciation	(343,938,551)	(23,861,191)	5,869,330	77,414	(361,852,998)
Net depreciable capital assets	174,059,406	98,916,943	(304,594)	(5,556)	272,666,199
Capital assets, net of accumulated depreciation	**335,449,177**	**147,893,462**	**(114,214,682)**	**(5,556)**	**369,122,401**
Intangible right-to-use lease assets:					
Buildings	973,066	1,515,138	(59,673)	-	2,428,531
Machinery and equipment	1,299,926	711,711	(372,876)	-	1,638,761
Total intangible right-to-use lease assets being amortized	2,272,992	2,226,849	(432,549)	-	4,067,292
Less accumulated amortization for:					
Buildings	(393,808)	(398,305)	59,673	-	(732,440)
Machinery and equipment	(487,792)	(583,666)	372,876	-	(698,582)
Total accumulated amortization	(881,600)	(981,971)	432,549	-	(1,431,022)
Intangible right-to-use lease assets, net of accumulated amortization	**1,391,392**	**1,244,878**	**-**	**-**	**2,636,270**
Intangible right-to-use subscription assets:					
Software	-	5,835,934	-	-	5,835,934
Total intangible right-to-use subscription assets being amortized	-	5,835,934	-	-	5,835,934
Less accumulated amortization for:					
Software	-	(199,085)	-	-	(199,085)
Total accumulated amortization	-	(199,085)	-	-	(199,085)
Intangible right-to-use subscritption assets, net of accumulated amortization	**-**	**5,636,849**	**-**	**-**	**5,636,849**
Total Governmental Activities Capital Assets, net	**$ 336,840,569**	**$ 154,775,189**	**$ (114,214,682)**	**$ (5,556)**	**$ 377,395,520**

Business-type activities	Beginning Balance (Restated)	Increases	Decreases	Transfers	Ending Balance
Non-depreciable capital assets:					
Land	$ 30,599,019	$ 50,853	$ -	$ -	$ 30,649,872
Construction in progress	24,445,677	11,202,329	(5,985,251)	-	29,662,755
Total non-depreciable capital assets	55,044,696	11,253,182	(5,985,251)	-	60,312,627
Depreciable capital assets:					
Buildings	76,953,319	-	-	-	76,953,319
Improvements other than buildings	733,815,260	9,841,409	-	-	743,656,669
Machinery and equipment	21,041,274	2,570,275	(1,568,619)	82,970	22,125,900
Total depreciable capital assets	831,809,853	12,411,684	(1,568,619)	82,970	842,735,888
Less accumulated depreciation for:					
Buildings	(18,239,468)	(2,319,883)	-	-	(20,559,351)
Improvements other than buildings	(431,816,993)	(16,896,350)	-	-	(448,713,343)
Machinery and equipment	(13,494,648)	(1,831,779)	1,464,566	(77,414)	(13,939,275)
Total accumulated depreciation	(463,551,109)	(21,048,012)	1,464,566	(77,414)	(483,211,969)
Net depreciable capital assets	368,258,744	(8,636,328)	(104,053)	5,556	359,523,919
Total Business-type Activites Capital Assets, net	**$ 423,303,440**	**$ 2,616,854**	**$ (6,089,304)**	**$ 5,556**	**$ 419,836,546**

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

	Depreciation of capital assets	Amortization of lease assets	Amortization of subscription assets
Governmental activities:			
General government	$ 727,480	$ 233,470	$ 8,774
Public safety	1,712,789	82,939	51,318
Transportation, including depreciation on infrastructure assets	4,117,648	-	-
Economic environment	45,861	-	6,561
Culture and recreation	7,439,491	-	-
Capital assets held by governmental internal service funds are charged to the various functions based on their usage of assets	9,817,922	665,562	132,432
	$ 23,861,191	$ 981,971	$ 199,085
Business-type activities:			
Water and sewer utility	$ 11,615,441	$ -	$ -
Gas utility	4,085,464	-	-
Solid waste and recycling utility	1,109,148	-	-
Stormwater utility	3,424,732	-	-
Marine operations	27,178	-	-
Aviation operations	189,148	-	-
Parking system operations	263,299	-	-
Clearwater Harbor Marina operations	333,602	-	-
	$ 21,048,012	$ -	$ -

III.E. Intangible right-to-use lease assets

The City is a lessee of the following intangible right-to-use lease assets:

The City leases the 6th floor (13,024 square feet) of One Clearwater Tower located at 600 Cleveland Street for use as a temporary City Hall. The lease was set to expire on January 31, 2024; however, the five-year renewal option was exercised to extend the lease term to January 31, 2029. Monthly lease payments of $22,597, decreasing to $21,598 on February 1, 2024, are paid from the General Fund. The City has recorded a lease liability in the government-wide statements in the amount of $1,376,491 as well as an intangible right-to-use lease asset in the amount of $1,374,719, net of accumulated amortization, as of September 30, 2023. The City's incremental borrowing rate is 2.312%.

The City leases 2,660 square feet of office space. The lease was set to expire on April 30, 2023; however, the lease was amended to extend the term an additional five years to February 29, 2028. Monthly lease payments of $4,167, increasing to $5,320 on March 1, 2024, are paid from the General Fund. The City has recorded a lease liability in the government-wide statements in the amount of $270,608 as well as an intangible right-to-use lease asset in the amount of $260,177, net of accumulated amortization, as of September 30, 2023. The City's incremental borrowing rate is 2.682%.

The City leases Suite 400 (3,719 square feet) in the Powell Professional Center located at 401 Corbett Street for use as an employee health clinic. The lease terminates on May 31, 2024. There are no renewal options. Monthly lease payments of $7,070 are paid from the Central Insurance Fund. The City has recorded a lease liability in the Central Insurance Internal Service Fund and the government-wide statements in the amount of $56,403 as well as an intangible right-to-use lease asset in the amount of $61,195, net of accumulated amortization, as of September 30, 2023. The City's incremental borrowing rate is 0.743%.

The City leases various computer equipment from Hewlett-Packard Financial Services Company for terms of 36 months. There are eleven leases outstanding with termination dates ranging from October 31, 2023 to July 31, 2026. There are no renewal options. Quarterly lease payments ranging from $6,360 to $28,746 are paid from the Administrative Services Fund. The City has recorded a lease liability in the Administrative Services Internal Service Fund and the government-wide statements in the amount of $945,555 as well as an intangible right-to-use lease asset in the amount of $940,179, net of accumulated amortization, as of September 30, 2023. The City's incremental borrowing rate ranges from 0.529% to 3.238% for these leases.

The City does not report any intangible right-to-use lease assets in the proprietary fund statements or business-type activities in the government-wide statements.

Future payments on intangible right-to-use lease assets are as follows:

	Principal	Interest	Total
2024	$ 812,118	$ 54,702	$ 866,820
2025	617,281	37,953	655,234
2026	475,581	23,728	499,309
2027	335,375	13,934	349,309
2028	311,922	6,011	317,933
2029	96,780	466	97,246
	$ 2,649,057	$ 136,794	$ 2,785,851

III.F. Intangible right-to-use subscription assets

The City subscribes to software applications utilized for debt/lease/subscription management, media monitoring and analysis, GIS technology for economic development, video and data collaboration for the Real Time Crime Center, and housing, economic and community development programs. Termination dates range from November 30, 2024 to April 30, 2027. Annual payments of $156,767 for fiscal 2023 were paid from the General Fund. The City has recorded a subscription liability in the government-wide statements in the amount of $179,835 as well as an intangible right-to-use subscription asset in the amount of $263,738, net of accumulated amortization, as of September 30, 2023. The City's incremental borrowing rate ranges from 3.207% to 3.305% for these for these subscriptions.

The City subscribes to software applications utilized for cyber defense and response, fuel management, field mobility, agenda management, Microsoft Office and related cloud applications, interactive voice response for building permits, and financial and human capital management. Termination dates range from September 30, 2024 to November 30, 2026. Annual payments of $1,921,226 for fiscal 2023 were paid from the Administrative Services Fund. The City has recorded a subscription liability in the Administrative Services Internal Service Fund and the government-wide statements in the amount of $3,452,990 as well as an intangible right-to-use subscription asset in the amount of $5,252,436, net of accumulated amortization, as of September 30, 2023. The City's incremental borrowing rate ranges from 2.363% to 3.269% for these subscriptions.

The City subscribes to a software application utilized for claims management. The agreement terminates on June 30, 2028. The annual payment of $29,207 for fiscal 2023 was paid from the Central Insurance Fund. The City has recorded a subscription liability in the Central Insurance Internal Service Fund and the government-wide statements in the amount of $113,113 as well as an intangible right-to-use subscription asset in the amount of $120,675, net of accumulated amortization, as of September 30, 2023. The City's incremental borrowing rate is 3.331% for this subscription.

The City does not report any intangible right-to-use subscription assets in the proprietary fund statements or business-type activities in the government-wide statements.

Future payments on intangible right-to-use subscription assets are as follows:

	Principal	Interest	Total
2024	$ 2,014,413	$ 104,932	$ 2,119,345
2025	1,618,966	47,838	1,666,804
2026	81,964	3,721	85,685
2027	30,595	1,019	31,614
	$ 3,745,938	$ 157,510	$ 3,903,448

III.G. Construction commitments

As of September 30, 2023, material outstanding construction commitments were as follows:

Project	Fund	Construction Commitments Outstanding
Pierce Street Lift Station	Water & Sewer Utility Enterprise Fund	$ 7,933,000
Imagine Clearwater	Capital Improvement Fund	3,251,073
Northeast Water Reclamation Facility Improvements	Water & Sewer Utility Enterprise Fund	2,158,532
Annual Sidewalk Repairs	Capital Improvement Fund	2,050,531
Annual Stormwater Repairs	Stormwater Utility Enterprise Fund	1,500,000
Wave Attenuator	Clearwater Harbor Marina Enterprise Fund	1,099,984
Fire Station #46	Capital Improvement Fund	860,439
Cleveland Street Streetscape Phase 3	CRA Capital Improvement Fund	778,060
Annual Road Resurfacing	Capital Improvement Fund	718,984
Cleveland Street Streetscape Phase 3	Capital Improvement Fund	565,989
Total Construction Commitments		$ 20,916,592

III.H. Interfund receivables, payables, and transfers

III.H.1. Interfund balances

As discussed in Note III.A., individual fund deficits in the consolidated cash pool, if any, have been reclassified as of September 30, 2023, as interfund loans from the Capital Improvement Fund, which was selected by management for this purpose. This reclassification results in a corresponding reduction in the cash equity in the Capital Improvement Fund, offset by an increase in interfund receivables.

As of September 30, 2023, there were no funds with a cash pool deficit.

The amounts of the reclassified cash pool deficits, if any, as well as the current portion of other individual fund interfund payable and receivable balances are classified as Due from/to Other Funds. The long-term portions of other interfund balances are classified as Advances to/from Other Funds.

Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds
General Fund	$ -	$ 286,705	$ -	$ 956,353
Special Revenue Funds:				
Special Programs Fund	-	-	325,440	
Community Redevelopment Agency Fund	-	-	-	325,440
Capital Projects Fund:				
Capital Improvement Fund	5,118,817	-	10,808,529	-
Enterprise Funds:				
Water & Sewer Utility Fund	-	108,132	-	216,437
Solid Waste & Recycling Utility Fund	-	539,493	-	1,708,860
Marine Operations Fund	-	4,755	-	20,442
Internal Service Funds:				
Garage Fund	-	4,034,465	-	8,398,851
Administrative Services Fund	-	491,561	-	991,566
General Services Fund	-	7,008	-	14,228
Central Insurance Fund	353,302	-	1,498,208	-
	$ 5,472,119	$ 5,472,119	$ 12,632,177	$ 12,632,177

Descriptions of interfund loans as of September 30, 2023:

An internal loan from the Special Programs special revenue fund to the Community Redevelopment Agency Fund in the amount of $325,440, approved on September 1, 2011, for the environmental cleanup of the Car Pro site in the East Gateway area of the downtown. This loan is interest-free and is to be repaid upon the sale of the developed parcel. Because the first principal payment is not due within one year, this loan is classified as an advance.

An internal loan from the Central Insurance Fund to the Solid Waste/Recycling Utility Fund in the amount of $3.5 million, approved November 16, 2017, to partially fund the construction of a Solid Waste Transfer Station. This loan provides for 10 equal payments of $396,812, including interest at 2.35%, beginning September 30, 2019 and ending September 30, 2028. The current portion of this loan ($353,302) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($1,498,208) is classified as an advance.

An internal loan from the Capital Improvement Fund to the General Fund in the amount of $125,584 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $26,675, including interest at 2.04%, beginning May 31, 2020 and ending May 31, 2024. The balance of this loan ($26,142) is due within one year and is therefore classified as due to/due from other funds.

An internal loan from the Capital Improvement Fund to the Water & Sewer Utility Fund in the amount of $191,586 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $40,694, including interest at 2.04%, beginning May 31, 2020 and ending May 31, 2024. The balance of this loan ($39,880) is due within one year and is therefore classified as due to/due from other funds.

An internal loan from the Capital Improvement Fund to the Solid Waste & Recycling Utility Fund in the amount of $395,983 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $84,109, including interest at

2.04%, beginning May 31, 2020 and ending May 31, 2024. The balance of this loan ($82,426) is due within one year and is therefore classified as due to/due from other funds.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of $3,363,457 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $714,414, including interest at 2.04%, beginning May 31, 2020 and ending May 31, 2024. The balance of this loan ($700,132) is due within one year and is therefore classified as due to/due from other funds.

An internal loan from the Capital Improvement Fund to the General Fund in the amount of $174,984 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $36,054, including interest at 1.00%, beginning July 1, 2022 and ending July 1, 2026. The current portion of this loan ($34,993) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($71,041) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Solid Waste & Recycling Fund in the amount of $518,874 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $106,909, including interest at 1.00%, beginning July 1, 2022 and ending July 1, 2026. The current portion of this loan ($103,765) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($210,652) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Administrative Services Fund in the amount of $56,170 to fund the purchase of computers and network equipment. This loan provides for 3 equal payments of $19,005, including interest at 0.75%, beginning July 1, 2022 and ending July 1, 2024. The balance of this loan ($18,863) is due within one year and is therefore classified as due to/due from other funds.

An internal loan from the Capital Improvement Fund to the General Services Fund in the amount of $35,046 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $7,221, including interest at 1.00%, beginning July 1, 2022 and ending July 1, 2026. The current portion of this loan ($7,008) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($14,228) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of $5,140,518 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $1,059,151, including interest at 1.00%, beginning July 1, 2022 and ending July 1, 2026. The current portion of this loan ($1,028,002) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($2,086,945) is classified as an advance.

An internal loan from the Capital Improvement Fund to the General Fund in the amount of $384,674 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $83,516, including interest at 2.80%, beginning August 1, 2023 and ending August 1, 2027. The current portion of this loan ($74,782) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($237,146) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Water & Sewer Utility Fund in the amount of $351,081 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $76,223, including interest at 2.80%, beginning August 1, 2023 and ending August 1, 2027. The current portion of this loan ($68,252) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($216,437) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Administrative Services Fund in the amount of $49,969 to fund the purchase of computers and network equipment. This loan provides for 3 equal payments of $17,581, including interest at 2.75%, beginning August 1, 2023 and ending August 1, 2025. The current portion of this loan ($16,652) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($17,110) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of $2,554,384 to fund the purchase of radio equipment. This loan provides for 3 equal payments of $898,715, including interest at 2.75%, beginning August 1, 2023 and ending August 1, 2025. The current portion of this loan ($851,253) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($874,662) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of $3,729,841 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $809,783, including interest at 2.80%, beginning August 1, 2023 and ending August 1, 2027. The current portion of this loan ($725,097) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($2,299,397) is classified as an advance.

An internal loan from the Capital Improvement Fund to the General Fund in the amount of $798,954 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $173,958, including interest at 2.9%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan ($150,788) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($648,166) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Marine Operations Fund in the amount of $25,197 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $5,486, including interest at 2.9%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan ($4,755) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($20,442) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Administrative Services Fund in the amount of $1,375,405 to fund the purchase of computers and network equipment. This loan provides for 3 equal payments of $484,846, including interest at 2.85%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan ($445,647) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($929,758) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Administrative Services Fund in the amount of $55,096 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $11,996, including interest at 2.9%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan ($10,398) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($44,698) is classified as an advance.

An internal loan from the Capital Improvement Fund to the Garage Fund in the amount of $3,867,828 to fund the purchase of vehicles and other equipment. This loan provides for 5 equal payments of $842,148, including interest at 2.9%, beginning September 30, 2024 and ending September 30, 2028. The current portion of this loan ($729,981) is due within one year and is therefore classified as due to/due from other funds, while the long-term portion ($3,137,847) is classified as an advance.

III.H.2. Interfund transfers

Transfers are primarily used to 1) transfer revenues that have been collected in the required fund per state law to the funds and activities that state law allows for expenditures; 2) transfer of “payment in lieu of taxes” contributions from the utility funds to the General Fund; 3) transfer funding from governmental funds to debt service and capital improvements funds; and 4) transfer matching funds from the General Fund to various grant programs.

Other non-routine interfund transfers occurring during the current fiscal year included: A transfer of $10 million from the General Fund to the Capital Improvement Fund for the MSB Renovation capital project; a transfer of $5 million from the General Fund to the Capital Improvement Fund for the new City Hall capital project; a transfer of $250,000 from the General Fund to the Capital Improvement Fund for the Parks & Beautification R&R capital project; a transfer of $240,000 from the General Fund to the Capital Improvement Fund for the City Hall demolition capital project; $150,000 from the General Fund to the Capital Improvement Fund for the Clearwater Municipal Cemetery Renovation capital project; $610,200 from the General Fund to the Special Programs Fund for opening events at Coachman Park; $168,500 from the General Fund to the Special Programs Fund for an acoustical study for The Sound amphitheater; a transfer of $115,200 from the General Fund to the Special Programs Fund for police officers overtime for special events; a transfer of $127,190 from the Special Programs Fund to the General Fund reflecting CDBG funds for land development costs; $27,509 from the Special Programs Fund to the General

Fund for Economic Development & Housing department grant administration software; and a transfer of $17,000 from the Aviation Operations Fund to the Garage Internal Service Fund for replacement of a golf cart.

Interfund transfers for the year ended September 30, 2023 consisted of the following:

Transfers to General Fund from:		
Special Programs Fund	$	384,276
Water & Sewer Utility Enterprise Fund		5,326,050
Gas Utility Enterprise Fund		1,700,000
Solid Waste & Recycling Utility Enterprise Fund		1,624,340
Stormwater Utility Enterprise Fund		948,680
Nonmajor governmental funds		1,035,393
Nonmajor enterprise funds		1,495,476
Total		12,514,215
Transfers to Special Programs Fund from:		
General Fund		1,455,900
Transfers to Capital Improvement Fund from:		
General Fund		27,154,980
Special Development Fund		17,045,390
Special Programs Fund		2,357,502
Nonmajor enterprise funds		116,000
Internal service funds		172,000
Total		46,845,872
Transfers to Nonmajor governmental funds from:		
General Fund		4,806,246
Nonmajor governmental funds		4,701,833
Total		9,508,079
Transfer to Nonmajor enterprise funds from:		
General Fund		250,000
Special Development Fund		11,500,000
Total		11,750,000
Transfers to Internal service funds from:		
General Fund		3,063,505
Capital Improvement Fund		1,746,961
Special Programs Fund		83,964
Water & Sewer Utility Enterprise Fund		29,325
Gas Utility Enterprise Fund		-
Solid Waste & Recycling Utility Enterprise Fund		-
Stormwater Utility Enterprise Fund		479,362
Nonmajor enterprise funds		39,887
Internal service funds		24,847
Total		5,467,851
Total interfund transfers	$	87,541,917

III.I. Financed Purchases

The City purchases various equipment for governmental and business-type activities under financed purchase agreements (direct borrowings). The equipment is purchased with cash and subsequently provided as collateral via a financing agreement, typically for a five-year term. Obligations under these financed purchase agreements are recorded at the present value of their future minimum payments as of date of inception. Purchase of the assets is recorded as a cash outflow and the subsequent receipt of the financing proceeds is recorded as “proceeds from issuance of debt” for Statement of Cash Flows reporting.

Capitalized equipment subject to financed purchase agreements as of September 30, 2023:

	Governmental Activities	Business-type Activities
Equipment	$ 9,868,079	$ 836,576
Less: Accumulated Depreciation	(5,920,847)	(501,946)
Total	$ 3,947,232	$ 334,630

The future minimum payments under financed purchase agreements are as follows as of September 30, 2023:

Year Ending Sept. 30	Governmental Activities	Business-type Activities
2024	$ 2,099,255	$ 176,966
2025	1,458,967	146,279
	3,558,222	323,245
Deduction of the amount of imputed interest necessary to reduce net minimum lease payments to present value	(43,408)	(4,036)
	$ 3,514,814	$ 319,209

III.J. Long-term debt

III.J.1. Bonds Payable

$14,810,000 Revenue Bonds (Spring Training Facility), Series 2002; issued to finance a portion of the cost of the acquisition, construction, rehabilitation and equipping of a spring training facility to be used by the Philadelphia Phillies major league baseball team; serial bonds due in annual installments of $325,000 on March 1, 2024; interest at 5.375%; 5.375% term bonds in the amount of $1,420,000 due March 1, 2027; and 5.375% term bonds in the amount of $1,750,000 due March 1, 2031.	$3,170,000
$30,000,000 Non-Ad Valorem Revenue Bonds (Imagine Clearwater Improvements), Series 2022; issued to finance and/or reimburse a portion of the cost of acquisition, construction and equipping of the Imagine Clearwater Project; serial bonds due in annual installments of $205,000 on October 1, 2023 to $1,165,000 due at October 1, 2042; interest at 4.00% to 5.00%; 4.125% term bonds in the amount of $3,785,000 due October 1, 2045; 4.125% term bonds in the amount of $4,280,000 due October 1, 2048; 4.125% term bonds in the amount of $3,155,000 due October 1, 2050; and 4.125% term bonds in the amount of $3,420,000 due October 1, 2052.	30,000,000
Total revenue bonds for governmental activities	33,170,000

$69,270,000 Water and Sewer Revenue Refunding Bonds, Series 2017; issued to refund and redeem the outstanding principal of the City's Water and Sewer Revenue Bonds, Series 2009A, maturing on and after December 1, 2020; term bonds due in annual installments of $770,000 on December 1, 2023, to $9,265,000 on December 1, 2039; interest at 3.50% to 5.00%.	67,170,000
$29,080,000 Water and Sewer Revenue Refunding Bond, Series 2017B; a direct placement bank loan issued to refund and redeem the outstanding principal of the City's Water and Sewer Revenue Refunding Bonds, Series 2011, maturing on and after December 1, 2022; term bonds due in annual installments of $2,340,000 on December 1, 2023, to $2,895,000 on December 1, 2032; interest at 2.40%.	26,090,000
$20,430,000 Water and Sewer Revenue Refunding Bonds, Series 2020: issued to refund and redeem the outstanding principal of the City's Water and Sewer Revenue Refunding Bond, Series 2014, a direct placement bank loan, maturing on and after December 1, 2020; serial bonds due in annual installments of $1,360,000 on December 1, 2023, to $2,060,000 on December 1, 2032; interest at 5.00%.	16,920,000
$7,365,000 Gas System Revenue Refunding Bond, Series 2013; a direct placement bank loan issued to current refund the City's callable Gas System Revenue Refunding Bonds, Series 2004, maturing after September 1, 2013; term bonds due in annual installments of $440,000 on September 1, 2024, to $1,520,000 on September 1, 2026; interest at 2.41%.	3,445,000
$5,405,000 Gas System Revenue Refunding Bond, Series 2014; a direct placement bank loan issued to current refund the City's callable Gas System Revenue Refunding Bonds, Series 2005, maturing after September 1, 2014; term bonds due in annual installments of $305,000 on September 1, 2024, to $2,040,000 on September 1, 2027; interest at 2.67%.	2,985,000
$19,365,000 Stormwater System Revenue Refunding Bonds, Series 2012, issued to pay and redeem all of the Stormwater Revenue Bonds, Series 2002, currently outstanding; serial bonds due in annual installments of $935,000 on November 1, 2023, to $1,350,000 on November 1, 2032, interest at 3.00% to 5.00%.	11,355,000
Total revenue bonds and direct placement bank loans for business-type activities	127,965,000
Total bonds payable	$161,135,000

III.J.2. Restrictive covenants and collateral requirements

The Revenue Bonds (Spring Training Facility), Series 2002, are special, limited obligations of the City, payable solely from and secured by a lien upon and pledge of the (i) payments received by the City from the State of Florida pursuant to Section 212.20, Florida Statutes (State payments); and (ii) payments received by the City from Pinellas County, Florida pursuant to the Interlocal Agreement dated December 1, 2000 (County payments). The pledge of the State Payments and County Payments does not constitute a lien upon any property of the City. Furthermore, neither the City, Pinellas County, the State of Florida, nor any political subdivision thereof has pledged its faith or credit or taxing power to the payment of the bonds. However, the City has pledged, per a municipal bond insurance debt service agreement, to supplement State and County payments with non-ad valorem City revenues, if necessary, to pay debt service.

The Non-Ad Valorem Revenue Bonds (Imagine Clearwater Improvements), Series 2022, are limited obligations of the City, payable solely from non-ad valorem revenues of the City and secured by a covenant to budget and appropriate funds sufficient for the payment of principal and interest and certain other required payments in each fiscal year. The pledge of non-ad valorem revenues does not constitute a lien upon any property of the City, nor do the bonds constitute a general indebtedness of the City.

The Water and Sewer Revenue Refunding Bonds, Series 2017, Series 2017B and Series 2020, are limited obligations of the City payable solely from and secured by a lien upon and pledge of the net revenues of the City's water and sewer system (System). The pledge of the System's net revenues does not constitute a lien upon any property of the City. The covenants of the ordinances authorizing the bonds include, among other things, an obligation of the City to fix and maintain such rates, and collect such fees, rentals and other charges for the services and facilities of the System and revise the same from time to time whenever necessary, which will provide gross revenues in each fiscal year sufficient to pay the cost of operation and maintenance of the system; one hundred fifteen percent (115%) of the bond service requirement becoming due in such fiscal year on the outstanding bonds; plus one hundred percent (100%) of all reserve and other payments required to be made pursuant to the ordinances authorizing the bonds. The City further covenants that such rates, fees, rentals and other charges will not be reduced so as to render them insufficient to provide gross revenues for such purpose.

The Gas System Revenue Refunding Bonds, Series 2013 and Series 2014, are limited obligations of the City payable solely from and secured by a lien upon and pledge of the net revenues of the City's gas system (System). The pledge of the System's net revenues does not constitute a lien upon any property of the City. The covenants of the ordinances authorizing the bonds include, among other things, an obligation of the City to fix, establish, revise from time to time whenever necessary, maintain and collect always, such fees, rates, rentals and other charges for the use of the product, services and facilities of the System which will always provide revenues in each year sufficient to pay, and out of such funds pay, 100% of the cost of operations and maintenance of the System in such year and all reserve and other payments provided for in the ordinances authorizing the bonds, along with one hundred twenty five percent (125%) of the bond service requirement due in such year on all outstanding bonds.

The Stormwater Revenue Refunding Bonds, Series 2012, are limited obligations of the City payable solely from and secured by a lien upon and pledge of the net revenues of the City's stormwater management system (System). The pledge of the System's net revenues does not constitute a lien upon any property of the City. The covenants of the ordinances authorizing the bonds include, among other things, an obligation of the City to fix, revise from time to time whenever necessary, and maintain and collect always such fees, rates, rentals and other charges for use of the products, services, and facilities which will always provide net revenues in each year sufficient to pay one hundred fifteen percent (115%) of the bond service requirement becoming due in such fiscal year on the outstanding bonds. The City further covenants that such rates, fees, rentals and other charges will not be reduced so as to render them insufficient to provide revenues for such purpose. Additionally, the covenants of each of the above issues includes a "Reserve Requirement" equal to the lesser of the Maximum Bond Service Requirement for any given year; 125% of the Average Annual Bond Service Requirement; or the largest amount as shall not adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes. A Reserve Fund has been funded for the Series 2012 Bonds.

Annual debt service requirements to maturity for revenue bonds and direct placement bank loans are as follows:

Year Ending	Governmental Activities		Business-type Activities			
	Revenue Bonds		Revenue Bonds		Direct Placement Bank Loans	
September 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 530,000	$ 1,488,703	$ 3,065,000	$ 4,074,688	$ 3,085,000	$ 760,804
2025	845,000	1,453,072	3,215,000	3,927,538	4,195,000	685,237
2026	890,000	1,408,366	3,360,000	3,778,113	4,300,000	582,838
2027	935,000	1,361,334	3,520,000	3,621,913	4,550,000	477,948
2028	980,000	1,311,978	3,670,000	3,458,363	2,575,000	362,460
2029-2033	4,690,000	5,781,109	21,055,000	14,570,406	13,815,000	844,619
2034-2038	4,275,000	4,722,250	39,390,000	7,883,725	-	-
2039-2043	5,385,000	3,602,100	18,170,000	733,998	-	-
2044-2048	6,580,000	2,384,588	-	-	-	-
2049-2053	8,060,000	875,144	-	-	-	-
Totals	$ 33,170,000	$ 24,388,644	$ 95,445,000	$ 42,048,744	$ 32,520,000	$ 3,713,906

III.J.3. Pledged revenues

State of Florida and Pinellas County Payments Pledged: The City has pledged future revenues derived from payments received from the State of Florida pursuant to Section 212.20, Florida Statutes, and payments from Pinellas County, Florida pursuant to an Interlocal Agreement, together with any investment income earned on the revenues, to repay $14.8 million in Spring Training Facility Revenue bonds issued in September 2002. Proceeds from the bonds provided financing for a portion of the costs of the acquisition, construction, rehabilitation, and equipping of a spring training facility to be used by the Philadelphia Phillies major league baseball team. The bonds are payable solely from the State of Florida and Pinellas County, Florida payments and are payable through March 2031. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $3,898,313. Principal and interest paid for the current year and total revenue received were $488,719 and $514,473, respectively.

Non-Ad Valorem Revenues: The City has covenanted and agreed to appropriate in its annual budget, by amendment if necessary, sufficient amounts of non-ad valorem revenues for payment of the principal and interest and to make certain other payments as required, for each fiscal year in which the Non-Ad Valorem Revenue Bonds (Imagine Clearwater Improvements) Series 2022, remain outstanding. Proceeds from the bonds provided financing for the cost of acquisition, construction or equipping of the Imagine Clearwater Project and to pay related costs of issuance of the Series 2022 bonds. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. Debt service payments commenced on April 1, 2023. The total principal and interest remaining to be paid on the bonds as of September 30, 2023, is $53,660,331. Principal and interest paid for the current year ($951,025) required 0.74% of total pledged revenue ($128,298,577).

Water and Sewer Utility Net Revenues Pledged: The City has pledged future net revenues of the City of Clearwater, Florida, Water & Sewer Utility, defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay:

$69.3 million Water and Sewer Revenue Refunding bonds issued in February 2017. Proceeds from the bonds provided financing to refund and redeem the outstanding principal maturing on or after December 1, 2020 of the City's Water and Sewer Revenue Bonds, Series 2009A. The bonds are payable solely from the Water and Sewer Utility net revenues and are payable through December 2039.

$29.1 million Water and Sewer Revenue Refunding bond, a direct placement bank loan, issued in September 2017. Proceeds from the bonds provided financing to refund and redeem the outstanding principal maturing on or after December 1, 2022 of the City's Water and Sewer Revenue Refunding Bonds, Series 2011. The bonds are payable solely from the Water and Sewer Utility net revenues and are payable through December 2032.

$20.4 million Water and Sewer Revenue Refunding bonds issued January 2020. Proceeds from the bonds provided financing to refund and redeem the outstanding principal maturing on or after December 1, 2020 of the City's Water and Sewer Revenue Refunding bond, Series 2014, a direct placement bank loan. The bonds are payable solely from the Water and Sewer Utility net revenues and are payable through December 2032.

Annual principal and interest payments on the bonds are expected to require less than 85 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $153,348,685. Principal and interest paid for the current year ($8,756,255) required 25.74% of total net revenue ($34,024,044).

Stormwater Utility Net Revenues Pledged: The City has pledged future net revenues of the City of Clearwater, Florida, Stormwater Utility, defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay:

$19.4 million Stormwater Revenue Refunding bonds issued in February 2012. Proceeds from the bonds provided sufficient funds to be available on March 5, 2012 to pay and redeem the City's outstanding Stormwater Revenue Bonds, Series 2002. The bonds are payable solely from the Stormwater Utility net revenues and are payable through November 2032.

Annual principal and interest payments on the bonds are expected to require less than 60 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $13,488,019. Principal and interest paid for the current year ($1,319,369 required 12.45% of total net revenue ($10,593,966).

Gas System Utility Net Revenues Pledged: The City has pledged future net revenues of the City of Clearwater, Florida, Gas System Utility defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay:

$7.4 million Gas System Revenue Refunding bond, a direct placement bank loan, issued in June 2013. Proceeds from the bonds provided financing to refund the outstanding principal of the Gas System Revenue Refunding bonds, Series 2004. The bonds are payable solely from the Gas System Utility net revenues and are payable through September 2026.

$5.4 million Gas System Revenue Refunding bond, a direct placement bank loan, issued in June 2014. Proceeds from the bonds provided financing to refund the outstanding principal of the Gas System Revenue Refunding bonds, Series 2005. The bonds are payable solely from the Gas System Utility net revenues and are payable through September 2027.

Annual principal and interest payments on the bonds are expected to require less than 60 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $6,890,946. Principal and interest paid for the current year ($916,218) required 6.18% of total net revenue ($14,822,099).

III.J.4. Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:	$ 33,480,000	$ -	$ (310,000)	$ 33,170,000	$ 530,000
Add (subtract) deferred amounts:					
For issuance premiums (discounts)	1,251,447	-	(72,334)	1,179,113	-
Net bonds payable	34,731,447	-	(382,334)	34,349,113	530,000
Financed purchases (a)	7,380,273	-	(3,865,459)	3,514,814	2,065,510
Compensated absences (b)	9,952,837	6,206,169	(6,209,513)	9,949,493	6,159,518
Other postemployment benefits (c)	16,023,252	2,548,750	(1,560,788)	17,011,214	746,796
Net pension liability	6,162,205	-	(6,162,205)	-	-
Lease liability	1,356,287	2,252,133	(959,363)	2,649,057	812,118
Subscription liability	-	5,833,713	(2,087,775)	3,745,938	2,014,413
Claims payable (d)	9,742,504	24,441,502	(22,395,691)	11,788,315	4,580,901
Governmental activity Long-term liabilities	$ 85,348,805	$ 41,282,267	$ (43,623,128)	$ 83,007,944	$ 16,909,256
Business-type activities:					
Bonds payable:					
Revenue bonds payable	$ 98,360,000	$ -	$ (2,915,000)	$ 95,445,000	$ 3,065,000
Less deferred amounts:					
For issuance premiums (discounts)	6,933,688	-	(848,961)	6,084,727	-
Net revenue bonds payable	105,293,688	-	(3,763,961)	101,529,727	3,065,000
Direct placement bank loans (e)	35,540,000	-	(3,020,000)	32,520,000	3,085,000
Less deferred amounts:					
For issuance premiums (discounts)	(37,502)	-	6,475	(31,027)	-
Net direct placement bank loans	35,502,498	-	(3,013,525)	32,488,973	3,085,000
Total bonds payable	140,796,186	-	(6,777,486)	134,018,700	6,150,000
Financed purchases (a)	532,753	-	(213,544)	319,209	173,906
Compensated absences (b)	2,236,785	982,752	(1,237,190)	1,982,347	1,227,227
Other postemployment benefits (c)	7,032,781	203,505	(124,621)	7,111,665	312,204
Net pension liability	817,301	-	(817,301)	-	-
Business-type activity Long-term liabilities	$ 151,415,806	$ 1,186,257	$ (9,170,142)	$ 143,431,921	$ 7,863,337

(a) Financed purchase agreements (direct borrowings):
On September 19, 2013, City Council approved a Master Lease Purchase Agreement with The Bankcorp Bank d/b/a Mears Motor Leasing to finance the acquisition of vehicles and equipment from October 1, 2013 through September 30, 2018. Since the agreement expired at the end of fiscal 2018, there is no remaining line of credit as of September 30, 2023. The vehicles and equipment were purchased by the city with cash and subsequently provided as collateral to the lender. The city has the option to prepay without any prepayment penalty. In the event that insufficient funds are appropriated in any fiscal year to pay amounts due, the agreement will terminate on the last day of the fiscal year for which payments were made, and the city will surrender the vehicles and equipment to the lender. In the event of default, the lender's sole remedy is to sue for compensatory damages, which are agreed to be any accrued and unpaid rental payments, provided that the vehicles and equipment are surrendered to the lender in proper working order.

On February 1, 2019, City Council approved a Master Lease Purchase Agreement with SunTrust Equipment Finance and Leasing Corp. (now Truist Equipment Finance Corp.) to provide a line of credit in the amount of $36,650,000 to finance the acquisition of vehicles and equipment from October 1, 2018 through September 30,

2023. Since the agreement expired at the end of fiscal 2023, there is no remaining line of credit as of September 30, 2023. The vehicles and equipment were purchased by the city with cash and subsequently provided as collateral to the lender. The city has the option to prepay in whole but not in part on any payment date as set forth in the applicable Payment Schedule, if and to the extent the Payment Schedule permits such prepayment, with written notice given not less than thirty days prior to the payment date. In the event that that sufficient funds are not appropriated for the following fiscal year, the city will be deemed to not have renewed the agreement, the agreement will terminate at the end of the current fiscal year, and the city will be required to return the equipment to the lender. In the event of default, the lender may, at its option, declare all payments due to the end of the current budget year to be immediately due and payable, terminate the agreement and repossess any or all of the equipment, or exercise any other remedy available at law or in equity with respect to such default.

The reduction in financed purchases of $3,865,459 includes $3,346,054 for internal service funds and $519,405 for governmental funds. There are no additions for governmental funds for fiscal 2023.

(b) Compensated absences are paid by the fund where salaries are incurred, which is primarily the General Fund for governmental activities.

(c) Since the OPEB plan's inception in fiscal 2008, other postemployment benefits costs are allocated to and paid by funds based on their percentage of full-time equivalent employees, which is primarily the General Fund for governmental activities.

(d) The Central Insurance Fund, an internal service fund, accrues for estimated claims and pays claims for all departments.

(e) Direct placement bank loans outstanding include:
$3,445,000 for Gas System Revenue Refunding Bond, Series 2013, issued by STI Institutional & Governmental, Inc. Net revenues derived by the City from the operation of the respective utility system are pledged as security for the loans. In the event of default as defined in the City's bond ordinance, the default rate of interest shall be the lesser of the maximum rate permitted by law or 18%. There are no termination or acceleration provisions that have finance-related consequences.

$2,985,000 for Gas System Revenue Refunding Bond, Series 2014, issued by TD Bank, N.A. Net revenues derived by the City from the operations of the respective utility systems are pledged as security for the loans. In the event of default as defined by the City's bond ordinance, the default rate of interest shall be Prime Rate plus 4%. There are no termination or acceleration provisions that have finance-related consequences.

$26,090,000 for Water and Sewer Revenue Refunding Bond, Series 2017B, issued by Raymond James Capital Funding, Inc. Net revenues derived by the City from the operation of the City's water and sewer utility are pledged as security for the loan. In the event of default as defined by the City's bond ordinance, the default rate of interest shall be the greater of (a) Prime Rate plus 3%, (b) the Federal Funds Rate plus 5%, or (c) 7% per annum. There are no termination or acceleration provisions that have finance-related consequences.

III.K. Restricted assets

Restricted assets are classified as current or noncurrent on the Statement of Net Position based on the underlying liabilities payable from the restricted assets.

III.K.1. Water and Sewer Utility Fund

Assets in the Water and Sewer Utility Fund restricted for construction include:

Sewer Improvement charges, the use of which is restricted by the authorizing ordinance to the construction of additions to the sewer system; assets remaining as of September 30, 2023, are:

Cash and Investments	$3,701,978

Assets of the Water and Sewer Utility Fund restricted under the provisions of the ordinances authorizing the issuance of Water and Sewer Revenue Bonds consisted of the following as of September 30, 2023:

Water and Sewer Revenue Bonds Debt Service:	
Cash and Investments	5,181,070
Water and Sewer Revenue Bonds Renewals and Replacements:	
Cash and Investments	3,296,986
Assets of the Water and Sewer Utility Fund representing Customers' Deposits and therefore restricted, consisting entirely of Cash and Investments as of September 30, 2023	4,618,037
Total restricted assets – Water and Sewer Utility Fund	$16,798,071

III.K.2. Gas Utility Fund

Assets in the Gas Utility Fund restricted under the provisions of the ordinance authorizing the issuance of revenue bonds consisted of the following as of September 30, 2023:

Gas System Revenue Bonds	
Debt Service:	
Cash and Investments	$ 78,672
Renewals and Replacements:	
Cash and Investments	300,000
Assets of the Gas Utility Fund representing Customers' Deposits as of September 30, 2023:	
Cash and Investments	3,737,943
Total restricted assets – Gas Utility Fund	$ 4,116,615

III.K.3. Solid Waste & Recycling Utility Fund

Restricted assets in the Solid Waste & Recycling Utility Fund represent customer deposits in the amount of $1,368,082 as of September 30, 2023, consisting entirely of Cash and Investments.

III.K.4. Stormwater Utility Fund

Assets restricted under the provisions of the ordinances for the issuance of revenue bonds consisted of the following as of September 30, 2023:

Stormwater Revenue Refunding Bonds – Series 2012	
Debt Service: Cash and Investments	$2,402,921
Total restricted assets – Stormwater Utility Fund	$2,402,921

III.L. Fund Balance Classification

	General Fund	Special Development Fund	Special Programs Fund	Capital Improvement Fund	Non-Major Governmental Funds
Non Spendable:					
Inventories	$ 98,976	$ -	$ -	$ -	$ -
Prepaid items	1,808	-	-	-	-
Restricted for:					
General government	-	-	-	9,166,898	-
Public safety	-	-	2,720,653	3,369,088	-
Physical environment	-	21,611	998,748	2,606,801	-
Transportation	-	3,480,031	-	6,542,794	-
Economic environment	-	-	3,437,017	-	15,552,603
Human services	-	-	529,189	-	-
Culture and recreation	-	4,256,333	1,337,966	12,197,372	1,318,641
Infrastructure capital projects	-	2,332,358	-	-	-
Committed to:					
General government	-	-	1,683,203	13,888,803	-
Public safety	-	-	2,936,585	1,121,917	-
Physical environment	-	-	-	1,641,716	-
Transportation	-	-	-	7,961,521	-
Economic environment	-	-	6,090,803	-	-
Human services	-	-	1,534,492	279,813	-
Culture and recreation	-	-	201,807	7,800,494	-
Assigned to:					
General government	442,787	-	25,970	-	-
Public safety	88,097	-	87,286	-	-
Physical environment	-	-	15,410	-	-
Transportation	65,460	541,813	-	-	-
Economic environment	27,191	-	1,231,952	-	-
Human services	5,561	-	31,841	-	-
Culture and recreation	122,867	127,073	23,757	-	-
Infrastructure capital projects	-	2,181,977	-	-	-
Unassigned	60,803,675	-	-	-	-
Total Fund Balances	$ 61,656,422	$ 12,941,196	$ 22,886,679	$ 66,577,217	$ 16,871,244

General Fund assigned fund balance ($751,963) relates to encumbrances.

In the Special Development Fund, restricted amounts relate to collections from drainage fees ($21,611), sidewalk fees ($354,470), transportation impact fees ($2,680,088), local option gas tax ($445,473), recreation impact fees ($4,256,333), and local infrastructure sales tax ($2,332,358). Assigned amounts relate to the portion of property tax revenues that is set aside in the budget process to provide funding for road maintenance projects ($541,813), interest earned on recreation impact fees ($127,073), and interest earned on local infrastructure sales tax balances ($2,181,977).

Significant restrictions in Special Programs Fund include public safety restrictions for law enforcement programs ($1,620,390) and EMS programs ($938,125); physical environment restrictions for tree replacements ($998,748); economic environment restrictions for economic development programs ($801,531) and low-income housing ($2,635,486); human services restrictions for youth programming ($379,664) and opioid settlements ($135,281); and culture and recreation restrictions for library programs ($1,308,380). Significant commitments include general government commitments to the electronic plan submittal program ($139,073), the Nagano Sister City program ($186,024), the lien foreclosure program ($749,864) and the planning studies fund ($608,242); commitments to public safety for emergency operations ($2,273,879), police vehicles ($449,150), and law enforcement programs ($213,556); commitments to economic environment for economic development programs ($349,184), the North Greenwood CRA ($4,055,300) and affordable housing ($1,686,319) commitments to human services for grant programs ($1,534,492); and commitments to culture and recreation for special events ($201,807).

Amounts in the Capital Improvement Fund all relate to funding for various capital projects.

Significant restrictions in the non-major governmental funds include economic environment restrictions for low-income housing ($2,273,842) and community redevelopment ($13,278,761); and culture and recreation restrictions for debt service ($1,318,641).

Note IV - Other Information

IV.A. Risk management

The City is self-insured within certain parameters for losses arising from claims for general liability, auto liability, police professional liability, public official's liability, property damage, and workers' compensation. Insurance coverage has been maintained by the City to pay for or indemnify the City for losses in excess of certain specific retentions and up to specified maximum limits in the case of claims for liability, property damage, and workers' compensation. The liability excess coverage is $5,000,000 per occurrence ($10,000,000 aggregate) with self-insured retention of $500,000. There is workers' compensation coverage to the statutory limit, with self-insured retention of $600,000. The property damage excess coverage is $100 million per occurrence, except $50 million for the perils of Named Storm (per occurrence), Flood (annual aggregate) and Earth Movement (annual aggregate) after either a $100,000 self-insured retention for perils other than a named storm or 5% self-insured retention for named storm and High Hazard Flood with a $100,000 minimum. Settled claims have not exceeded excess coverage in any of the past three years.

On October 17, 2012, City Council authorized a partial self-insured funding arrangement with Cigna for health insurance effective for the plan year beginning January 1, 2013. Per this arrangement, the City is self-insured for medical and pharmacy claims up to $250,000 per person per year. The City has purchased stop loss insurance from Cigna which covers 50% of individual claims for any amount of the claim between the amounts of $250,000 and $350,000 and covers 100% of individual claims for any amount of the claim exceeding the amount of $350,000 per person per year. In accordance with the fully insured arrangement between the City and Cigna prior to January 1, 2013, the City has no liability for health insurance claims incurred prior to this date. The City estimates a liability for health insurance claims incurred but not yet paid as of September 30, 2023 in the amount of $1,418,301.

The transactions relating to the self-insurance program are accounted for in the Central Insurance Fund, an internal service fund. The billings by the Central Insurance Fund to the various operating funds (the interfund premiums) are based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability reported as of September 30, 2023, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability amounts in fiscal years 2023 and 2022 were:

	Self Insurance
Balance at September 30, 2021	$ 10,067,200
Current year claims and changes in estimat	22,520,573
Claims paid	(22,845,269)
Balance at September 30, 2022	9,742,504
Current year claims and changes in estimat	24,441,502
Claims paid	(22,395,691)
Balance at September 30, 2023	$ 11,788,315

IV.B. Employee retirement systems and pension plans

IV.B.1. Defined benefit pension plans

The City contributes to two separate single-employer, self-administered defined benefit pension plans covering approximately three-fourths of all City employees. The Employees' Pension Plan covers all permanent, full-time City employees who successfully pass the required physical examination, except for firefighters employed prior to July 1, 1963, and certain unclassified (primarily managerial) employees. The Firefighters' Relief and Pension Plan covered eligible firefighters hired prior to July 1, 1963 and is closed to new entrants. As indicated, both plans are self-administered, and the administrative costs of the plans are financed from the respective plan assets.

Each pension fund is accounted for as a pension trust fund; therefore, each is accounted for in substantially the same manner as proprietary funds with an economic resources measurement focus and the accrual basis of accounting. Fund assets, primarily investments, are valued at fair value for balance sheet purposes. Investment values are determined using the estimated fair value determined by averaging estimated fair values obtained from three or more nationally recognized brokers. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Detailed information about each plan's fiduciary net position is available on pages 114-119 and pages 142-143 of this Annual Comprehensive Financial Report. Neither of these plans issues a stand-alone financial report.

The **Employees' Pension Plan** is authorized by and operates under the provisions of Sections 2.391 through 2.428 of the Municipal Code of the City of Clearwater. Sections 2.391 through 2.401 apply to those participants who attained a vested benefit and terminated employment prior to January 1, 2013. Sections 2.410 through 2.428 apply to those participants who are actively employed by the City of Clearwater as of or after January 1, 2013. Plan provisions have been duly approved as required by the voters in referendums. Since the last valuation, there have been no changes in actuarial assumptions or methods.

There have been two ordinances adopted since the last valuation which revised benefits and had an actuarial impact on the plan. The impact of these changes was measured in the Actuarial Impact Statements dated July 29, 2022 and August 26, 2022.

Ordinance No. 9634-22 was adopted on November 3, 2022, amending the Plan by providing a 1.5% Cost of Living Adjustment (COLA) annually on all benefits for firefighters, including any benefits accrued after January 1, 2013. For any non-grandfathered members (not eligible for normal retirement on January 1, 2013), there will be a five-year delay (after the retirement date) until the COLA is applied to benefits accrued after January 1, 2013. This change applies to all firefighters actively employed as of October 1, 2022.

Ordinance No. 9620-22 was adopted on November 17, 2022, amending the Plan by reducing the service requirement for Non-Hazardous Duty members to become 100% vested from 10 years to 5 years of credited service, and increasing the benefit multiplier prospectively for post-December 31, 2012 Non-Hazardous Duty hires from 2% to 2.5% for credited service accrued after September 30, 2022.

Management of the Employees' Pension Plan is vested in the Clearwater City Council, serving as the Pension Trustees.

Plan membership/Employees covered by benefit terms. As of the most recent actuarial valuation date, January 1, 2023, the membership of the Employees' Pension Plan was as follows:

	Employees' Pension Plan
Retirees and beneficiaries currently receiving benefits	1,447
Terminated employees entitled to benefits but not yet receiving them	82
Active employees	1,506
Total number of participants	3,035

Benefits provided. For all hazardous duty participants and those non-hazardous duty participants hired before January 1, 2013, the normal retirement benefit is a monthly benefit equal to 2.75% of average monthly compensation for the highest five of the final ten years of service multiplied by the number of years of service to date of retirement. For non-hazardous duty participants hired after January 1, 2013, the multiplier is 2% for years of service through October 1, 2022 and 2.5% for years of service after October 1, 2022. For non-hazardous duty participants hired after October 1, 2022, the multiplier is 2.5% of average monthly compensation.

Eligibility for normal retirement occurs upon completion of 10 years of service and the attainment of age 65, or completion of 20 years of service and the attainment of age 55, or completion of 30 years of service regardless of age, for employees hired before January 1, 2013 who are engaged in non-hazardous duty. For employees hired on or after January 1, 2013 who are engaged in non-hazardous duty, eligibility for normal retirement occurs upon completion of 25 years of service and attainment of age 60, or completion of 10 years of service and attainment of age 65. For those engaged in hazardous duty, eligibility occurs upon completion of 20 years of service or upon completion of 10 years of service and attainment of age 55.

For all hazardous duty participants and non-hazardous duty participants eligible to retire as of January 1, 2013, the normal monthly benefit is payable for the life of the participant and will continue, after the participant's death, to be paid at the same amount for 5 years to the surviving spouse; after 5 years, the survivor annuity is reduced to 50% of the original amount and ceases upon death or remarriage of the spouse. For non-hazardous duty participants not eligible to retire as of January 1, 2013, the normal benefit is a monthly annuity paid for the life of the participant. There are several other benefit payment options that are computed to be the actuarial equivalent of the normal benefit.

The plan provides for an annual cost of living adjustment (COLA) of up to 1.5% for benefits accrued prior to January 1, 2013. For non-hazardous duty participants, there is a five-year delay until the COLA is applied to benefits accrued after January 1, 2013. For hazardous duty police officers actively employed on or after January 1, 2020, there is a COLA of 1.5% on all benefits accrued after January 1, 2013. For hazardous duty firefighters actively employed on or after October 1, 2022, there is a COLA of 1.5% on all benefits accrued after January 1, 2013. For all non-grandfathered hazardous duty participants (not eligible for normal retirement on January 1, 2013), there will be a five-year delay (after the retirement date) until the COLA is applied to benefits accrued after January 1, 2013.

The plan also provides for disability and death benefits, vesting after completion of 10 years of service for hazardous duty participants and 5 years of service for non-hazardous duty participants, and the refund of employee contributions in the event of a non-vested termination.

Covered employees in non-hazardous duty and employees in hazardous duty who are eligible to retire as of January 1, 2013 contribute 8% of their compensation. Covered employees in hazardous duty who are not eligible to retire as of January 1, 2013 contribute 10% of their compensation. It is the City's obligation to provide a sufficient additional contribution to maintain the actuarial soundness of the fund but, in any event, not less than 7% of participating employee's compensation per the ordinance governing the plan.

Contributions. Employer contributions are made in equal installments during the first two quarters of the fiscal year based upon the actuarially determined percentage of payroll and the actual payroll payable at the time contributions are made. The minimum required City contribution is 7% of covered payroll. Member contributions are made continuously throughout the year.

Investment policy. The Employees' Pension Plan Statement of Investment Objectives and Guidelines was adopted by the Pension Trustees on December 16, 2019. The investment policy requires an annual review by the Pension Investment Committee with a recommendation to the Pension Trustees to confirm or revise. The following was the Trustees' adopted asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation
Core Fixed Income	28.00%
Global Equity	5.00%
U.S. Large Cap Equities	26.00%
U.S Mid Cap Equities	7.00%
U.S. Small Cap Equities	6.00%
International Equities	10.00%
Emerging Markets Equities	3.00%
Private Real Estate and REITS	15.00%
	100.00%

The Employees' Pension Plan has invested in real estate, timber, and infrastructure limited partnership funds. The strategies of these funds are long term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. These investments partnerships are valued using their respective net asset value (NAV) and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors, and consultation with valuation specialists. The management assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment. All timber acquisitions are valued per an independent expert third party appraisal within one year of acquisition and similar independent third-party appraisals of fair value are conducted at least every three years thereafter. The infrastructure fund's assets are valued by international recognized accounting firms and/or internationally recognized appraisal firms (independent appraisers) on a quarterly basis, with the independent appraisers rotated at three-year intervals.

Concentrations. As of September 30, 2023, the Employees' Pension Plan held no investments (other than U.S. Government or U.S. Government guaranteed obligations) in any one organization comprising 5% or more of the net position available for benefits.

Rate of return. For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on investments of the Employees' Pension Plan, net of pension plan investment expense, was 11.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability. The components of the net pension liability of the City for the Employees' Pension Plan as of September 30, 2023, were as follows:

Total pension liability	$ 1,146,716,136
Plan fiduciary net position	1,163,824,206
City's net pension liability (asset)	$ (17,108,070)
Plan fiduciary net position as a percentage of the total pension liability	101.49%

The changes in the net pension liability (asset) of the City for the Employees' Pension Plan for the year ending September 30, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 9/30/2022	$ 1,089,718,239	$ 1,082,738,733	$ 6,979,506
Changes for the year:			
Service cost	19,874,939	-	19,874,939
Interest	70,094,980	-	70,094,980
Benefit changes	11,732,652	-	11,732,652
Differences between expected and actual experience	17,713,076	-	17,713,076
Assumption changes	-	-	-
Contributions - employer	-	12,659,053	(12,659,053)
Contributions - employee	-	8,941,002	(8,941,002)
Contributions - state tax	-	12,000	(12,000)
Net investment income	-	122,246,393	(122,246,393)
Benefit payments, including refunds of employee contributions	(62,417,750)	(62,417,750)	-
Administrative expense	-	(355,225)	355,225
Net changes	56,997,897	81,085,473	(24,087,576)
Balances at 9/30/2023	$ 1,146,716,136	$ 1,163,824,206	$ (17,108,070)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2023 (Valuation Date), using the following actuarial assumptions, applied to September 30, 2023 (Measurement Date):

Inflation	2.25%
Salary increases	Hazardous Duty - 4.50% to 7.60%, including 2.25% inflation, based on merit and seniority Non-Hazardous Duty - 2.75% to 6.50%, including 2.25% inflation, based on merit and seniority
Investment rate of return	6.50% net of investment expense

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an Experience Investigation for the Five Years Ended December 31, 2017.

Long-term expected rate of return. The long-term expected rate of return on investments of the Employees' Pension Plan was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2023, these best estimates are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Core Fixed Income	2.30%
Global Equity	4.73%
U.S. Large Cap Equities	4.95%
U.S. Mid Cap Equities	5.20%
U.S. Small Cap Equities	5.20%
International Equities	3.95%
Emerging Markets Equities	4.95%
Private Real Estate and REITS	6.20%

Discount rate. A single discount rate of 6.50% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 6.50%. The projection of cash flows used to determine 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 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the Employee Pension Plan's net pension liability (asset), calculated using a single discount rate of 6.50%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher.

1% Decrease 5.50%	Discount Rate Assumption 6.50%	1% Increase 7.50%
$ 127,973,402	$ (17,108,070)	$ (137,030,712)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended September 30, 2023, the City recognized pension expense of $43,915,144 for the Employees' Pension Plan. When combined with the Firefighters' Relief and Pension Plan's pension expense of $558, the City recognized $43,915,702 of pension expense for fiscal 2023. As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 15,094,739	$ 204,703	$ 14,890,036
Changes in assumptions	5,825,041	6,537,662	(712,621)
Net differences between projected and actual earnings on pension plan investments	61,013,833	-	61,013,833
Total	$ 81,933,613	$ 6,742,365	$ 75,191,248

Amounts reported as deferred outflows or resources and deferred inflows on resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2024	$ 13,770,644
2025	17,175,771
2026	51,933,874
2027	(7,689,041)
2028	-
Thereafter	-
	$ 75,191,248

The **Firefighters' Relief and Pension Plan** is authorized and operated under the provisions of Subpart B, Article I (Laws of Florida, Chapter 30658, 1955 and amendments), Sections 1 through 27 of the Municipal Charter and Related Law of the City of Clearwater and Chapter 26, Article III, Sections 26.50 through 26.52 of the Municipal Code of the City of Clearwater.

Management of the Firefighters' Relief and Pension Plan rests with the Board of Trustees, which consists of the Mayor, the Fire Chief and three members of the Fire Department, which can be either active or retired members of the Firefighters' Relief and Pension Plan, as stipulated in Chapter 2008-287, Laws of Florida. In the event that no member of the plan is available to stand for election, then a current firefighter of the department below the rank of chief who is willing to serve shall be placed on the ballot. If no one is available to stand for election, or if no one is available to participate in the voting, then members of the Board of Trustees will be appointed by the City Council from membership of the City Council.

Plan membership/Employees covered by benefit terms. As of the most recent actuarial valuation date, October 1, 2023, the membership of the Firefighters' Relief and Pension Plan was as follows:

	Firefighters' Relief and Pension Plan
Retirees and beneficiaries currently receiving benefits	11
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	-
Total number of participants	11

Benefits provided. The normal retirement benefit is a monthly benefit in the amount of 50% of the prevailing wage at the date of retirement of the lowest rank held by the participant during the three years immediately preceding retirement plus 2% of such prevailing wage for each year of service in excess of 20 years up to a maximum of 60%. Participants retiring at the age of 65 years are entitled to a benefit of 60% of the prevailing wage of the lowest rank held by the participant during the three years immediately preceding retirement. The ending rate of pay specified above may not exceed the highest rate of pay for the rank of Captain. Eligibility for normal retirement occurs upon completion of 20 years of service or attainment of age 65. The monthly benefits are payable for the life of the participant and continue, after the participant's death, to be paid to certain eligible surviving beneficiaries at an amount that is one-half of the amount received by the participant. Benefits are also provided for children of the deceased participant who are less than 18 years of age subject to certain limitations as to amount. The plan also provides for disability and death benefits and for vesting upon completion of at least 12 years of service. The plan provides for post-retirement cost of living increases equal to the increase in the prevailing wage for the rank at which the participant retired with a limitation for those retiring on or after January 1, 1972, of 100% of the initial pension benefit for total cost of living increases. Participating employees were required to contribute 6% of their salaries up to the equivalent of the salary of a fireman holding the rank of Captain. Effective with the fiscal year ended September 30, 2007, the Firefighters' Relief and Pension Plan, with no remaining active members (only retirees), is fully funded per the requirements of the governing Ordinance. The City may elect to contribute should future valuations show an actuarial need for such.

Contributions. Effective with the fiscal year ended September 30, 2007, the Firefighters' Relief and Pension Plan, with no remaining active members (only retirees), was fully funded per the requirements of the governing Ordinance. There were no contributions to the plan, as it is a fully funded plan with no active participants. The City may elect to contribute should future annual valuations show an actuarial need for such.

Investment policy. The Firefighters' Relief and Pension Plan investment policy was adopted on September 28, 2000. It must be reviewed annually by the Board of Trustees. The following was the adopted asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation
Domestic Fixed Income	0 - 70%
Pooled Cash	30% - 100%

Concentrations. As of September 30, 2023, the Firefighters' Relief and Pension Plan held no investments (other than U.S. Government or U.S. Government guaranteed obligations) in any one organization comprising 5% or more of the net position available for benefits.

Rate of return. For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on investments of the Firefighters' Relief and Pension Plan, net of pension plan investment expense, was 1.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability (asset). The components of the net pension liability (asset) of the City for the Firefighters' Relief and Pension Plan as of September 30, 2023, were as follows:

Total pension liability	$ 1,436,997
Plan fiduciary net position	2,753,663
City's net pension liability (asset)	$ (1,316,666)
Plan fiduciary net position as a percentage of the total pension liability	191.63%

The changes in the net pension liability (asset) of the City for the Firefighters' Relief and Pension Plan for the year ending September 30, 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 9/30/2022	$ 1,623,517	$ 2,912,716	$ (1,289,199)
Changes for the year:			
Service cost	-	-	-
Interest	38,084	70,084	(32,000)
Differences between expected and actual experience	(8,654)	-	(8,654)
Assumption changes	-	-	-
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	(9,062)	9,062
Benefit payments, including refunds of employee contributions	(215,950)	(215,950)	-
Administrative expense	-	(4,125)	4,125
Net changes	(186,520)	(159,053)	(27,467)
Balances at 9/30/2023	$ 1,436,997	$ 2,753,663	$ (1,316,666)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2022 (Valuation Date), using the following actuarial assumptions, applied to September 30, 2023 (Measurement Date):

Inflation	2.00%
Salary increases	N/A
Investment rate of return	2.50% net of investment expense

For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018.

Long-term expected rate of return. Because the Firefighters' Relief and Pension Plan is limited to investments in fixed income securities and pooled cash, the long-term expected rate of return will approximate the discount rate of 2.50%.

Discount rate. A discount rate of 2.50% was used to measure the total pension liability. The discount rate was based on the actuary's expectation of future yields and consideration of the City's projection of future weighted yield based on current asset holdings.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the Firefighters' Relief and Pension Plan's net pension liability (asset), calculated using a discount rate of 2.50%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher.

1% Decrease 1.50%	Discount Rate Assumption 2.50%	1% Increase 3.50%
$ (1,236,313)	$ (1,316,666)	$ (1,389,138)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended September 30, 2023, the City recognized pension expense of $558 for the Firefighters' Relief and Pension Plan. When combined with the Employees' Pension Plan's pension expense of $43,915,144, the City recognized $43,915,702 pension expense for fiscal 2023. As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ -	$ -	$ -
Changes in assumptions	-	-	-
Net differences between projected and actual earnings on pension plan investments	113,077	-	113,077
Total	$ 113,077	$ -	$ 113,077

Amounts reported as deferred outflows or resources and deferred inflows on resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2024	$ 37,087
2025	37,087
2026	37,089
2027	1,814
2028	-
Thereafter	-
	$ 113,077

IV.B.2. Police Supplemental Pension Fund

A supplemental defined contribution pension plan exists for all eligible policemen, which is funded by earmarked revenues received from the State and is administered by the Board of the Police Supplemental Pension Plan. The revenues received from the State are allocated among eligible police officers based on the number of days employed as Clearwater Police Officers. These revenues received from the State of Florida "on-behalf" of the City's employees, which comprise the plan contributions, totaled $1,372,769 for the year ended September 30, 2023, and are obtained from an eighty-five one

hundredths of one percent (0.85%) excise tax on the gross receipts from premiums collected on casualty insurance policies covering property within the City's corporate limits. These monies were recognized as General Fund revenues and General Fund police department expenditures in the current year. The current year contributions represent 5.92% of covered employees' gross payroll. The fair value of cash and investments as of September 30, 2023, totaled $17,869,682.

The Police Supplemental Pension Fund is authorized by and operates under the provisions of Sections 2.471 through 2.480 of the Municipal Code of the City of Clearwater and Chapter 185 of Florida Statutes. Under the plan provisions, the total monies received during each fiscal year, after payment or provision for all costs and expenses of management and operation of the plan, are allocated to participants based on the total number of shares to which each participant is entitled. Each participant is entitled to one share in the fund for each day of service as a police officer of the City.

All police officers, as defined in Section 26.70(g) of the Code of Ordinances of the City of Clearwater, who are elected, appointed, or employed full-time by the City are eligible to participate in the plan. There are no employee contributions to the supplemental plan. Benefits are fully vested for a lump sum distribution after twenty years from the date of hire, with provision for partial vesting after ten or more years under the plan. Accumulated benefits are payable in full in case of death while employed by the City or in case of total and permanent job-related disability. Non-vested participants' account values upon termination of employment during any fiscal year are added to the monies received during that fiscal year for allocation to the remaining participants in the plan based on total days worked.

Plan assets, primarily investments, are valued at fair value for balance sheet purposes. Investment values are determined using the estimated fair value determined by averaging estimated fair values obtained from three or more nationally recognized brokers.

For the fiscal year ended September 30, 2023, the gross payroll of the covered officers was $23,205,568; the City's total gross payroll for the same period was $120,121,975.

Since the entitlement to benefits is based entirely upon the allocation of monies received by the plan to the participants' share accounts, there is no actuarial liability on the part of either the State or the City.

IV.B. 3. Firefighters' Supplemental Pension Fund

A supplemental defined contribution pension plan exists for all eligible firefighters, which is funded by earmarked revenues received from the State and is administered by the Board of the Clearwater Firefighters' Supplemental Pension Plan. The revenues received from the State are allocated among eligible firefighters based on the number of days worked during the previous year. These revenues received from the State of Florida "on-behalf" of the City's employees, which comprise the plan contributions, amounted to $1,558,274 in the year ended September 30, 2023, and are obtained from a one and eighty-five one hundredths percent (1.85%) excise tax on the gross receipts from premiums collected on property insurance policies covering property within the City's corporate limits. These monies were recognized as General Fund revenues and General Fund fire department expenditures in the current year. The current year contributions represent 8.41% of covered employees' gross payroll. The fair value of cash and investments as of September 30, 2023, totaled $20,371,214.

As the plan is described as a money purchase pension plan, whereby contributions are allocated based on the number of days worked during the fiscal year ended September 30, and interest earnings allocated based on the beginning balances in each participant's account, there is no actuarial liability on the part of the State or the City.

The Firefighters' Supplemental Pension Fund is authorized by and operates under the provisions of Sections 2.441 through 2.455 of the Municipal Code of the City of Clearwater and Chapter 175 of Florida Statutes. Eligibility requires two years of credited calendar year service as a firefighter with concurrent participation in the Employees' Pension Plan. There is no employee contribution to the supplemental plan, and benefits are vested for a lump sum distribution at ten years unless there is early retirement, disability or death. Non-vested participants' account values upon termination of employment are reallocated among the remaining participants based on days worked during the previous year.

Plan assets, primarily investments, are valued at fair value for balance sheet purposes. Investment values are determined using the estimated fair value determined by averaging estimated fair values obtained from three or more nationally recognized brokers.

For the fiscal year ended September 30, 2023, the gross payroll of covered firefighters was $18,535,538; the City's total gross payroll for the same period was $120,121,975.

IV.B.4. Pension Plan Financial Statements

Separate financial statements are provided in the Notes per the guidance of GASB Statement No. 34 as follows:

City of Clearwater, Florida
Notes to the Basic Financial Statements
For the Year Ended September 30, 2023

Statement of Fiduciary Net Position:

	Defined Benefit Pension Trust Funds		Defined Contribution Pension Trust Funds		
	Employees' Pension Fund	Firefighters' Relief and Pension Fund	Police Supplemental Pension Fund	Firefighters' Supplemental Pension Fund	Total Pension Trust Funds
ASSETS					
Cash and cash equivalents	$ 18,998,263	$ 261,007	$ 8,254	$ -	$ 19,267,524
Receivables:					-
Interest and dividends	4,019,758	35,442	30,952	26,451	4,112,603
Unsettled investment sales	6,905,040	-	-	-	6,905,040
Securities lending earnings	24,073	-	-	-	24,073
Due from others	-	-	-	-	-
Total receivables	10,948,871	35,442	30,952	26,451	11,041,716
Managed investment accounts, at fair value:					
Cash and cash equivalents	18,221,498	-	1,623,355	2,652,504	22,497,357
Government bonds	49,695,327	-	-	836,935	50,532,262
Index linked government bonds	2,877,928	-	-	-	2,877,928
Agency bonds	3,543,895	2,457,214	-	-	6,001,109
Municipal bonds	3,005,904	-	-	150,133	3,156,037
Domestic corporate bonds	111,989,979	-	-	902,181	112,892,160
International equity securities	106,230,485	-	-	740,202	106,970,687
Domestic stocks	260,679,113	-	-	3,665,460	264,344,573
Mortgage backed bonds	115,765,778	-	-	1,083,026	116,848,804
Government issued commercial mortgage backed bonds	21,929	-	-	-	21,929
Asset backed securities	15,397,042	-	-	-	15,397,042
Other/rights/warrants	1,606	-	-	-	1,606
Domestic equity mutual funds	234,335,516	-	11,480,309	5,063,397	250,879,222
International equity mutual funds	15,951,198	-	3,058,205	1,191,161	20,200,564
Infrastructure	91,519,858	-	-	-	91,519,858
Real estate	120,452,905	-	1,707,813	4,086,215	126,246,933
Total managed investment accounts	1,149,689,961	2,457,214	17,869,682	20,371,214	1,190,388,071
Securities lending collateral	105,506,639	-	-	-	105,506,639
Total assets	1,285,143,734	2,753,663	17,908,888	20,397,665	1,326,203,950
LIABILITIES					
Accounts payable	824,785	-	-	-	824,785
Unsettled investment purchases	14,945,354	-	-	-	14,945,354
Other payables	42,750	-	-	-	42,750
Obligations under securities lending	105,506,639	-	-	-	105,506,639
Total liabilities	121,319,528	-	-	-	121,319,528
NET POSITION					
Restricted for:					
Pensions	1,163,824,206	2,753,663	17,908,888	20,397,665	1,204,884,422
Total net position	$ 1,163,824,206	$ 2,753,663	$ 17,908,888	$ 20,397,665	$ 1,204,884,422

Statement of Changes in Fiduciary Net Position:

	Defined Benefit Pension Trust Funds		Defined Contribution Pension Trust Funds		
	Employees' Pension Fund	Firefighters' Relief and Pension Fund	Police Supplemental Pension Fund	Firefighters' Supplemental Pension Fund	Total Pension Trust Funds
ADDITIONS					
Contributions:					
Employer	$ 12,659,053	$ -	$ -	$ -	$ 12,659,053
Employer - state tax	12,000	-	1,372,769	1,558,274	2,943,043
Employees	8,941,002	-	-	-	8,941,002
Total contributions	21,612,055	-	1,372,769	1,558,274	24,543,098
Investment earnings (loss):					
Net increase (decrease) in fair value of investments	108,044,500	(39,931)	3,314,794	1,034,470	112,353,833
Interest, dividends and other	20,672,749	100,953	349,719	826,189	21,949,610
Securities lending income	5,962,399	-	-	-	5,962,399
Total investment earnings (loss)	134,679,648	61,022	3,664,513	1,860,659	140,265,842
Less investment costs:					
Investment management/custodian fees	(6,776,487)	-	(24,941)	(103,073)	(6,904,501)
Securities lending costs	(5,656,768)	-	-	-	(5,656,768)
Net investment earnings (loss)	122,246,393	61,022	3,639,572	1,757,586	127,704,573
Miscellaneous	-	-	6,360	3,607	9,967
Total additions	143,858,448	61,022	5,018,701	3,319,467	152,257,638
DEDUCTIONS					
Benefits	61,062,860	215,950	1,784,493	2,249,257	65,312,560
Refunds and transfers to other systems	1,354,890	-	-	-	1,354,890
Administrative expenses	355,225	4,125	18,530	47,662	425,542
Total deductions	62,772,975	220,075	1,803,023	2,296,919	67,092,992
Net increase (decrease) in fiduciary net position	81,085,473	(159,053)	3,215,678	1,022,548	85,164,646
Fiduciary net position - beginning	1,082,738,733	2,912,716	14,693,210	19,375,117	1,119,719,776
Fiduciary net position - ending	$ 1,163,824,206	$ 2,753,663	$ 17,908,888	$ 20,397,665	$ 1,204,884,422

IV.B.5. 401(a) Defined Contribution Plan

For all management employees not covered under either of the defined benefit pension plans, the City provides pension benefits through a 401(a) defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are participants from the date of employment and are fully vested upon enrollment. The plan is totally contributory on the part of the City in an amount equal to 15% of compensation on behalf of the City Manager and the City Attorney and 8% of compensation on behalf of all other management contract employees and Assistant City Attorneys. The City makes bi-weekly contributions to the Trust throughout the plan year to meet its funding obligations under the plan. Plan provisions and contribution requirements are established and may be amended by the City Council.

MissionSquare Retirement, the trustee for the defined annuity, offers participants a variety of investment options.

The City's total gross payroll for the fiscal year ended September 30, 2023 was $120,121,975. The Plan members' payroll for the same period totaled $5,215,851. The City's contribution, per the above contribution rates, totaled $452,343.

IV.B.6. Deferred compensation plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Effective January 1, 1997, Federal legislation converted the Section 457 deferred compensation assets from City assets to employee assets. As a result of these changes, plan assets are no longer subject to the claims of the City's general creditors.

Consequently, these assets are no longer reported in the accompanying financial statements, in compliance with GASB Statement No. 32.

IV.C. Post-employment Benefits Other Than Pension (OPEB)

Plan Description. The City of Clearwater administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance benefits to its employees and their eligible dependents. Because the City provides a medical plan to active employees of the City and their eligible dependents, the City is also required by Section 112.0801, Florida Statutes, to provide retirees with the opportunity to participate in this Plan. While the City does not directly contribute towards the costs of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees, constitutes a significant economic benefit to retirees, or an "implicit" subsidy. This implicit subsidy is considered an "other post-employment benefit" (OPEB) obligation of the City. Since the City is currently funding this OPEB obligation on a pay-as-you-go basis, there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, not including the impact of employer contributions, adjusted for deferred recognition of the liability.

Benefits provided. Benefit provisions for the Plan are established by the City Council and may be amended by the City Council. The retirees pay the full group premium amount for health insurance with no explicit subsidy from the City. Additionally, the City provides and pays for $1,000 of term life insurance for retirees who retired before October 1, 2008. The term life insurance benefit provision was also established, and may be amended, by action of the City Council. Contribution rates for the Plan are established on an annual basis by the City Council. Eligible retirees and their covered

dependents receiving benefits contribute 100% of their premium costs for health insurance and 0% of the cost for the $1,000 term life insurance.

Employees covered by benefit terms. As of September 30, 2023 (measurement date), the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	563
Inactive plan members entitled to but not yet receiving benefits	74
Active plan members	1,569
Total plan members	2,206

Total OPEB Liability. The City's total OPEB liability of $24,122,879 was measured as of September 30, 2023 and was determined by an actuarial valuation as of January 1, 2022. The Total OPEB Liability was rolled forward 21 months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.25%
Discount rate	4.40%
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 5.75% and gradually decreasing to an ultimate trend rate of 3.99%

The discount rate is based on Fidelity Investments' "20-Year Municipal GO AA Index" as of the most recent date available on or before the measurement date.

Mortality rates are the same as used in the July 1, 2021 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class and Special Risk Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.

The changes in the total OPEB liability for the measurement year ending September 30, 2023 were as follows:

	Total OPEB Liability
Balance at 9/30/2022	$ 23,056,031
Changes for the year:	
Service cost	1,688,573
Interest	1,063,683
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions and other inputs	(545,424)
Benefit payments	(1,139,984)
Net changes	1,066,848
Balance at 9/30/2023	$ 24,122,879

Changes in assumptions and other inputs reflect a change in the discount rate from 4.40% at the beginning of the measurement period to 4.63% at the end of the measurement period. In addition, per capita costs and premiums were updated based on information provided.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the City's total OPEB liability calculated using a discount rate of 4.63%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher.

1% Decrease 3.63%	Discount Rate Assumption 4.63%	1% Increase 5.63%
$ 26,549,250	$ 24,122,879	$ 21,974,118

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the City's total OPEB liability calculated using the current healthcare cost trend rate assumption based on the Getzen Model of 5.75% and gradually decreasing to an ultimate trend rate of 3.99%, as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$ 21,143,455	$ 24,122,879	$ 27,756,745

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB. For the year ended September 30, 2023, the City recognized OPEB expense of $747,724. As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 5,426,224	$ (5,426,224)
Changes in assumptions and other inputs	775,428	3,392,761	(2,617,333)
Total	$ 775,428	$ 8,818,985	$ (8,043,557)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	
2024	$ (1,871,717)
2025	(2,355,458)
2026	(1,609,163)
2027	(1,021,917)
2028	(1,007,713)
Thereafter	(177,589)
	$ (8,043,557)

IV.D. Securities lending transactions

The City of Clearwater Employees' Pension Plan participates in securities lending transactions, as authorized by the Pension Trustees on April 14, 2003, via a Securities Lending Authorization Agreement with Northern Trust Company, which is also the pension plan's custodian. Securities are loaned versus collateral that may include cash, U.S government securities, and irrevocable letters of credit. U.S. securities are loaned versus collateral at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral at 105% of the market value plus any accrued interest. The Plan's investment policy places no restrictions on the amount of securities that can be loaned.

Non-cash collateral cannot be pledged or sold unless the borrower defaults. All securities loans can be terminated on demand by either the lender or the borrower. The average term for the pension plan's loans as of September 30, 2023 was 82 days. Cash open collateral is invested in a short term investment pool, the Northern Trust Collective SL Core Short Term Investment Fund (CORECOLL), which had an interest sensitivity of 21 days as of September 30, 2023.

There were no significant violations of legal or contractual provisions, nor any borrower or lending agent default losses known to the securities lending agent. The Plan did not impose any restrictions on the amount of loans made by Northern Trust during fiscal year 2023.

There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

The following is a summary of securities on loan and their collateral at fair value:

	Securities Collateralized by Cash	
Security Type	Loaned Securities	Cash Collateral
U.S. Equity	$ 52,015,199	$ 53,423,052
U.S. Corporate Fixed	22,861,904	23,446,394
U.S. Government Fixed	26,203,672	26,749,500
U.S. Agencies	570,639	584,139
Global Equities	1,225,630	1,303,554
Total	$ 102,877,044	$ 105,506,639

On the statement of fiduciary net position, a securities lending asset of $105,506,639 was reported that represents the fair value of the investments made with cash collateral as of September 30, 2023. In addition, a securities lending obligation of $105,506,639 was reported that represents the collateral that the City is required to maintain to cover the fair value of the loaned securities.

IV.E. Contingencies and commitments

Pollution Remediation Claims Liabilities
Pursuant to GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the City is required to analyze known polluted sites to determine future component cost outlays, including estimation where required, for pollution remediation. As of September 30, 2022, accruals totaled $456,601, consisting of $169,169 for the Harbor Drive Fill Area site, $8,008 for the Joe DiMaggio Sports Complex site, and $279,424 for assessment and remediation at the Gas Plant site (see the Soil and groundwater contamination site note below).

During fiscal year 2023 there was an increase to estimates and contractual commitments in the amount of $41,000, and reductions/payments totaled $304,375. As of September 30, 2023, accruals totaled $193,226, consisting of $160,682 for the Harbor Drive Fill Area site and $32,544 for assessment and remediation at the Gas Plant site.

In addition to the above sites for which accruals exist, the City has 15 other sites that have known contamination from petroleum products, metals, arsenic, chlorine or coal tar. Seven of these sites are on the State of Florida Petroleum Clean-up Program. When any of these seven sites will be scheduled for cleanup cannot be determined at this time. They are under monitoring plans or are awaiting responses from the FDEP on data submitted by the City. Any additional cleanup costs for these sites cannot be estimated at this time.

Remediation of the former fill area at Phillip Jones Ballfield is complete; however, this site remains on the list as it includes the Harbor Drive Fill Area. Remediation of Phillip Jones Ballfield is complete, and the site is currently under monitoring and

maintenance. An initial closure design plan for the Harbor Drive Fill Area dated January 29, 2021, was approved by the FDEP on December 16, 2021. A revised closure design plan for the Harbor Drive Fill Area was prepared by the City's consultant, Geosyntec, on January 19, 2023. Implementation of the closure plan is expected to commence in 2024.

Soil and groundwater contamination site

The City is the owner of property located at 400 North Myrtle Avenue, Clearwater, Pinellas County, Florida ("Property"). The Property occupies approximately six acres and is currently used by the City Gas Division ("CGS") as its administrative offices and operating facility. The City operated a manufactured gas plant at the Property from approximately 1929 to 1960. Following the discovery in June 1990 of soil and groundwater impacts at the Property allegedly resulting from the prior operation of the manufactured gas plant, the Florida Department of Environmental Protection ("FDEP") directed the City to implement measures to delineate the area and vertical extent of the impacts at the Property and, if necessary, implement appropriate remedial actions.

Contamination assessment activities were initiated at the Property in 1995. On April 17, 1996, the City executed an Intergovernmental Agreement with FDEP, governing the scope of assessment and remediation work performed at the Property. The material terms and conditions of the Intergovernmental Agreement require the City to perform contamination assessment activities to delineate the area and vertical extent of soil and groundwater impacts and, if necessary, to remediate such impacts to the extent required by Florida law.

Field activities to delineate the extent of impacts were performed from 1995 to 2003. The results of the final field work are presented in a Supplemental Assessment Report dated May 2003, in which the City's consultant concluded that field activities to delineate the extent of soil and groundwater impacts were complete and that a risk assessment should be undertaken to evaluate an appropriate remedy for the reported impacts.

By letter dated April 19, 2004, FDEP directed the City to install two additional monitoring wells within the source area on site to delineate the vertical extent of groundwater impacts. The City and FDEP previously discussed the potential harm to the underlying aquifer that may result from the installation of monitoring wells through a source area and the underlying clay confining unit during a meeting with FDEP held on November 29, 2003. Based on the advice of its environmental consultant and other specialists consulted concerning this issue, the City has consistently maintained that the installation of the additional monitoring wells requested by FDEP will likely provide a pathway for the migration of impacts into the aquifer underlying the clay confining unit that is otherwise not presently impacted by the former operations of the MGP based on existing perimeter monitoring well data. The City responded to the FDEP by letter dated April 29, 2004, requesting that FDEP advise the City whether the directive to install the additional vertical extent wells was deemed by FDEP to be final agency action that would otherwise be subject to review in an administrative proceeding. The City's April 29, 2004 response included a request for an extension of time to file an administrative proceeding in the event that FDEP deemed the April 19, 2004 FDEP communication to be final agency action.

During fiscal 2005, the Myrtle Avenue Utility and Roadway Widening project began, requiring extensive dewatering during construction. Consulting, equipment, laboratory, permitting, and labor costs for dewatering in areas where there was suspected or known contamination from the former MGP plant were charged to the City of Clearwater Gas Division. All activities related to the Myrtle Avenue dewatering project were documented in the "Supplemental Site Assessment Report – North Myrtle Ave Roadway Corridor" dated March 2007.

On January 17, 2008, FDEP issued a letter to the City stating FDEP was willing to replace the need for additional vertical delineation wells with periodic sampling of existing deep wells, as long as they remain unaffected by the contaminants of concern on the site. In May 2009, FDEP issued a status report on all Manufactured Gas Plant sites in Florida. The report referenced the January 17, 2008 letter and reaffirmed FDEP's agreement to forego additional on-site vertical delineation if the City continued to monitor the perimeter wells on the facility. On June 22, 2009, the perimeter monitoring wells were tested, and the results were reported to FDEP. On February 3, 2010, FDEP issued a letter that formally accepted Clearwater Gas System's Contamination Assessment Report (CAR) and required no further site assessment activities. Furthermore, the DEP required CGS to re-sample all monitoring wells on the site within 60 days of the February 3, 2010 letter.

In May 2010, CGS issued a Request for Proposal (RFP) to prepare a Feasibility Study, for DEP approval, that would offer a long-term corrective action plan for the gas plant site. Arcadis, Inc. was selected to conduct the Feasibility Study; however, two months into the project the City's environmental legal counsel recommended an alternate method of site remediation. They proposed that the City work with the University of Waterloo (Canada) to treat the contaminated soils with sodium persulfate, a chemical oxidant, which would stop the off-site groundwater impacts that were experienced on the Pinellas County Health Department site. Chemical oxidation is accepted as a very effective method of dealing with Manufactured Gas Plant residuals. This project was approved by the City Council in January 2011, and was scheduled to last approximately 6 years at an estimated cost of $600,000.

In May 2017 it was determined that the University of Waterloo project was not working as originally projected. The sodium persulfate was not oxidizing the source material enough to grant site closure. Therefore, it was determined to abandon the project and look at other remedies for the site. The City's environmental legal counsel proposed to convert the site to a Brownfield site in order to obtain full site closure. This would be done in conjunction with the site redevelopment of all CGS buildings at 400 North Myrtle Avenue.

On December 7, 2018, City Council approved a Brownfield Site Rehabilitation Agreement (BSRA) with the FDEP. Under this agreement, no further active remediation will be required, and the site will be closed with a restrictive covenant to include an impervious cap to address remaining soil contamination at the site and prohibit the withdrawal of groundwater for any purpose within the site property. The groundwater use restriction may also be required on the adjacent Pinellas County Health Department property.

A Site Environmental Management Plan ("SEMP") was subsequently created to provide guidance to contractors performing work at the site for encountering, handling and managing contaminated soils. In addition, a Remedial Action Plan ("RAP") was administered in March 2018, which includes the SEMP, an Engineering Control Maintenance Plan and a Declaration of Restrictive Covenant ("DRC") that will be required by the FDEP to obtain final site closure.

CGS underwent site redevelopment between 2018 and 2020, resulting in an upgraded campus for CGS operations. Post-redevelopment groundwater monitoring has been performed at the site since 2021, including installation of new onsite groundwater monitoring wells to replace wells that were abandoned or damaged during redevelopment, and installation of on and offsite wells to complete delineation of dissolved phase groundwater impacts relative to the site. The City's contractor, Geosyntec, prepared and submitted a Natural Attenuation Monitoring Plan (NAMP) to FDEP on the City's behalf in May 2023 and outlined a water sampling schedule to show plume stability. This plan will be the basis for future site groundwater monitoring until plume stability is adequately demonstrated and a Site Rehabilitation Completion Report (SRCR) is ultimately approved by FDEP.

The proposed semi-annual water sampling is now underway, with the understanding that future sampling scopes will be based upon the evaluation of the data associated with previous sampling events. Full site closure is anticipated in fiscal year 2025.

Benefits of closing the site under the Brownfield Program include liability projections to the City as set forth in F.S. Section 376.82(2)(a) and the opportunity for the City to obtain voluntary cleanup tax credits ("VCTC") for the cost of constructing the impervious cap and completion of site closure activities. For eligible costs recovered by the City through VCTC's, the City is able to then sell the VCTC's on the market. Such sales typically net 80-90% recovery for municipalities taking similar actions. The City was awarded $744,076 in tax credits for calendar years 2017-2020. The City issued Bid #44-21 to sell the tax credit certificates issued by FDEP. Fallbrook Tax Credits LLC submitted the highest bid of $0.9112 on the dollar, which yielded $678,002 from the sale of the tax certificates.

The City has pursued insurance claims under certain insurance policies covering the Property for the period from June 1961 through July 1986. On September 17, 2001, the City agreed to reduce its claim against Southern American Insurance

Company ("SAIC"), the sole remaining excess carrier with the City, at an undiscounted value of $300,000. In December 2007, the liquidator managing the SAIC liquidation made an initial payment to the City in the amount of $96,000. In September 2008, a second distribution payment of $174,000 was issued to the City. Finally, in December 2009, the City received a payment of $30,000 for a total collection amount of $300,000. In total, the City has recovered $787,500 on all outstanding insurance claims.

From 1993 through September 30, 2023, the City has spent $1,853,341 on MGP assessment activities, which includes both environmental consultant and legal fees.

Contractual Commitment – Water and Sewer Utility

Under the terms of a 30-year contract between the City and Pinellas County, which is effective through September 30, 2035, the maximum amount of water available to the City is 15 million gallons per day on an annual average basis with no minimum quantity purchase requirement. Effective October 1, 2022, the rate, which is set by the Pinellas County Board of County Commissioners (BOCC), was $4.3007 per 1,000 gallons. The rate effective October 1, 2023 is $4.5157 per 1,000 gallons. The cost of water purchased from the County during fiscal years 2022 and 2023 was $7,976,674 and $7,578,115 respectively.

Grant Revenues

During the current fiscal year and prior fiscal years, the City received revenues and contributions related to grants from the State of Florida, the federal government, and other grantors. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

Encumbrances

Encumbrance accounting is used in governmental funds to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. As of September 30, 2023, encumbrances expected to be honored upon performance by the vendor in the coming year were:

General fund	$	751,963
Special Programs Fund		2,244,397
Capital Improvement fund		16,902,303
Nonmajor governmental funds		3,962,877
	$	23,861,540

Tax Abatements

In accordance with Chapter 29, Article VII of the Clearwater Code of Ordinances, Article VII, Section 3 of the Constitution of the State of Florida, and Section 196-1995, Florida Statutes, the City Council may grant Economic Development Ad Valorem Tax Exemptions of up to 75 percent of the assessed value of the qualifying property for up to ten years to new businesses and expansions of existing businesses which create employment opportunities that will benefit the entire community.

For the fiscal year ending September 30, 2023, the City abated real and tangible personal property taxes totaling $146,391 under this program, consisting of the following agreements:

A Business Maintenance and Continued Performance Agreement with Skye Lane Properties, LLC dated January 14, 2014, for the relocation of 54 jobs from St. Petersburg, the creation of 11 new jobs, the investment of $6.1 million in the expansion of the property, including the renovation of the facility, construction of a tri-level parking deck, and the purchase of new furniture, fixtures and equipment. This agreement, which commenced in fiscal 2016, grants an exemption of ad valorem

taxes of 75 percent for the first five years and 50 percent for the next five years. In the event of default, Skye Lane Properties, LLC will be subject to the taxes exempted plus annual interest at the maximum rate allowed by law. Tax abatements since inception total $95,799.

A Business Maintenance and Continued Performance Agreement with Instrument Transformers, Inc. dated March 10, 2014 and amended February 11, 2016, for the creation of 143 new jobs and the investment of $49 million in the expansion of the Clearwater facility, including the purchase or lease of new equipment. This agreement, which commenced in fiscal 2017, grants an exemption of ad valorem taxes of 75 percent for ten years. In the event of default, Instrument Transformers, Inc. will be subject to the taxes exempted plus annual interest at the maximum rate allowed by law. Tax abatements since inception total $850,610.

IV.F. Pending litigation

In the normal course of operations, the City is a defendant in various legal actions, the ultimate resolution of which is not expected to have a material effect on the financial statements, other than for amounts that have been reserved and recorded as liabilities in the Central Insurance Fund.

IV.G. Conduit debt

The City has one issue of conduit debt outstanding as follows:

Description / Purpose	Original Issue Amount	Amount Outstanding at 9/30/22	Amount Outstanding at 9/30/23
Drew Gardens Refunding Bonds / residential rental facility	$ 3,425,000	$ 840,000	$ 640,000

The City issued Mortgage Revenue Refunding Bonds, Series 1992A (FHA Insured Mortgage Loan – Drew Gardens Project), dated August 1, 1992, in the amount of $3,425,000, to provide a portion of the money required to refund a prior issue of the bonds of the Issuer that were issued to provide money to make a mortgage loan insured by the Federal Housing Administration pursuant to Section 221(d)(4) of the National Housing Act of 1934, as amended, to pay the cost of acquiring, constructing, improving and equipping a 180-unit multifamily residential rental housing facility owned by Drew Gardens Associates, Ltd., a Florida limited partnership, and to pay certain costs of the refunding. The bonds are payable solely from and secured by a lien upon and a pledge of the pledged revenues, consisting mainly of the bond proceeds. No additional commitments were extended by the City. As of September 30, 2023, the bonds have an aggregate outstanding principal amount payable of $640,000. The bonds do not constitute a debt, liability, or obligation of the City of Clearwater, the State of Florida, or any political subdivision thereof and, accordingly, have not been reported in the accompanying financial statements.

IV.H. Prior period adjustment

During the current year it was determined that amounts previously expensed as professional services in the Marine Operations Fund for the Beach Marina Rehabilitation Project should have been capitalized as construction in progress. A prior period adjustment was recorded as follows:

	Operating Expenses	Net Position
Balances, as previously reported:		
Marine Operations Fund	$ 481,853	$ 7,263,674
Prior period adjustment:		
Marine Operations Fund	(481,853)	481,853
Balances, as restated:		
Marine Operations Fund	$ -	$ 7,745,527

IV.I. Subsequent event

On February 15, 2024, City Council adopted Ordinance No. 9744-24 amending the governance structure of the Clearwater Downtown Development Board in order to create strategic alignment and more efficient operations involving the City, the Clearwater Community Redevelopment Agency and the Clearwater Downtown Development Board. The ordinance provides that beginning April 1, 2024, the five members of the City Council shall, as an additional duty in public office, also serve as voting members of the Clearwater Downtown Development Board. The Mayor shall serve as the Chairperson of the Board. In addition, the City Council shall appoint or reappoint two citizens to serve as Board members alongside the five City Council members. The two citizen Board members shall either reside within the District, have a principal place of business or employment within the District, or own real property in the District, and shall serve a term of three years.

City of Clearwater, Florida
Defined Benefit Pension Plans
Required Supplementary Information

Employees' Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 19,874,939	18,718,516	$ 18,412,162	$ 16,934,015	$ 15,240,018	$ 15,065,668	14,770,113	$ 15,173,452	$ 14,585,979	$ 14,670,375
Interest on the Total Pension Liability	70,094,980	68,447,973	68,636,343	66,061,748	65,042,520	62,567,359	61,050,474	58,870,815	56,983,247	55,622,257
Benefit Changes	11,732,652	-	-	6,428,217	-	-	-	-	-	-
Difference between Expected and Actual Experience	17,713,076	(345,877)	166,476	5,473,272	(6,533,554)	6,780,611	(8,071,653)	6,832,090	(3,532,969)	(11,230,163)
Assumption Changes	-	6,156,036	(16,344,158)	11,877,993	25,495,302	-	381,755	(4,748,597)	-	-
Benefit Payments	(61,062,860)	(57,321,813)	(56,274,207)	(50,966,931)	(49,687,426)	(46,860,103)	(44,490,793)	(42,069,828)	(39,276,003)	(37,118,458)
Refunds	(1,354,890)	(1,772,430)	(1,222,375)	(1,177,456)	(1,017,365)	(892,181)	(1,366,008)	(1,060,187)	(1,000,827)	(1,675,419)
Net Change in Total Pension Liability	56,997,897	33,882,405	13,374,241	54,630,858	48,539,495	36,661,354	22,273,888	32,997,745	27,759,427	20,268,592
Total Pension Liability - Beginning	1,089,718,239	1,055,835,834	1,042,461,593	987,830,735	939,291,240	902,629,886	880,355,998	847,358,253	819,598,826	799,330,234
Total Pension Liability - Ending (a)	$ 1,146,716,136	1,089,718,239	$ 1,055,835,834	$ 1,042,461,593	$ 987,830,735	$ 939,291,240	902,629,886	$ 880,355,998	$ 847,358,253	$ 819,598,826
Plan Fiduciary Net Position										
Contributions - Employer	$ 12,659,053	11,912,374	$ 11,917,353	10,364,100	$ 10,901,645	$ 10,650,462	11,898,912	$ 13,178,874	$ 14,923,098	$ 18,860,463
Contributions - Employer (from State)	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Contributions - Employee	8,941,002	8,591,715	8,013,951	7,925,645	7,326,649	7,127,965	7,004,943	6,706,567	6,483,666	7,073,440
Net Investment Income	122,246,393	(204,174,834)	231,147,434	102,588,458	53,143,676	93,775,837	102,284,783	88,501,532	(4,165,092)	82,832,149
Benefit Payments	(61,062,860)	(57,321,813)	(56,274,207)	(50,966,931)	(49,687,426)	(46,860,103)	(44,490,793)	(42,069,828)	(39,276,003)	(37,118,458)
Refunds	(1,354,890)	(1,772,430)	(1,222,375)	(1,177,456)	(1,017,365)	(892,181)	(1,366,008)	(1,060,187)	(1,000,827)	(1,675,419)
Administrative Expense	(355,225)	(322,664)	(340,629)	(288,079)	(335,282)	(343,115)	(295,301)	(297,984)	(297,942)	(175,212)
Net Change in Plan Fiduciary Net Position	81,085,473	(243,075,652)	193,253,527	68,457,737	20,343,897	63,470,865	75,048,536	64,970,974	(23,321,100)	69,808,963
Plan Fiduciary Net Position - Beginning	1,082,738,733	1,325,814,385	1,132,560,858	1,064,103,121	1,043,759,224	980,288,359	905,239,823	840,268,849	863,589,949	793,780,986
Plan Fiduciary Net Position - Ending (b)	$ 1,163,824,206	1,082,738,733	$ 1,325,814,385	1,132,560,858	$ 1,064,103,121	$ 1,043,759,224	980,288,359	$ 905,239,823	$ 840,268,849	$ 863,589,949
Net Pension Liability/(Asset) - Beginning	$ 6,979,506	(269,978,551)	$ (90,099,265)	$ (76,272,386)	$ (104,467,984)	$ (77,658,473)	(24,883,825)	$ 7,089,404	$ (43,991,123)	$ 5,549,248
Net Pension Liability/(Asset) - Ending (a) - (b)	$ (17,108,070)	6,979,506	$ (269,978,551)	$ (90,099,265)	$ (76,272,386)	$ (104,467,984)	(77,658,473)	$ (24,883,825)	$ 7,089,404	$ (43,991,123)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)	101.49%	99.36%	125.57%	108.64%	107.72%	111.12%	108.60%	102.83%	99.16%	105.37%
Covered Payroll	$ 101,349,015	97,193,423	$ 90,810,283	$ 89,845,375	$ 82,998,580	$ 80,852,451	79,558,524	$ 76,942,048	$ 74,021,494	$ 75,629,669
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-16.88%	7.18%	-297.30%	-100.28%	-91.90%	-129.21%	-97.61%	-32.34%	9.58%	-58.17%

City of Clearwater, Florida
Defined Benefit Pension Plans
Required Supplementary Information

Firefighters' Relief and Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Interest	$ 38,084	40,834	$ 51,167	$ 52,304	$ 72,699	$ 84,902	$ 90,635	$ 99,691	$ 100,650	$ 92,956
Difference between Expected and Actual Experience	(8,654)	67,373	(17,191)	80,335	(141,190)	(205,912)	76,981	(296,507)	114,258	(426,528)
Assumption Changes	-	-	(215,006)	(55,554)	-	-	-	208,676	201,922	-
Benefit Payments	(215,950)	(227,768)	(245,126)	(262,649)	(285,762)	(332,638)	(365,154)	(423,458)	(442,775)	(525,760)
Other	-	-	-	-	-	-	-	-	-	143,654
Net Change in Total Pension Liability	(186,520)	(119,561)	(426,156)	(185,564)	(354,253)	(453,648)	(197,538)	(411,598)	(25,945)	(715,678)
Total Pension Liability - Beginning	1,623,517	1,743,078	2,169,234	2,354,798	2,709,051	3,162,699	3,360,237	3,771,835	3,797,780	4,513,458
Total Pension Liability - Ending (a)	$ 1,436,997	1,623,517	$ 1,743,078	$ 2,169,234	$ 2,354,798	$ 2,709,051	$ 3,162,699	$ 3,360,237	$ 3,771,835	$ 3,797,780
Plan Fiduciary Net Position										
Net Investment Income	$ 61,022	(98,130)	$ 14,512	$ 147,975	$ 319,636	$ 59,255	$ (149,322)	$ 171,674	$ 199,776	$ 169,627
Benefit Payments	(215,950)	(227,768)	(245,126)	(262,649)	(285,762)	(332,638)	(365,154)	(423,458)	(442,775)	(525,760)
Administrative Expense	(4,125)	(8,870)	(3,000)	(2,500)	(2,500)	(2,500)	(3,500)	(2,758)	(2,005)	(5,808)
Net Change in Plan Fiduciary Net Position	(159,053)	(334,768)	(233,614)	(117,174)	31,374	(275,883)	(517,976)	(254,542)	(245,004)	(361,941)
Plan Fiduciary Net Position - Beginning	2,912,716	3,247,484	3,481,098	3,598,272	3,566,898	3,842,781	4,360,757	4,615,299	4,860,303	5,222,244
Plan Fiduciary Net Position - Ending (b)	$ 2,753,663	2,912,716	$ 3,247,484	$ 3,481,098	$ 3,598,272	$ 3,566,898	$ 3,842,781	$ 4,360,757	$ 4,615,299	$ 4,860,303
Net Pension Liability/(Asset) - Beginning	$ (1,289,199)	(1,504,406)	$ (1,311,864)	$ (1,243,474)	$ (857,847)	$ (680,082)	$ (1,000,520)	$ (843,464)	$ (1,062,523)	$ (495,433)
Net Pension Liability/(Asset) - Ending (a) - (b)	$ (1,316,666)	(1,289,199)	$ (1,504,406)	$ (1,311,864)	$ (1,243,474)	$ (857,847)	$ (680,082)	$ (1,000,520)	$ (843,464)	$ (1,062,523)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)	191.63%	179.41%	186.31%	160.48%	152.81%	131.67%	121.50%	129.78%	122.36%	127.98%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Clearwater, Florida
Defined Benefit Pension Plans
Required Supplementary Information

Employees' Pension Plan
Schedule of Contributions

FY Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	$ 19,608,078	$ 18,872,463 [1]	$ 735,615	$ 75,629,669	24.95%
2015	$ 10,803,098	$ 14,935,098	$ (4,132,000)	$ 74,021,494 [2]	20.18%
2016	$ 8,767,703	$ 13,190,874	$ (4,423,171)	$ 76,942,048	17.14%
2017	$ 8,944,103	$ 11,910,912	$ (2,966,809)	$ 79,558,524	14.97%
2018	$ 8,659,427	$ 10,662,462	$ (2,003,035)	$ 80,852,451	13.19%
2019	$ 8,813,297	$ 10,913,645	$ (2,100,348)	$ 82,998,580	13.15%
2020	$ 9,720,956	$ 10,376,100	$ (655,144)	$ 89,845,375	11.55%
2021	$ 11,534,013	$ 11,929,353	$ (395,340)	$ 90,810,283	13.14%
2022	$ 11,412,994	$ 11,924,374	$ (511,380)	$ 97,193,423	12.27%
2023	$ 12,799,094	$ 12,671,053 [1]	$ 128,041	$ 101,349,015	12.50%

[1] A portion of the plan's credit balance was applied to meet the remainder of the actuarially determined contribution for the fiscal years ending September 30, 2014 and September 30, 2023.

[2] The definition of Covered Payroll for GASB Statement Nos. 67 and 68 was changed under GASB Statement No. 82 to be the pensionable earnings for members of the Plan. As a result, the Covered Payroll amount previously reported for fiscal year 2015 has been revised to reflect this change.

Notes to Schedule of Contributions

Valuation Date: January 1, 2022

Notes: Actuarially determined contributions are calculated as of January 1, which is nine months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	25 years (longest remaining period); 13 years (single equivalent period)
Asset Valuation Method	5-year smoothed market; 20% corridor
Inflation	2.25%
Salary Increases	2.75% to 7.60% depending on service; including inflation
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates that are specific to the employment classification and type of eligibility condition.
Mortality	Hazardous Duty Employees: PUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2021 valuation, as mandated by Chapter 112.63, Florida Statutes. Nonhazardous Duty Employees: PUB-2010 Headcount Weighted General Below-Median Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted General Below-Median Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and mortality improvements projected to all future years after 2010 using Scale MP-2018. Fore males, the base mortality rates are set back one year. These are the same rates used for Regular Class (other than K-12 School Instructional Personnel) members of the Florida Retirement System (FRS) in the July 1, 2021 valuation, as mandated by Chapter 112.63, Florida Statutes.

Other Information:

Notes: Effective with the January 1, 2022 valuation, the investment return assumption was reduced from 6.55% to 6.50%. Additionally, the Plan provisions for Firefighter members and Non-Hazardous Duty members were amended under Ordinance No. 9634-22, adopted November 17, 2022. Please refer to the January 1, 2022 valuation report dated April 26, 2022 and the January 1, 2023 valuation report dated May 15, 2023 for additional details.

City of Clearwater, Florida
Defined Benefit Pension Plans
Required Supplementary Information

Firefighters' Relief and Pension Plan
Schedule of Contributions

There have been no employer contributions for the last ten fiscal years.

Notes to Schedule of Contributions

Effective with the fiscal year ended September 30, 2007, the Firefighters' Relief and Pension Plan, with no remaining active members (only retirees), was fully funded per the requirements of the governing Ordinance. The City may elect to contribute should future valuations show an actuarial need for such.

City of Clearwater, Florida
Defined Benefit Pension Plans
Required Supplementary Information

Employees' Pension Plan
Schedule of Investment Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	11.47	-15.65%	20.61%	9.73%	5.11%	9.69%	11.28%	10.63%	-0.03%	10.90%

City of Clearwater, Florida
Defined Benefit Pension Plans
Required Supplementary Information

Firefighters' Relief and Pension Plan
Schedule of Investment Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	1.45%	0.58%	2.48%	5.06%	6.52%	1.82%	4.68%	4.554%	4.315%	3.902%

Note: Data unavailable prior to 2014.

City of Clearwater, Florida
Other Post-Employment Benefits
Required Supplementary Information

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 1,688,573	$ 2,412,125	$ 2,213,247	$ 2,282,038	$ 1,677,787	$ 1,731,394
Interest	1,063,683	645,528	662,501	953,389	1,086,906	974,551
Changes of benefit terms	-	-	-	28,595	-	-
Difference between expected and actual experience	-	(5,128,309)	-	(4,646,689)	-	-
Changes of assumptions and other inputs	(545,424)	(1,481,029)	(120,728)	(4,692,393)	4,006,356	(1,029,325)
Benefit payments	(1,139,984)	(912,692)	(1,022,036)	(1,048,358)	(1,122,335)	(1,054,805)
Net Change in Total OPEB Liability	1,066,848	(4,464,377)	1,732,984	(7,123,418)	5,648,714	621,815
Total OPEB Liability - Beginning	23,056,031	27,520,408	25,787,424	32,910,842	27,262,128	26,640,313
Total OPEB Liability - Ending	$ 24,122,879	$ 23,056,031	$ 27,520,408	$ 25,787,424	$ 32,910,842	$ 27,262,128
Estimated covered-employee payroll	$ 115,695,892	$ 110,228,154	$ 101,205,829	$ 99,272,204	$ 95,520,530	$ 92,964,945
Total OPEB liability as a percentage of covered-employee payroll	20.85%	20.92%	27.19%	25.98%	34.45%	29.33%

Notes to Schedule:

Valuation Date:	January 1, 2022
Measurement Date:	September 30, 2022
Roll Forward Procedures:	The Total OPEB Liability was rolled forward nine months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	4.40%
Salary Increases	Salary increase rates used in the January 1, 2022 actuarial valuation of the City of Clearwater Employees' Pension Plan.
Retirement Age	Retirement rates used in the January 1, 2022 actuarial valuation of the City of Clearwater Employees' Pension Plan.
Mortality	Mortality rates are the same as used in the July 1, 2021 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class and Special Risk Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 to 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 5.75% and gradually decreasing to an ultimate trend rate of 3.99%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.
Other Information:	The following assumption changes have been reflected in the Schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2022: - The discount rate was changed from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022 (based on the Long-Term Municipal Bond rate). This change significantly decreased the Total OPEB Liability. - Medical claims costs and premiums were updated based on actual claims and premium information provided for this valuation. This change increased the Total OPEB Liability. There we no benefit changes during the year. Data unavailable prior to 2018.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community Redevelopment Agency Fund – to account for receipt, custody, and expenditure of property tax increment funds associated with related redevelopment projects.

Local Housing Assistance SHIP Trust Fund – to account for monies allocated to the City under the State Local Housing Assistance SHIP grant program.

Pinellas County Local Housing Assistance Trust Fund – to account for monies allocated to the City under the Pinellas County Local Housing Assistance grant program.

Debt Service Funds

Debt service funds provide separate accounting records for all debt interest, principal, and reserve requirements for general government long-term. Debt of proprietary funds is serviced through restricted accounts maintained within the individual enterprise or internal service fund associated with the debt.

Non-Ad Valorem Revenue Bonds – to account for the advance monthly accumulation of resources by transfer of General Revenues from the General Fund and the payment of currently maturing installments of principal and interest each year.

Notes and Mortgages Debt Service Fund - to account for the advance monthly accumulation of resources by transfer of General Revenues from the General and Special Revenue Funds and the payment of currently maturing installments of principal and interest on the various note and mortgage obligations of the governmental funds during each fiscal year.

Spring Training Facility Revenue Bonds Debt Service Fund – to account for the advance monthly accumulation of resources received from the State of Florida and Pinellas County, and the payment of currently maturing installments of principal and interest each year.

Capital Projects Funds

Capital projects funds are used to account for resources to be used for the acquisition or construction of **major** capital improvement projects, other than those financed by proprietary funds. A major capital improvement project is a property acquisition, a major construction undertaking, or a major improvement to an existing facility or property, with a cost greater than $25,000 and a minimum useful life of at least five years.

Community Redevelopment Agency Capital Projects Fund – to provide separate accounting records for the acquisition or construction of capital improvement projects for the Clearwater Community Redevelopment Agency.

City of Clearwater, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds			
	Community Redevelopment Agency	SHIP Local Housing Assistance Trust	Pinellas County Local Housing Assistance Trust	Total
ASSETS				
Cash and investments	$ 339,527	$ 2,027,078	$ 243,634	$ 2,610,239
Receivables:				
Accrued interest	40,345	5,442	679	46,466
Mortgage notes	-	2,291,464	122,455	2,413,919
Total assets	$ 379,872	$ 4,323,984	$ 366,768	$ 5,070,624
LIABILITIES				
Accounts and contracts payable	$ 2,932	$ 2,991	$ -	$ 5,923
Due to other governments	48,000	-	-	48,000
Advances from other funds	325,440	-	-	325,440
Total liabilities	376,372	2,991	-	379,363
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - mortgage notes	-	2,291,464	122,455	2,413,919
Total deferred inflows	-	2,291,464	122,455	2,413,919
FUND BALANCES				
Restricted	3,500	2,029,529	244,313	2,277,342
Total fund balances	3,500	2,029,529	244,313	2,277,342
Total liabilities, deferred inflows and fund balances	$ 379,872	$ 4,323,984	$ 366,768	$ 5,070,624

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

Debt Service Funds				Capital Project Fund	
Notes and Mortgages	Spring Training Facility Revenue Bonds	Non-Ad Valorem Revenue Bonds	Total	Community Redevelopment Agency	Total Nonmajor Governmental Funds
$ -	$ 446,239	$ 871,088	$ 1,317,327	$ 13,353,429	$ 17,280,995
-	1,315	-	1,315	-	47,781
-	-	-	-	-	2,413,919
$ -	$ 447,554	$ 871,088	$ 1,318,642	$ 13,353,429	$ 19,742,695
$ -	$ -	$ -	$ -	$ 78,169	$ 84,092
-	-	-	-	-	48,000
-	-	-	-	-	325,440
-	-	-	-	78,169	457,532
-	-	-	-	-	2,413,919
-	-	-	-	-	2,413,919
-	447,554	871,088	1,318,642	13,275,260	16,871,244
-	447,554	871,088	1,318,642	13,275,260	16,871,244
$ -	$ 447,554	$ 871,088	$ 1,318,642	$ 13,353,429	$ 19,742,695

City of Clearwater, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue Funds			
	Community Redevelopment Agency	SHIP Local Housing Assistance Trust	Pinellas County Local Housing Assistance Trust	Total
REVENUES				
Intergovernmental:				
State	$ -	$ 676,148	$ -	$ 676,148
Local	2,638,432	-	10,984	2,649,416
Investment earnings (loss):				
Interest	266,490	47,798	7,314	321,602
Net appreciation (depreciation) in fair value	(46,047)	(26,105)	2,613	(69,539)
Total investment earnings (loss)	220,443	21,693	9,927	252,063
Miscellaneous	81,504	-	-	81,504
Total revenues	2,940,379	697,841	20,911	3,659,131
EXPENDITURES				
Current:				
Economic environment	393,521	80,717	1,316	475,554
Debt service:				
Principal	-	-	-	-
Interest & fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	393,521	80,717	1,316	475,554
Excess (deficiency) of revenues over (under) expenditures	2,546,858	617,124	19,595	3,183,577
OTHER FINANCING SOURCES (USES)				
Transfers in	2,810,526	-	-	2,810,526
Transfers out	(5,360,097)	(110,426)	-	(5,470,523)
Total other financing sources (uses)	(2,549,571)	(110,426)	-	(2,659,997)
Net change in fund balances	(2,713)	506,698	19,595	523,580
Fund balances - beginning	6,213	1,522,831	224,718	1,753,762
Fund balances - ending	$ 3,500	$ 2,029,529	$ 244,313	$ 2,277,342

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

	Debt Service Funds				Capital Project Fund	
	Notes and Mortgages	Spring Training Facility Revenue Bonds	Non-Ad Valorem Revenue Bonds	Total	Community Redevelopment Agency	Total Nonmajor Governmental Funds
$	-	$ 500,004	$ -	$ 500,004	$ -	$ 1,176,152
	-	-	-	-	-	2,649,416
	-	8,416	-	8,416	-	330,018
	-	6,053	-	6,053	-	(63,486)
	-	14,469	-	14,469	-	266,532
	-	-	-	-	-	81,504
	-	514,473	-	514,473	-	4,173,604
	-	-	-	-	598,949	1,074,503
	519,405	310,000	-	829,405	-	829,405
	12,211	179,169	951,024	1,142,404	-	1,142,404
	-	-	-	-	2,039,580	2,039,580
	531,616	489,169	951,024	1,971,809	2,638,529	5,085,892
	(531,616)	25,304	(951,024)	(1,457,336)	(2,638,529)	(912,288)
	531,616	-	1,464,104	1,995,720	4,701,833	9,508,079
	-	-	-	-	(266,703)	(5,737,226)
	531,616	-	1,464,104	1,995,720	4,435,130	3,770,853
	-	25,304	513,080	538,384	1,796,601	2,858,565
	-	422,250	358,008	780,258	11,478,659	14,012,679
$	-	$ 447,554	$ 871,088	$ 1,318,642	$ 13,275,260	$ 16,871,244

City of Clearwater, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (GAAP Basis)
Community Redevelopment Agency
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental - Local	$ 2,826,383	$ 2,638,432	$ 2,638,432	$ -
Investment earnings (loss):				
Interest	55,000	90,019	266,490	176,471
Net appreciation (depreciation) in fair value	-	-	(46,047)	(46,047)
Total investment earnings (loss)	55,000	90,019	220,443	130,424
Miscellaneous	81,504	81,504	81,504	-
Total revenues	2,962,887	2,809,955	2,940,379	130,424
EXPENDITURES				
Current - Economic environment	589,843	589,843	393,521	196,322
Total expenditures	589,843	589,843	393,521	196,322
Excess (deficiency) of revenues over (under) expenditures	2,373,044	2,220,112	2,546,858	326,746
OTHER FINANCING SOURCES (USES)				
Transfers in	2,845,545	2,810,526	2,810,526	-
Transfers out	(5,218,589)	(5,030,638)	(5,360,097)	(329,459)
Total other financing sources (uses)	(2,373,044)	(2,220,112)	(2,549,571)	(329,459)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	(2,713)	(2,713)
Fund balances - beginning	6,213	6,213	6,213	-
Fund balances - ending	$ 6,213	$ 6,213	$ 3,500	$ (2,713)

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

Nonmajor Enterprise Funds

Enterprise funds are used to account for the financing, acquisition, operation, and maintenance of governmental facilities that are supported primarily by user charges.

Marine Operations Fund - to account for the financing, operation, and maintenance of the City's marine operations (excluding the downtown boat slips) and associated real property from rents collected from users.

Aviation Operations Fund - to account for the financing, operation, and maintenance of the City's airpark operations from rents collected from users.

Parking System Fund - to account for the financing, construction, operation and maintenance of the City's parking system, including on- and off-street parking on Clearwater Beach and Downtown Clearwater, from parking charges.

Clearwater Harbor Marina Fund - to account for the financing, operation, and maintenance of the City's downtown boat slips from boat slip rentals.

City of Clearwater, Florida
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2023

	Marine Operations	Aviation Operations	Parking System	Clearwater Harbor Marina	Total
ASSETS					
Current assets:					
Cash and investments	$ 17,965,638	$ 768,513	$ 40,266,357	$ 3,430,186	$ 62,430,694
Accrued interest receivable	55,599	2,319	120,525	11,488	189,931
Lease receivables	4,915,841	998,575	-	-	5,914,416
Due from other governments	-	30,000	-	-	30,000
Inventories, at cost	80,949	-	-	-	80,949
Prepaid expenses and other assets	80	-	-	20	100
Total current assets	23,018,107	1,799,407	40,386,882	3,441,694	68,646,090
Noncurrent assets:					
Net pension asset	47,974	5,279	129,548	22,684	205,485
Capital assets:					
Land and other nondepreciable assets	2,023,388	1,401,500	1,028,093	1,250,661	5,703,642
Capital assets, net of accumulated depreciation	276,426	3,879,589	1,553,402	8,801,648	14,511,065
Total noncurrent assets	2,347,788	5,286,368	2,711,043	10,074,993	20,420,192
Total assets	25,365,895	7,085,775	43,097,925	13,516,687	89,066,282
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	229,754	25,281	620,430	108,638	984,103
Deferred outflows - other postemployment benefits	7,638	1,194	18,827	3,761	31,420
Total deferred outflows of resources	237,392	26,475	639,257	112,399	1,015,523
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	391,205	900	231,576	69,998	693,679
Accrued payroll	23,398	415	48,988	11,206	84,007
Deposits	37,537	-	-	39,474	77,011
Current portion of long-term liabilities:					
Compensated absences	40,059	-	57,920	8,940	106,919
Other postemployment benefits	10,431	1,631	25,713	5,136	42,911
Due to other funds	4,755	-	-	-	4,755
Total current liabilities	507,385	2,946	364,197	134,754	1,009,282
Noncurrent liabilities:					
Compensated absences	24,649	-	35,639	5,501	65,789
Other postemployment benefits	227,179	35,518	559,991	111,860	934,548
Advances from other funds	20,442	-	-	-	20,442
Total noncurrent liabilities	272,270	35,518	595,630	117,361	1,020,779
Total liabilities	779,655	38,464	959,827	252,115	2,030,061
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	18,907	2,080	51,056	8,940	80,983
Deferred inflows - other postemployment benefits	86,867	13,581	214,125	42,772	357,345
Deferred inflows - leases	4,908,515	1,011,295	-	-	5,919,810
Total deferred inflows of resources	5,014,289	1,026,956	265,181	51,712	6,358,138
NET POSITION					
Net investment in capital assets	2,110,859	5,281,089	2,581,495	10,019,059	19,992,502
Restricted for:					
Pensions	47,974	5,279	129,548	22,684	205,485
Unrestricted	17,650,510	760,462	39,801,131	3,283,516	61,495,619
Total net position	$ 19,809,343	$ 6,046,830	$ 42,512,174	$ 13,325,259	$ 81,693,606

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

City of Clearwater, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2023

	Marine Operations	Aviation Operations	Parking System	Clearwater Harbor Marina	Totals
Operating revenues:					
Sales to customers	$ 4,207,153	$ 8,433	$ 9,734,698	$ 816	$ 13,951,100
User charges to customers	172,373	-	-	19,837	192,210
Rentals	2,386,667	260,413	-	915,842	3,562,922
Other	114,436	26	1,420,438	3,393	1,538,293
Total operating revenues	6,880,629	268,872	11,155,136	939,888	19,244,525
Operating expenses:					
Personal services	1,265,483	121,751	2,630,284	570,820	4,588,338
Purchases for resale	3,004,035	-	-	282	3,004,317
Operating materials and supplies	121,093	26,939	244,977	56,716	449,725
Transportation	13,901	10,075	81,454	5,984	111,414
Utility service	533,827	27,988	92,668	93,607	748,090
Depreciation	27,178	189,148	263,299	333,602	813,227
Interfund administrative charges	223,040	20,490	2,217,640	32,990	2,494,160
Other current charges:					
Professional fees	51,485	54,834	651,464	48,973	806,756
Advertising and marketing	1,618	-	-	-	1,618
Communications	22,756	-	35,529	562	58,847
Printing and binding	838	79	20,751	83	21,751
Insurance	53,230	11,890	62,820	28,900	156,840
Repairs and maintenance	22,747	1,583	421,007	34,922	480,259
Rentals	2,040	-	169	-	2,209
Miscellaneous	164,175	1,785	817,219	18,192	1,001,371
Data processing charges	79,270	6,600	131,650	21,700	239,220
Taxes	29,247	-	-	-	29,247
Total other current charges	427,406	76,771	2,140,609	153,332	2,798,118
Total operating expenses	5,615,963	473,162	7,670,931	1,247,333	15,007,389
Operating income (loss)	1,264,666	(204,290)	3,484,205	(307,445)	4,237,136
Nonoperating revenues (expenses):					
Investment earnings (loss):					
Interest	469,746	29,438	803,646	76,244	1,379,074
Net appreciation (depreciation) in fair value	(1,120,291)	6,508	(547,837)	(36,925)	(1,698,545)
Total investment earnings (loss)	(650,545)	35,946	255,809	39,319	(319,471)
Total nonoperating revenue (expenses)	(650,545)	35,946	255,809	39,319	(319,471)
Income (loss) before contributions and transfers	614,121	(168,344)	3,740,014	(268,126)	3,917,665
Capital grants and contributions	49,192	45,804	-	-	94,996
Transfers in	11,750,000	-	-	-	11,750,000
Transfers out	(349,497)	(31,960)	(1,220,796)	(49,110)	(1,651,363)
Change in net position	12,063,816	(154,500)	2,519,218	(317,236)	14,111,298
Net position - beginning (as previously reported)	7,263,674	6,201,330	39,992,956	13,642,495	67,100,455
Prior period adjustment (See Note IV.H.)	481,853	-	-	-	481,853
Net position - restated	7,745,527	6,201,330	39,992,956	13,642,495	67,582,308
Net position - ending	$ 19,809,343	$ 6,046,830	$ 42,512,174	$ 13,325,259	$ 81,693,606

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

City of Clearwater, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2023

	Marine Operations	Aviation Operations	Parking System	Clearwater Harbor Marina	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 6,877,363	$ 281,592	$ 11,155,136	$ 935,191	$ 19,249,282
Cash payments to suppliers	(3,668,489)	(162,498)	(2,352,336)	(504,175)	(6,687,498)
Cash payments to employees	(1,196,652)	(106,651)	(2,521,627)	(547,094)	(4,372,024)
Cash payments to other funds	(423,581)	(51,418)	(2,650,081)	(100,639)	(3,225,719)
Net cash provided by (used) operating activities	1,588,641	(38,975)	3,631,092	(216,717)	4,964,041
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	11,750,000	-	-	-	11,750,000
Transfers to other funds	(349,497)	(31,960)	(1,220,796)	(49,110)	(1,651,363)
Receipt of cash on loans to/from other funds	25,197	-	-	-	25,197
Net cash provided (used) by noncapital financing activities	11,425,700	(31,960)	(1,220,796)	(49,110)	10,123,834
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(797,413)	-	(140,363)	(536,304)	(1,474,080)
Capital contributed by other governmental entities	-	61,128	-	-	61,128
Net cash provided (used) by capital and related financing activities	(797,413)	61,128	(140,363)	(536,304)	(1,412,952)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	(696,164)	34,871	186,180	32,920	(442,193)
Net cash provided (used) by investing activities	(696,164)	34,871	186,180	32,920	(442,193)
Net increase (decrease) in cash and cash equivalents	11,520,764	25,064	2,456,113	(769,211)	13,232,730
Cash and cash equivalents at beginning of year	6,444,874	743,449	37,810,244	4,199,397	49,197,964
Cash and cash equivalents at end of year	$ 17,965,638	$ 768,513	$ 40,266,357	$ 3,430,186	$ 62,430,694
Cash and cash equivalents classified as:					
Cash and investments	$ 17,965,638	$ 768,513	$ 40,266,357	$ 3,430,186	$ 62,430,694
Total cash and cash equivalents	$ 17,965,638	$ 768,513	$ 40,266,357	$ 3,430,186	$ 62,430,694

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

City of Clearwater, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2023

	Marine Operations	Aviation Operations	Parking System	Clearwater Harbor Marina	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 1,264,666	$ (204,290)	$ 3,484,205	$ (307,445)	$ 4,237,136
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	27,178	189,148	263,299	333,602	813,227
Change in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in lease receivables	424,809	(998,575)	-	-	(573,766)
(Increase) decrease in inventory	(5,283)	-	-	-	(5,283)
(Increase) decrease in prepaid expenses	(80)	-	-	(20)	(100)
(Increase) decrease in net pension asset	(47,974)	(5,279)	(129,548)	(22,684)	(205,485)
(Increase) decrease in deferred outflows	85,811	32,112	357,565	49,971	525,459
Increase (decrease) in accounts and contracts payable	236,595	(51,653)	(225,069)	(261,883)	(302,010)
Increase (decrease) in accrued payroll	13,814	(9,465)	(13,877)	9,182	(346)
Increase (decrease) in deposits	(6,851)	-	-	(4,697)	(11,548)
Increase (decrease) in other postemployment benefits	43,017	4,640	19,448	7,249	74,354
Increase (decrease) in net pension liability	(15,355)	(2,792)	(47,461)	(7,677)	(73,285)
Increase (decrease) in deferred inflows	(431,706)	1,007,179	(77,470)	(12,315)	485,688
Total adjustments	323,975	165,315	146,887	90,728	726,905
Net cash provided by operating activities	$ 1,588,641	$ (38,975)	$ 3,631,092	$ (216,717)	$ 4,964,041
Non-cash investing, capital and financing activities:					
Contributions from property owners	$ 49,192	$ -	$ -	$ -	$ 49,192

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

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Internal Service Funds

Internal service funds are used to account for services and commodities furnished by a designated department to other departments within the City or to other governments on a cost reimbursement basis.

Garage Fund - to account for the cost of automotive and other motorized equipment of the City. The acquisition cost of new or upgraded equipment is financed through user departments and the asset value is simultaneously contributed to the Garage Fund. The cost of replacement of existing equipment is financed by the Garage Fund.

Administrative Services Fund - to account for various support activities including information technology, printing, mailing, and telephone services. The cost for these services is charged to user departments based on the cost of providing units of service.

General Services Fund - to account for various support activities including building maintenance and custodial services for all City departments and facilities. The cost for these services is charged to user departments based on the cost of providing units of service.

Central Insurance Fund - to account for the City's limited self-insurance program wherein all funds are assessed charges based on damage claims incurred and on management's assessment of individual funds' risk exposure. All claims and premiums are paid out of this fund, together with other costs necessary to administer the program. Medical self-insurance costs and employee health clinic operating expenses are also paid from this fund.

City of Clearwater, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2023

	Garage	Administrative Services	General Services	Central Insurance	Total
ASSETS					
Current assets:					
Cash and investments	$ 15,338,059	$ 19,470,146	$ 16,017,192	$ 39,226,756	$ 90,052,153
Accrued interest receivable	43,305	60,658	52,423	119,247	275,633
Other receivables	3,396	-	-	44,810	48,206
Due from other funds	-	-	-	353,302	353,302
Due from other governments	-	-	-	467	467
Inventories, at cost	520,420	-	-	-	520,420
Prepaid expenses and other assets	-	360	-	4,055,904	4,056,264
Total current assets	15,905,180	19,531,164	16,069,615	43,800,486	95,306,445
Noncurrent assets:					
Advances to other funds	-	-	-	1,498,208	1,498,208
Net pension asset	149,910	347,358	121,838	21,405	640,511
Capital assets:					
Land and other nondepreciable assets	729,591	317,899	-	-	1,047,490
Capital assets, net of accumulated depreciation	20,685,085	2,774,270	34,634	-	23,493,989
Intangible right-to-use lease assets, net of accumulated amortization	-	940,179	-	61,195	1,001,374
Intangible right-to use subscription assets, net of accumulated amortization	-	5,252,436	-	120,675	5,373,111
Total noncurrent assets	21,564,586	9,632,142	156,472	1,701,483	33,054,683
Total assets	37,469,766	29,163,306	16,226,087	45,501,969	128,361,128
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	717,947	1,663,560	583,502	102,512	3,067,521
Deferred outflows - other postemployment benefits	15,276	33,367	12,515	2,683	63,841
Total deferred outflows of resources	733,223	1,696,927	596,017	105,195	3,131,362
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	782,181	474,361	628,292	825,704	2,710,538
Accrued payroll	50,953	121,638	46,630	11,181	230,402
Accrued interest payable	37,887	190	63	-	38,140
Current portion of long-term liabilities:					
Compensated absences	90,487	337,615	60,614	13,349	502,065
Other postemployment benefits	20,862	45,569	17,092	3,664	87,187
Financed purchases	1,800,850	-	1,906	-	1,802,756
Lease liability	-	470,471	-	56,403	526,874
Subscription liability	-	1,837,455	-	26,023	1,863,478
Due to other funds	4,034,465	491,561	7,008	-	4,533,034
Claims payable	-	-	-	4,580,901	4,580,901
Total current liabilities (payable from current assets)	6,817,685	3,778,860	761,605	5,517,225	16,875,375
Noncurrent liabilities:					
Compensated absences	55,677	207,736	37,296	8,214	308,923
Other postemployment benefits	454,359	992,438	372,251	79,801	1,898,849
Financed purchases	1,353,040	-	-	-	1,353,040
Lease liability	-	475,084	-	-	475,084
Subscription liability	-	1,615,535	-	87,090	1,702,625
Advances from other funds	8,398,851	991,566	14,228	-	9,404,645
Claims payable	-	-	-	7,207,414	7,207,414
Total noncurrent liabilities	10,261,927	4,282,359	423,775	7,382,519	22,350,580
Total liabilities	17,079,612	8,061,219	1,185,380	12,899,744	39,225,955
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	59,080	136,895	48,017	8,436	252,428
Deferred inflows - other postemployment benefits	173,734	379,481	142,338	30,514	726,067
Total deferred inflows of resources	232,814	516,376	190,355	38,950	978,495
NET POSITION					
Net investment in capital assets	18,150,319	4,804,158	32,728	12,354	22,999,559
Restricted for:					
Pensions	149,910	347,358	121,838	21,405	640,511
Unrestricted	2,590,334	17,131,122	15,291,803	32,634,711	67,647,970
Total net position	$ 20,890,563	$ 22,282,638	$ 15,446,369	$ 32,668,470	$ 91,288,040

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

City of Clearwater, Florida
Combining Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2023

	Garage	Administrative Services	General Services	Central Insurance	Total
Operating revenues:					
Billings to departments	$ 15,911,776	$ 15,901,157	$ 6,424,175	$ 32,203,918	$ 70,441,026
Other	197,422	-	1,654	423,873	622,949
Total operating revenues	16,109,198	15,901,157	6,425,829	32,627,791	71,063,975
Operating expenses:					
Personal services	2,879,991	6,144,828	2,400,643	588,782	12,014,244
Purchases for resale	5,258,728	-	-	-	5,258,728
Operating materials and supplies	255,395	633,825	550,569	201,685	1,641,474
Transportation	1,253	64,588	241,964	-	307,805
Utility service	138,498	-	361,898	5,322	505,718
Depreciation	9,145,118	656,443	16,361	-	9,817,922
Amortization of intangible right-to-use lease assets	-	583,666	-	81,897	665,563
Amortization of intangible right-to-use subscription assets	-	114,256	-	18,176	132,432
Interfund administrative charges	281,050	4,000	-	-	285,050
Other current charges:					
Professional fees	756,749	4,101,473	4,618,955	3,722,982	13,200,159
Communications	31,123	1,109,797	50,301	15,464	1,206,685
Printing and binding	51	29,618	514	1,396	31,579
Insurance:					
Premiums	41,910	27,460	38,090	5,543,061	5,650,521
Claims incurred	-	-	-	24,441,502	24,441,502
Repairs and maintenance	685,159	434,481	206,661	19,387	1,345,688
Rentals	18,304	97,838	95,111	8,219	219,472
Miscellaneous	81,132	339,268	32,347	32,690	485,437
Data processing charges	242,490	301,870	158,090	29,160	731,610
Taxes	8,779	-	-	7,426	16,205
Total other current charges	1,865,697	6,441,805	5,200,069	33,821,287	47,328,858
Total operating expenses	19,825,730	14,643,411	8,771,504	34,717,149	77,957,794
Operating income (loss)	(3,716,532)	1,257,746	(2,345,675)	(2,089,358)	(6,893,819)
Nonoperating revenues (expenses)					
Investment earnings (loss):					
Interest	288,208	402,224	344,944	828,029	1,863,405
Net appreciation (depreciation) in fair value	(115,254)	(343,854)	69,391	793,473	403,756
Total investment earnings (loss)	172,954	58,370	414,335	1,621,502	2,267,161
Interest expense	(290,028)	(28,704)	(359)	(4,222)	(323,313)
Gain (loss) on disposal of capital assets	546,163	-	(162,960)	-	383,203
Total nonoperating revenue (expenses)	429,089	29,666	251,016	1,617,280	2,327,051
Income (loss) before contributions and transfers	(3,287,443)	1,287,412	(2,094,659)	(472,078)	(4,566,768)
Transfers in	2,412,851	-	3,055,000	-	5,467,851
Transfers out	-	(24,847)	-	(172,000)	(196,847)
Change in net position	(874,592)	1,262,565	960,341	(644,078)	704,236
Net position - beginning	21,765,155	21,020,073	14,486,028	33,312,548	90,583,804
Net position - ending	$ 20,890,563	$ 22,282,638	$ 15,446,369	$ 32,668,470	$ 91,288,040

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

City of Clearwater, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023

	Garage	Administrative Services	General Services	Central Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from other funds	$ 16,109,198	$ 15,908,177	$ 6,425,829	$ 32,644,890	$ 71,088,094
Cash payments to suppliers	(6,744,173)	(6,243,681)	(5,531,825)	(32,873,716)	(51,393,395)
Cash payments to employees	(2,579,798)	(5,650,116)	(2,204,041)	(542,655)	(10,976,610)
Cash payments to other funds	(903,642)	(739,599)	(505,046)	(66,926)	(2,215,213)
Net cash provided (used) by operating activities	5,881,585	3,274,781	(1,815,083)	(838,407)	6,502,876
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	2,412,851	-	3,055,000	-	5,467,851
Transfers to other funds	-	(24,847)	-	(172,000)	(196,847)
Receipt of cash on loans to/from other funds	3,867,828	1,430,501	-	345,189	5,643,518
Payment of cash on loans to/from other funds	(3,237,775)	(34,929)	(6,939)	-	(3,279,643)
Net cash provided (used) by noncapital financing activities	3,042,904	1,370,725	3,048,061	173,189	7,634,879
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on debt	(3,002,572)	(335,949)	(7,533)	-	(3,346,054)
Interest paid	(313,234)	(28,935)	(414)	(4,222)	(346,805)
Acquisition of capital assets	(6,702,174)	(3,973,974)	-	(108,176)	(10,784,324)
Proceeds from sale of capital assets	579,045	-	5,000	-	584,045
Net cash provided (used) by capital and related financing activities	(9,438,935)	(4,338,858)	(2,947)	(112,398)	(13,893,138)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	149,206	22,267	388,837	1,573,391	2,133,701
Net cash provided (used) by investing activities	149,206	22,267	388,837	1,573,391	2,133,701
Net increase (decrease) in cash and cash equivalents	(365,240)	328,915	1,618,868	795,775	2,378,318
Cash and cash equivalents at beginning of year	15,703,299	19,141,231	14,398,324	38,430,981	87,673,835
Cash and cash equivalents at end of year	$ 15,338,059	$ 19,470,146	$ 16,017,192	$ 39,226,756	$ 90,052,153
Cash and cash equivalents classified as:					
Cash and investments	$ 15,338,059	$ 19,470,146	$ 16,017,192	$ 39,226,756	$ 90,052,153
Total cash and cash equivalents	$ 15,338,059	$ 19,470,146	$ 16,017,192	$ 39,226,756	$ 90,052,153

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

City of Clearwater, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023

	Garage	Administrative Services	General Services	Central Insurance	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (3,716,532)	$ 1,257,746	$ (2,345,675)	$ (2,089,358)	$ (6,893,819)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	9,145,118	656,443	16,361	-	9,817,922
Amortization of intangible right-to-use lease assets	-	583,666	-	81,897	665,563
Amortization of intangible right-to-use subscription assets	-	114,256	-	18,176	132,432
Change in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable	16,035	7,020	-	17,558	40,613
(Increase) decrease in due from other governments	-	-	-	(459)	(459)
(Increase) decrease in inventory	(33,939)	-	-	-	(33,939)
(Increase) decrease in prepaid expenses	-	(160)	-	(1,145,527)	(1,145,687)
(Increase) decrease in net pension asset	(149,910)	(347,358)	(121,838)	(21,405)	(640,511)
(Increase) decrease in deferred outflows	610,772	1,107,158	519,572	83,703	2,321,205
Increase (decrease) in accounts and contracts payable	170,710	161,098	317,629	2,233,179	2,882,616
Increase (decrease) in accrued payroll	(22,163)	(42,058)	(12,562)	4,311	(72,472)
Increase (decrease) in other postemployment benefits	13,870	67,809	(38,346)	2,308	45,641
Increase (decrease) in net pension liability	(64,909)	(135,402)	(53,742)	(9,073)	(263,126)
Increase (decrease) in deferred inflows	(87,467)	(155,437)	(96,482)	(13,717)	(353,103)
Total adjustments	9,598,117	2,017,035	530,592	1,250,951	13,396,695
Net cash provided (used) by operating activities	$ 5,881,585	$ 3,274,781	$ (1,815,083)	$ (838,407)	$ 6,502,876

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

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Fiduciary Funds

Fiduciary Funds are used to account for resources that are managed in a trustee capacity or as an agent for other parties or funds.

Employees' Pension Fund - to account for the financial operation and condition of the major employee retirement system.

Firefighters' Relief and Pension Fund - to account for the financial operation and condition of the Firefighters' Relief and Pension Plan, closed to new members in 1962, and containing 12 retired members with no active members. The Plan was fully funded effective with fiscal year 2007.

Police Supplemental Pension Fund - to account for the financial operation and condition of a supplemental pension plan funded by the State for sworn police officers.

Firefighters' Supplemental Pension Fund - to account for the financial operation and condition of a supplemental pension plan funded by the State for firefighters.

Custodial Fund - to account for fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

City of Clearwater, Florida
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Defined Benefit Pension Trust Funds		Defined Contribution Pension Trust Funds			
	Employees' Pension Fund	Firefighters' Relief and Pension Fund	Police Supplemental Pension Fund	Firefighters' Supplemental Pension Fund	Total Pension Trust Funds	Custodial Fund
ASSETS						
Cash and cash equivalents	$ 18,998,263	$ 261,007	$ 8,254	$ -	$ 19,267,524	$ 868,140
Receivables:						
Interest and dividends	4,019,758	35,442	30,952	26,451	4,112,603	1,919
Unsettled investment sales	6,905,040	-	-	-	6,905,040	-
Securities lending earnings	24,073	-	-	-	24,073	-
Due from others	-	-	-	-	-	50,947
Total receivables	10,948,871	35,442	30,952	26,451	11,041,716	52,866
Managed investment accounts, at fair value:						
Cash and cash equivalents	18,221,498	-	1,623,355	2,652,504	22,497,357	-
Government bonds	49,695,327	-	-	836,935	50,532,262	-
Index linked government bonds	2,877,928	-	-	-	2,877,928	-
Agency bonds	3,543,895	2,457,214	-	-	6,001,109	-
Municipal bonds	3,005,904	-	-	150,133	3,156,037	-
Domestic corporate bonds	111,989,979	-	-	902,181	112,892,160	-
International equity securities	106,230,485	-	-	740,202	106,970,687	-
Domestic stocks	260,679,113	-	-	3,665,460	264,344,573	-
Mortgage backed bonds	115,765,778	-	-	1,083,026	116,848,804	-
Government issued commercial mortgage backed bonds	21,929	-	-	-	21,929	-
Asset backed securities	15,397,042	-	-	-	15,397,042	-
Other/rights/warrants	1,606	-	-	-	1,606	-
Domestic equity mutual funds	234,335,516	-	11,480,309	5,063,397	250,879,222	-
International equity mutual funds	15,951,198	-	3,058,205	1,191,161	20,200,564	-
Infrastructure	91,519,858	-	-	-	91,519,858	-
Real estate	120,452,905	-	1,707,813	4,086,215	126,246,933	-
Total managed investment accounts	1,149,689,961	2,457,214	17,869,682	20,371,214	1,190,388,071	-
Securities lending collateral	105,506,639	-	-	-	105,506,639	-
Total assets	1,285,143,734	2,753,663	17,908,888	20,397,665	1,326,203,950	921,006
LIABILITIES						
Accounts payable	824,785	-	-	-	824,785	34,287
Unsettled investment purchases	14,945,354	-	-	-	14,945,354	-
Other payables	42,750	-	-	-	42,750	-
Obligations under securities lending	105,506,639	-	-	-	105,506,639	-
Total liabilities	121,319,528	-	-	-	121,319,528	34,287
NET POSITION						
Restricted for:						
Pensions	1,163,824,206	2,753,663	17,908,888	20,397,665	1,204,884,422	-
Individuals, organizations and other governments	-	-	-	-	-	886,719
Total net position	$ 1,163,824,206	$ 2,753,663	$ 17,908,888	$ 20,397,665	$ 1,204,884,422	$ 886,719

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

City of Clearwater, Florida
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2023

	Defined Benefit Pension Trust Funds		Defined Contribution Pension Trust Funds			
	Employees' Pension Fund	Firefighters' Relief and Pension Fund	Police Supplemental Pension Fund	Firefighters' Supplemental Pension Fund	Total Pension Trust Funds	Custodial Fund
ADDITIONS						
Contributions:						
Employer	$ 12,659,053	$ -	$ -	$ -	$ 12,659,053	$ -
Employer - state tax	12,000	-	1,372,769	1,558,274	2,943,043	-
Employees	8,941,002	-	-	-	8,941,002	-
Individuals, organizations and other governments	-	-	-	-	-	795,142
Total contributions	21,612,055	-	1,372,769	1,558,274	24,543,098	795,142
Investment earnings (loss):						
Net increase (decrease) in fair value of investments	108,044,500	(39,931)	3,314,794	1,034,470	112,353,833	-
Interest, dividends and other	20,672,749	100,953	349,719	826,189	21,949,610	22,280
Securities lending income	5,962,399	-	-	-	5,962,399	-
Total investment earnings (loss)	134,679,648	61,022	3,664,513	1,860,659	140,265,842	22,280
Less investment costs:						
Investment management / custodian fees	(6,776,487)	-	(24,941)	(103,073)	(6,904,501)	-
Securities lending costs	(5,656,768)	-	-	-	(5,656,768)	-
Net investment earnings (loss)	122,246,393	61,022	3,639,572	1,757,586	127,704,573	22,280
Miscellaneous	-	-	6,360	3,607	9,967	-
Total additions	143,858,448	61,022	5,018,701	3,319,467	152,257,638	817,422
DEDUCTIONS						
Benefits	61,062,860	215,950	1,784,493	2,249,257	65,312,560	-
Refunds and transfers to other systems	1,354,890	-	-	-	1,354,890	-
Administrative expenses	355,225	4,125	18,530	47,662	425,542	-
Payments to individuals, organizations and other governments	-	-	-	-	-	787,486
Total deductions and administrative expenses	62,772,975	220,075	1,803,023	2,296,919	67,092,992	787,486
Net increase (decrease) in fiduciary net position	81,085,473	(159,053)	3,215,678	1,022,548	85,164,646	29,936
Fiduciary net position - beginning	1,082,738,733	2,912,716	14,693,210	19,375,117	1,119,719,776	856,783
Fiduciary net position - ending	$ 1,163,824,206	$ 2,753,663	$ 17,908,888	$ 20,397,665	$ 1,204,884,422	$ 886,719

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

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CITY OF CLEARWATER, FLORIDA

STATISTICAL SECTION

This section of the City's ACFR 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 1	Net Position by Component
Schedule 2	Changes in Net Position
Schedule 2a	Program Revenues by Function/Program
Schedule 3	Fund Balances of Governmental Funds
Schedule 4	Changes in Fund Balances of Governmental Funds

Revenue Capacity

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

Schedule 5	Assessed Value and Estimated Actual Value of Taxable Property
Schedule 6	Direct and Overlapping Property Tax Rates
Schedule 7	Property Tax Levies and Collections
Schedule 8a	Principal Real Property Taxpayers
Schedule 8b	Principal Personal Property Taxpayers

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 9	Ratios of Outstanding Debt by Type
Schedule 10	Ratios of General Bonded Debt Outstanding
Schedule 11	Direct and Overlapping Governmental Activities Debt
Schedule 12	Legal Debt Margin Information
Schedule 13	Pledged-Revenue Coverage

CITY OF CLEARWATER, FLORIDA

STATISTICAL SECTION (CONTINUED)

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 14	Demographic and Economic Statistics
Schedule 15	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 16	Full-time Equivalent City Government Employees by Function/Program
Schedule 17	Operating Indicators by Function/Program
Schedule 18	Capital Assets Statistics by Function/Program

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

Schedule 1

City of Clearwater, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting, in thousands of dollars)

Primary Government	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	$ 261,886	$ 262,934	$ 263,810	$ 271,834	$ 256,608	$ 267,703	$ 271,011	$ 283,538	$ 296,599	$ 328,830
Restricted	56,044	57,003	52,936	119,003	145,996	129,078	136,164	295,044	53,555	66,417
Unrestricted	153,334	121,033	128,785	72,595	57,072	102,030	132,181	48,583	291,427	245,564
Total governmental activities net position	$ 471,264	$ 440,970	$ 445,531	$ 463,432	$ 459,676	$ 498,811	$ 539,356	$ 627,165	$ 641,581	$ 640,811
Business-type activities										
Net investment in capital assets	$ 214,175	$ 226,571	$ 231,591	$ 254,503	$ 250,410	$ 284,905 [a]	$ 292,925	$ 285,264	$ 284,557	$ 289,246
Restricted	49,530	45,503	36,803	47,946	54,034	36,271	36,576	48,861	11,608	13,888
Unrestricted	163,876	164,135	194,997	183,726	194,547	225,022 [a]	260,807	291,320	330,029	369,984
Total business-type activities net position	$ 427,581	$ 436,209	$ 463,391	$ 486,175	$ 498,991	$ 546,198	$ 590,308	$ 625,445	$ 626,194	$ 673,118
Primary government										
Net investment in capital assets	$ 476,061	$ 489,505	$ 495,401	$ 526,337	$ 507,018	$ 552,608	$ 563,936	$ 568,802	$ 581,156	$ 618,076
Restricted	105,574	102,506	89,739	166,949	200,030	165,349	172,740	343,905	65,163	80,305
Unrestricted	317,210	285,168	323,782	256,321	251,619	327,052	392,988	339,903	621,456	615,548
Total primary government net position	$ 898,845	$ 877,179	$ 908,922	$ 949,607	$ 958,667	$ 1,045,009	$ 1,129,664	$1,252,610	$1,267,775	$ 1,313,929

Note:
Fiscal years prior to 2015 are not restated for GASB-68.
Fiscal years prior to 2018 are not restated for GASB-75.

[a] Reclassified to correct the calculation of Net Investment in Capital Assets in 2019.

City of Clearwater, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting, in thousands of dollars)

Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	$ 15,018	$ 16,818	$ 13,488	$ 14,876	$ 18,323	$ 15,982	$ 13,110	$ 12,020	$ 14,810	$ 20,434
Public safety	70,126	99,056	71,718	66,795	67,737	71,645	72,720	37,949	96,123	121,526
Physical environment	3,416	3,273	4,142	3,993	4,055	551	5,934	3,077	4,245	1,940
Transportation	11,129	19,366	14,532	14,339	17,020	15,957	12,424	12,247	18,497	19,600
Economic environment	2,517	4,895	4,019	5,305	6,205	7,671	7,298	4,545	4,861	6,496
Human services	137	249	526	455	462	574	598	505	746	2,163
Culture and recreation	33,051	40,783	36,894	36,497	50,485	45,595	36,528	38,751	47,192	53,120
Interest on long-term debt	727	689	740	748	745	808	617	528	1,215	1,770
Total governmental activities expenses	136,121	185,129	146,059	143,008	165,032	158,783	149,229	109,622	187,689	227,049
Business-type activities:										
Water and sewer utility	64,810	69,550	64,866	73,253	82,197	68,458	66,362	72,634	88,561	94,447
Gas utility	31,639	33,352	29,195	30,716	35,569	35,553	32,671	37,233	43,643	37,731
Solid waste utility	17,572	22,486	17,989	17,626	17,053	19,328	18,580	22,062	22,090	23,279
Stormwater utility	16,476	16,110	13,664	13,148	14,550	11,730	12,308	13,384	11,875	12,109
Recycling	3,094	2,455	2,958	2,864	3,042	1,594	2,675	3,282	3,164	3,810
Marine	4,378	4,182	3,476	3,781	4,119	4,212	3,677	4,548	6,187	5,648
Aviation	345	399	415	470	640	502	486	518	538	478
Parking system	3,637	4,724	4,097	4,379	4,817	5,054	5,732	5,832	5,031	7,761
Harborview Center	522	-	-	-	-	-	-	-	-	-
Clearwater Harbor Marina	779	911	848	823	895	919	947	1,125	1,141	1,259
Total business-type activities expenses	143,252	154,169	137,508	147,060	162,882	147,350	143,438	160,618	182,230	186,522
Total primary government expenses	$ 279,373	$ 339,298	$ 283,567	$ 290,068	$ 327,914	$ 306,133	$ 292,667	$ 270,240	$369,919	$413,571

Notes:
The Harborview Center Fund was closed in FY 2014 and its operations transferred to the General Fund during the year ended September 30, 2014
Fiscal years prior to 2015 are not restated for GASB-68.
Fiscal years prior to 2018 are not restated for GASB-75.
Fiscal year 2021 decrease in governmental activities expenses partially due to significant increase in net pension asset and related decrease in pension expense
Fiscal year 2022 increase in governmental activities expense partially due to elimination of net pension asset and related increase in pension expense, due to investment market downturn

City of Clearwater, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting, in thousands of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Charges for services:										
General government	$ 22,726	$ 23,668	$ 23,030	$ 23,380	$ 24,391	$ 26,013	$ 25,869	$ 25,752	$ 26,543	$ 29,116
Public safety	11,040	10,593	11,952	11,788	11,318	11,769	12,739	13,858	13,695	14,022
Physical environment	150	196	137	67	237	120	65	83	33	32
Transportation	454	327	150	157	127	182	175	157	160	136
Economic environment	132	109	105	105	312	165	149	124	1,323	133
Culture and recreation	6,855	7,103	7,751	8,336	8,384	8,892	6,401	6,421	9,073	11,213
Operating grants and contributions	6,305	6,893	6,236	7,012	7,456	8,630	6,925	12,540	31,435	11,427
Capital grants and contributions	2,391	2,326	2,642	3,894	7,146	6,257	2,519	2,595	1,821	3,709
Total governmental activities program revenues	50,053	51,215	52,003	54,739	59,371	62,028	54,842	61,530	84,083	69,788
Business-type activities:										
Charges for services:										
Water and sewer utility	67,141	70,848	75,203	81,514	83,994	87,242	91,069	96,837	102,430	106,133
Gas utility	41,347	41,143	38,598	40,602	45,120	45,762	42,785	43,034	47,355	47,172
Solid waste utility	19,966	20,401	21,602	22,492	23,234	24,504	24,646	26,501	28,028	29,481
Stormwater utility	16,789	17,162	17,854	18,512	18,397	18,503	17,248	17,435	17,300	17,573
Recycling	2,370	2,261	2,390	2,546	2,316	2,444	2,710	3,032	3,251	2,874
Marine	4,643	4,352	4,054	4,444	5,065	5,284	4,885	5,896	7,090	6,881
Aviation	268	283	291	311	317	323	333	314	335	269
Parking system	5,159	6,215	6,638	7,027	6,348	7,128	7,653	10,721	10,963	11,155
Harborview Center	50	-	-	-	-	-	-	-	-	-
Clearwater Harbor Marina	619	664	717	799	804	850	872	893	971	940
Operating grants and contributions	140	50	208	83	83	664	166	83	84	49
Capital grants and contributions	13,590	4,662	3,487	3,564	3,785	3,973	1,764	2,546	5,183	2,559
Total business-type activities program revenues	172,082	168,041	171,042	181,894	189,463	196,677	194,131	207,292	222,990	225,086
Total primary government program revenues	$ 222,135	$ 219,256	$ 223,045	$ 236,633	$ 248,834	$ 258,705	$ 248,973	$ 268,822	$307,073	$ 294,874

Notes:
The Harborview Center Fund was closed in FY 2014 and its operations transferred to the General Fund during the year ended September 30, 2014

City of Clearwater, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting, in thousands of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expenses) / Revenue										
Governmental activities	$ (85,142)	$ (132,905)	$ (92,924)	$ (87,041)	$ (104,252)	$ (94,877)	$ (92,294)	$ (48,092)	$ (103,605)	$ (157,262)
Business-type activities	28,830	13,872	33,534	34,834	26,581	49,327	50,693	46,674	40,759	38,563
Total primary government net (expense) / revenue	$ (56,312)	$ (119,033)	$ (59,390)	$ (52,207)	$ (77,671)	$ (45,550)	$ (41,601)	$ (1,418)	$ (62,846)	$ (118,699)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 38,574	$ 40,925	$ 43,580	$ 46,853	$ 50,610	$ 64,050	$ 68,614	$ 73,093	$ 76,821	$ 86,168
Sales taxes	15,722	16,833	17,595	18,009	19,015	19,839	19,311	22,842	26,167	26,876
Utility taxes	14,309	14,095	14,518	14,835	15,544	16,449	17,166	17,746	18,467	19,945
Communications services taxes	5,061	4,919	4,618	4,512	4,721	4,371	4,369	4,175	4,190	4,559
Local business tax [b]	2,111	2,029	662 [a]	1,913	1,956	2,077	2,028	2,127	2,067	2,082
Local option gas tax [b]	1,443	1,490	1,532	1,546	1,536	1,526	1,382	1,439	1,461	1,483
Intergovernmental:										
State revenue sharing [b]	3,245	3,441	3,520	3,707	3,826	3,969	3,694	4,274	5,339	5,584
Investment earnings	2,596	3,279	2,285	698	(136)	8,617	4,550	(642)	(25,822) [c]	9,640
Miscellaneous	28	26	108	36	100	182	94	304	114	146
Extraordinary item	-	6,480	-	-	-	-	-	-	-	-
Transfers	13,410	9,330	9,069	12,831	10,341	12,932	11,631	10,543	9,217	9
Total governmental activities	96,499	102,847	97,487	104,940	107,513	134,012	132,839	135,901	118,021	156,492
Business-type activities:										
Investment earnings	3,407	4,086	2,715	783	(350)	10,811	5,047	(994)	(30,793) [c]	7,888
Transfers	(13,410)	(9,330)	(9,069)	(12,831)	(10,341)	(12,932)	(11,631)	(10,543)	(9,217)	(9)
Total business-type activities	(10,003)	(5,244)	(6,354)	(12,048)	(10,691)	(2,121)	(6,584)	(11,537)	(40,010)	7,879
Total primary government	$ 86,496	$ 97,603	$ 91,133	$ 92,892	$ 96,822	$ 131,891	$ 126,255	$ 124,364	$ 78,011	$ 164,371
Change in Net Position										
Governmental activities	$ 11,357	$ (30,058)	$ 4,563	$ 17,899	$ 3,261	$ 39,135	$ 40,545	$ 87,809	$ 14,416	$ (770)
Business-type activities	18,827	8,628	27,180	22,786	15,890	47,206	44,109	35,137	749	46,442
Total primary government change in net position	$ 30,184	$ (21,430)	$ 31,743	$ 40,685	$ 19,151	$ 86,341	$ 84,654	$ 122,946	$ 15,165	$ 45,672

Notes:

[a] Reduction in Local Business Tax in 2016 is due to the deferral of receipts for following fiscal year renewals received during July, August and September.

[b] Amounts previously reported as "Other Taxes" in fiscal years 2014-2019 have been separately itemized.

[c] Fiscal 2022 decrease in investment earnings due to a large unrealized current year loss on investments resulting from a significant increase in interest rates during fiscal 2022.

Schedule 2a

City of Clearwater, Florida
Program Revenues by Function/Program
Last Ten Fiscal Years

(accrual basis of accounting, in thousands of dollars)

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	$ 22,728	$ 23,668	$ 23,030	$ 23,432	$ 24,398	$ 26,298	$ 25,869	$ 25,877	$ 49,027	$ 29,116
Public safety	14,192	13,201	15,439	14,778	14,455	16,363	15,547	19,693	16,484	17,610
Physical environment	447	1,311	986	1,538	1,729	1,690	415	329	394	135
Transportation	885	1,024	927	1,312	2,889	1,759	1,007	1,397	1,665	1,405
Economic environment	1,828	1,713	1,426	2,014	1,725	1,315	1,327	4,386	4,781	5,279
Human services	-	350	333	368	431	400	421	347	391	627
Culture and recreation	9,973	9,948	9,862	11,297	13,744	14,203	10,256	9,501	11,341	15,616
Subtotal governmental activities	50,053	51,215	52,003	54,739	59,371	62,028	54,842	61,530	84,083	69,788
Business-type activities:										
Water and sewer utility	78,478	74,146	77,312	82,531	86,706	89,115	92,057	98,541	107,296	108,646
Gas utility	41,347	41,143	38,598	40,602	45,120	45,762	42,785	43,034	47,355	47,172
Solid waste utility	19,966	20,401	21,727	22,492	23,234	25,166	24,646	26,501	28,028	29,481
Stormwater utility	18,821	17,805	19,029	21,053	19,358	20,575	17,907	17,519	17,300	17,573
Recycling	2,453	2,261	2,473	2,629	2,399	2,444	2,876	3,115	3,335	2,874
Marine	4,658	4,357	4,055	4,447	5,070	5,286	4,885	5,896	7,090	6,930
Aviation	480	999	377	314	424	351	450	1,072	652	315
Parking system	5,159	6,215	6,704	7,027	6,348	7,128	7,653	10,721	10,963	11,155
Harborview Center	50	-	-	-	-	-	-	-	-	-
Clearwater Harbor Marina	670	714	767	799	804	850	872	893	971	940
Subtotal business-type activities	172,082	168,041	171,042	181,894	189,463	196,677	194,131	207,292	222,990	225,086
Total primary government	$ 222,135	$ 219,256	$ 223,045	$ 236,633	$ 248,834	$ 258,705	$ 248,973	$ 268,822	$ 307,073	$ 294,874

Notes:
The Harborview Center Fund was closed in FY 2014 and its operations transferred to the General Fund during the year ended September 30, 2014.

Schedule 3

City of Clearwater, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	$ 33	$ 40	$ 59	$ 62	$ 76	$ 49	$ 64	$ 46	$ 84	$ 101
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	894	447	352	232	436	452	338	630	737	752
Unassigned	23,488	31,540	33,243	28,276	27,176	38,168	48,933	67,749	58,465	60,804
Total General Fund	$ 24,415	$ 32,027	$ 33,654	$ 28,570	$ 27,688	$ 38,669	$ 49,335	$ 68,425	$ 59,286	$ 61,657
All Other Governmental Funds:										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 10	$ 192	$ -	$ -	$ 12,273
Restricted	56,043	53,900	52,936	58,681	67,328	76,094	72,163	76,215	88,455	69,767
Committed	19,374	20,167	22,360	22,132	19,829	19,661	25,539	24,597	45,806	34,333
Assigned	6,689	7,815	7,475	7,094	3,043	5,828	6,921	9,400	609	2,903
Unassigned	(6,347)	(2,553)	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 75,759	$ 79,329	$ 82,771	$ 87,907	$ 90,200	$101,593	$ 104,815	$ 110,212	$134,870	$119,276

City of Clearwater, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Total Governmental Funds:										
Property taxes	$ 38,597	$ 40,919	$ 43,614	$ 46,852	$ 50,710	$ 64,050 [a]	$ 68,522	$ 73,096	$ 76,856	$ 86,167
Sales taxes	9,465	10,188	10,715	11,014	11,670	12,278	12,087	14,296	16,586	16,876
Utility taxes	14,309	14,094	14,518	14,835	15,544	16,449	17,166	17,746	18,467	19,945
Communications services taxes	5,061	4,919	4,618	4,512	4,721	4,371	4,368	4,175	4,190	4,559
Other taxes	3,554	3,519	2,194	3,459	3,493	3,603	3,409	3,566	3,527	3,565
Franchise fees	9,877	9,873	9,311	9,394	9,992	10,643	10,312	10,355	10,787	13,049
Licenses, permits, and fees	3,292	4,408	3,339	3,893	3,748	3,995	4,439	5,265	6,419	4,483
Intergovernmental revenues	26,354	27,573	28,293	30,236	34,277	34,770	29,730	36,442	56,637	39,846
Charges for services	15,574	15,830	16,536	17,304	17,381	17,719	15,461	17,106	18,265	19,815
Fines and forfeitures	1,480	1,638	2,116	1,727	2,165	2,605	2,321	2,308	2,387	1,938
Investment earnings (loss)	1,717	2,160	1,486	460	194	5,292 [b]	2,963	(387) [c]	(18,025) [e]	7,427
Rents and leases	-	-	-	-	-	-	-	2,048 [d]	2,538	3,030
Miscellaneous	2,734	3,886	3,714	4,051	4,499	4,289	3,592	1,137	1,496	3,038
Total revenues	132,014	139,007	140,454	147,737	158,394	180,064	174,370	187,153	200,130	223,738
Expenditures										
Total Governmental Funds:										
Current:										
General government	14,391	13,159	12,917	16,277	17,250	17,521	12,648	13,248	14,514	19,743
Public safety	66,771	66,886	69,575	71,752	74,486	74,164	78,002	81,172	87,269	94,959
Physical environment	3,400	3,158	3,594	4,185	4,403	3,488	3,938	3,644	4,003	1,804
Transportation	7,787	9,925	9,554	9,626	9,629	9,956	8,453	8,427	14,019	14,800
Economic environment	2,544	3,993	3,473	4,826	4,106	4,831	6,602	4,711	4,758	6,329
Human services	137	223	525	466	490	594	634	595	728	2,125
Culture and recreation	27,557	28,339	31,279	33,868	43,030	40,080	34,971	35,218	38,899	42,102
Debt service:										
Principal	947	928	979	1,088	1,271	1,486	1,508	1,617	1,347	1,287
Interest & fiscal charges	542	501	459	414	380	348	308	260	222	1,187
Bond issuance costs	-	-	-	-	-	-	-	-	482	-
Capital outlay	16,098	12,132	12,062	13,015	8,921	12,068	15,916	19,029	51,822	49,445
Total expenditures	140,174	139,244	144,417	155,517	163,966	164,536	162,980	167,921	218,063	233,781
Excess (deficiency) of revenues over (under) expenditures	(8,160)	(237)	(3,963)	(7,780)	(5,572)	15,528	11,390	19,232	(17,933)	(10,043)
Other Financing Sources (Uses)										
Total Governmental Funds:										
Transfers in	34,453	39,386	32,824	45,413	49,202	45,697	47,307	45,071	103,139	70,324
Transfers out	(25,819)	(31,190)	(25,074)	(38,658)	(43,895)	(40,396)	(42,979)	(40,354)	(102,303)	(75,585)
Proceeds from sale of capital assets	-	-	314	-	-	1,545	1,746	537	635	211
Proceeds from lease obligations	-	-	-	-	-	-	-	-	755 [f]	1,540
Proceeds from suscription obligations	-	-	-	-	-	-	-	-	-	330 [g]
Other long term debt issued	-	82	968	1,077	1,677	-	964	-	31,226	-
Total other financing sources (uses)	8,634	8,278	9,032	7,832	6,984	6,846	7,038	5,254	33,452	(3,180)
Extraordinary Item:										
BP Oil settlement proceeds	-	6,480	-	-	-	-				
Net Change in Fund Balances	$ 474	$ 14,521	$ 5,069	$ 52	$ 1,412	$ 22,374	$ 18,428	$ 24,486	$ 15,519	$ (13,223)
Debt service as a percentage of noncapital expenditures	1.3%	1.1%	1.1%	1.1%	1.1%	1.3%	1.2%	1.3%	0.9%	1.4%

Notes:

Fiscal years prior to 2015 are not restated for GASB-68.

Fiscal years prior to 2018 are not restated for GASB-75.

[a] The increase in 2019 investment earnings was due to an unrealized gain in market value as of September 30, 2019 as well as an increase in the average balance of cash and investments.

[b] The increase in 2019 property taxes was due to an increase in the millage rate from 5.155 to 5.955 as well as an increase in property values.

[c] The decrease in 2021 investment earnings was due to a decrease interest rates as well as an unrealized loss in market value as of September 30, 2021 .

[d] Rents and leases were separated from Miscellaneous Revenues in fiscal year 2021.

[e] The decrease in 2022 investment earnings was due to an unrealized loss in market value as of September 30, 2022 due to rising interest rates.

[f] GASB-87 implemented in fiscal year 2022.

[g] GASB-96 implemented in fiscal year 2023.

City of Clearwater, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Assessed Value [a] Residential Property	Commercial Property	Industrial Property	Government and Institutional Property	Personal Property	Other Property	Less: Homestead Assessment Cap Differential [b]	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate [c]	Estimated Actual Taxable Value	Assessed Value as % of Actual Value
2014	$ 6,863,874	$ 2,077,078	$ 149,298	$ 1,057,915	$ 601,743	$ 113,552	$ 485,295	$ 2,640,339	$ 7,737,826	5.1550	$ 9,103,325	85.0%
2015	7,713,777	2,145,212	156,487	1,117,973	631,798	113,591	959,433	2,714,945	8,204,460	5.1550	9,652,306	85.0%
2016	8,606,077	2,248,376	161,628	1,167,103	659,302	116,457	1,447,451	2,762,807	8,748,685	5.1550	10,292,571	85.0%
2017	9,309,714	2,416,458	181,646	1,170,702	653,678	116,714	1,655,985	2,792,826	9,400,101	5.1550	11,058,942	85.0%
2018	10,027,947	2,634,890	191,916	1,199,559	753,946	112,055	1,835,694	2,903,688	10,180,931	5.1550	11,977,566	85.0%
2019	10,929,070	2,924,352	193,383	1,229,391	1,097,973	130,025	2,022,246	3,322,023	11,159,925	5.9550	13,129,324	85.0%
2020	11,645,166	3,133,808	201,106	1,289,515	1,043,462	142,185	2,150,286	3,392,403	11,912,553	5.9550	14,014,768	85.0%
2021	12,416,788	3,258,784	220,657	1,399,614	1,119,370	161,319	2,244,667	3,613,906	12,717,959	5.9550	14,962,305	85.0%
2022	13,737,120	3,209,249	245,906	1,572,209	933,816	172,180	2,864,425	3,604,655	13,401,400	5.9550	15,766,353	85.0%
2023	17,750,873	3,750,153	274,103	1,757,218	958,385	193,414	5,668,813	3,842,942	15,172,391	5.8850	17,849,872	85.0%

[a] Properties are assessed at approximately 85% of market value to reflect cost of sales, personal property included in market value, etc.

[b] Chapter 193.155, Florida Statutes, provides for an annual cap on assessment increases for "Homestead properties" (properties qualifying for Homestead exemption). The cap is the lower of 3% of the assessed value of the property or the percentage change in the Consumer Price Index for All Urban Consumers.

[c] Rate is per $1,000 of assessed value

City of Clearwater, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed value)

	City Direct Rates		Overlapping Rates					
Fiscal Year	Operating	Total Direct	Pinellas County	Pinellas County Schools	Pinellas Transit District	Emergency Medical Services	Other Districts	Downtown Development Board [a]
2014	5.1550	5.1550	5.3377	8.0600	0.7305	0.9158	1.2959	0.9651
2015	5.1550	5.1550	5.3377	7.8410	0.7305	0.9158	1.2799	0.9651
2016	5.1550	5.1550	5.3377	7.7700	0.7305	0.9158	1.2629	0.9651
2017	5.1550	5.1550	5.3377	7.3180	0.7500	0.9158	1.2448	0.9651
2018	5.1550	5.1550	5.3590	7.0090	0.7500	0.9158	1.2262	0.9700
2019	5.9550	5.9550	5.3590	6.7270	0.7500	0.9158	1.2086	0.9700
2020	5.9550	5.9550	5.3950	6.5840	0.7500	0.9158	1.1932	0.9700
2021	5.9550	5.9550	5.3590	6.4270	0.7500	0.9158	1.1800	0.9700
2022	5.9550	5.9550	5.2092	6.3250	0.7500	0.9158	1.1666	0.9700
2023	5.8850	5.8850	4.8188	5.9630	0.7500	0.8775	1.0978 [b]	0.9700

Source: Pinellas County Tax Collector

[a] A separate taxing district established by referendum which affects only downtown properties.

[b] "Other" includes Pinellas County Planning Council 0.0210; Juvenile Welfare Board 0.8508; SW Florida Water Management District 0.2260.

Schedule 7

City of Clearwater, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	$ 39,888,516	$ 38,521,211	96.57%	$ 64,400	$ 38,585,611	96.73%
2015	42,294,009	40,832,366	96.54%	62,629	40,894,995	96.69%
2016	45,099,493	43,545,722	96.55%	54,148	43,599,870	96.67%
2017	48,457,539	46,762,216	96.50%	46,274	46,808,490	96.60%
2018	52,482,716	50,620,131	96.45%	38,301	50,658,432	96.52%
2019	66,457,374	64,014,536	96.32%	105,985	64,120,521	96.48%
2020	70,939,266	68,396,543	96.42%	49,533	68,446,076	96.49%
2021	75,735,461	73,035,751	96.44%	39,916	73,075,667	96.49%
2022	79,805,351	76,777,645	96.21%	10,079	76,787,724	96.22%
2023	89,289,531	86,129,520	96.46%	-	86,129,520	96.46%

Note 1: Discounts are allowed for early payment: 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.

Schedule 8a

City of Clearwater, Florida
Principal Real Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2023 Taxable Assessed Value	2023 Rank	2023 Percentage of Total City Taxable Assessed Value	2014 Taxable Assessed Value	2014 Rank	2014 Percentage of Total City Taxable Assessed Value
REAL PROPERTY						
WYNDHAM VACATION RESORTS INC	$ 127,200,000	1	0.87%	$139,920,938	1	1.91%
COUNTRYSIDE MALL LLC	99,960,000	2	0.68%			
JOHN S TAYLOR PROPERTIES LLC	99,070,000	3	0.68%			
US HWY 19N FL PARTNERS LLC	97,350,000	4	0.67%	46,075,000	3	0.63%
ADREX CLEARWATER MANAGER LLC	94,000,000	5	0.64%			
DC CLEARWATER BEACH 1 PROPERTY LLC	85,750,000	6	0.59%			
P E F P SOLARIS KEY LLC	85,547,000	7	0.59%			
B W C HOSPITALITY LLC	81,835,085	8	0.56%			
JEMB POCONO LLC	80,300,000	9	0.55%			
BAYSIDE ARBORS XII LLC	77,483,925	10	0.53%			
301 SOUTH GULFVIEW LLC				56,525,337	2	0.77%
STANDARD GRAND RESERVE LLC				40,900,000	4	0.56%
SAND KEY ASSOC LTD PARTNERSHIP				38,975,000	5	0.53%
CENTRO NP CLEARWATER MALL LLC				38,135,911	6	0.52%
SANDPEARL RESORT LLC				36,986,799	7	0.51%
ZOM BAYSIDE ARBORS LTD				36,489,820	8	0.50%
N W P CLEARWATER HOLDINGS LLC				30,550,000	9	0.42%
WEINGARTEN NOSTAT INC				26,490,000	10	0.36%
Total	$ 928,496,010		6.36%	$ 491,048,805		6.71%

Source: Pinellas County Property Appraiser

Schedule 8b

City of Clearwater, Florida
Principal Personal Property Taxpayers
Current Year and Nine Years Ago

	2023			2014		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
PERSONAL PROPERTY						
DUKE ENERGY FLORIDA	$ 109,926,515	1	19.94%	$ 67,528,991	1	16.28%
FRONTIER FLORIDA LLC (1)	24,773,416	2	4.49%	33,417,645	2	8.06%
SPECTRUM SUNSHINE STATE LLC (2)	15,401,845	3	2.79%	16,286,333	3	3.93%
BAUSCH & LOMB INC	12,870,939	4	2.33%	5,264,795	10	1.27%
INSTRUMENT TRANSFORMERS INC	12,536,222	5	2.27%	8,026,081	5	1.94%
MONIN INC	9,222,493	6	1.67%	5,559,922	8	1.34%
PUBLIX SUPER MARKET	9,104,860	7	1.65%	8,202,216	4	1.98%
WYNDHAM GRAND CLEARWATER BEACH	7,588,423	8	1.38%			
FLORIDA GAS TRANSMISSION	7,375,594	9	1.34%	7,410,023	6	1.79%
WOW! INTERNET, CABLE & PHONE	6,098,469	10	1.11%			
HYATT REGENCY CLEARWATER BEACH				6,146,498	7	1.48%
MODEL SCREW PRODUCTS INC				5,354,417	9	1.29%
Total	$ 214,898,776		38.97%	$ 163,196,921		39.35%

Notes:
(1) Frontier Florida LLC was listed as Verizon Florida LLC in 2014.
(2) Spectrum Sunshine State LLC was listed as Bright House Networks LLC in 2014.

Source: Pinellas County Property Appraiser

City of Clearwater, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts in thousands, except per capita)

	Governmental Activities					Business-Type Activities						
Fiscal Year	Spring Training Facility Intergovernmental Revenue Bonds	Non-Ad Valorem Revenue Bonds	Financed Purchases	Lease Liabilities	Subscription Liabilities	Water/Sewer Revenue Bonds	Gas Revenue Bonds	Stormwater Revenue Bonds	Financed Purchases	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
2014	$ 9,053	$ -	$ 9,260	$ -	$ -	$ 164,714	$ 13,554	$ 36,249	$ 296	$ 233,126	4.61%	2,132
2015	8,397	-	14,033	-	-	159,642	12,566	34,791	279	229,708	4.31%	2,075
2016	7,717	-	18,035	-	-	152,866	11,563	33,257	437	223,875	4.08%	1,992
2017	7,014	-	21,241	-	-	150,862	10,555	31,680	1,141	222,493	3.81%	1,956
2018	6,273	-	25,211	-	-	143,377	9,905	30,057	1,150	215,973	3.49%	1,868
2019	5,498	-	17,470	-	-	135,694	9,245	28,377	838	197,122	3.02%	1,691
2020	4,681	-	19,901	-	-	130,676	8,570	22,776	1,338	187,942	2.69%	1,592
2021	3,826	-	12,787	-	-	126,027	7,875	21,354	893	172,762	2.22%	1,467
2022	3,521	31,210	7,380	1,356 [b]	-	121,070	7,165	12,561	533	184,796	2.26%	1,550
2023	3,203	31,146	3,515	2,649	3,746 [c]	115,971	6,430	11,618	319	178,597	*	1,502

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a] See Schedule 14 for personal income and population data.

[b] GASB-87 implemented in fiscal year 2022.

[c] GASB-96 implemented in fiscal year 2023.

* Data not available.

Schedule 10

City of Clearwater, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts in thousands, except per capita)

	General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Non-Ad Valorem Revenue Bonds	Total	Percentage of Actual Taxable Value of Property (a)	Per Capita (b)
2014	$ -	$ -	$ -	-	$ -
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	30,000	30,000	0.22%	252
2023	-	30,000	30,000	0.20%	252

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) See Schedule 5 for property value data.

(b) Population data can be found in Schedule 14.

Schedule 11

City of Clearwater, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
(amounts in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes	$ -	n/a	$ -
Other debt			
Pinellas County Government Notes	2,100	13.7%	287
Pinellas County Government Capital Leases	31,298	13.7%	4,285
Pinellas County Government SBITA's	4,188	13.7%	573
Pinellas County School District Certificates of Participation	127,416	13.7%	17,443
Pinellas County School District Capital Leases	5,093	13.7%	697
Subtotal, overlapping debt			23,285
City direct debt			44,259
Total direct and overlapping debt			$ 67,544

Sources: Assessed value data used to estimate applicable percentages provided by Pinellas County Property Appraiser. Debt outstanding data is provided by each respective governmental unit.

Pinellas County Government debt is reported as of September 30, Pinellas County School Board debt is reported as of June 30.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Clearwater. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

[a] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Schedule 12

City of Clearwater, Florida
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as Percentage of Debt Limit
2014	$ 1,955,083	$ 208,318	$ 1,746,765	10.66%
2015	2,057,302	204,926	1,852,376	9.96%
2016	2,170,214	199,317	1,970,897	9.18%
2017	2,307,618	199,611	2,108,007	8.65%
2018	2,466,049	193,379	2,272,670	7.84%
2019	2,676,718	182,710	2,494,008	6.83%
2020	2,852,238	170,515	2,681,723	5.98%
2021	3,042,407	155,808	2,886,599	5.12%
2022	3,214,295	169,392	3,044,903	5.27%
2023	3,611,227	159,041	3,452,186	4.40%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed valuation of all real property		$ 18,056,134
Debt Limit (20% of assessed valuation per City Charter)		3,611,227
Debt applicable to limit:		
Bonds payable	$ 161,135	
Financed purchases	3,834	
Less: Amount set aside for repayment of bonded debt	(5,928)	
		159,041
Legal debt margin		$ 3,452,186

Note: Per City Charter, the City's indebtedness, to include revenue, refunding, and improvement bonds shall not exceed 20 percent of the current assessed valuation of all real property located in the City.

Schedule 13

City of Clearwater, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage
	Spring Training Facility Revenue Bonds [(a)]					
2014	$ 1,097	$ -	$ 1,097	$ 610	$ 463	1.02
2015	1,100	-	1,100	635	439	1.02
2016	1,095	-	1,095	660	413	1.02
2017	1,090	-	1,090	685	380	1.02
2018	1,084	-	1,084	725	343	1.01
2019	1,121	-	1,121	760	303	1.05
2020	1,101	-	1,101	805	261	1.03
2021	743	-	743	845	220	0.70
2022	459	-	459	295	195	0.94
2023	514		514	310	179	1.05
	Non-Ad Valorem Revenue Bonds					

There are no pledged revenues for the Non-Ad Valorem Revenue Bonds. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

(a) Pledged revenues for the Spring Training Facility Revenue Bonds include payments received from the State of Florida pursuant to Section 212.20, Florida Statutes, and payments from Pinellas County through February 2021, pursuant to an inter-local agreement dated December 1, 2000, along with related interest earnings.

Schedule 13 (continued)

City of Clearwater, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage	Maximum Coverage [a]
	Water & Sewer Utility Revenue Bonds						
2014	$ 68,601	$ 44,732	$ 23,869	$ 5,680	$ 8,099	1.73	
2015	72,303	47,680	24,623	5,885	7,675	1.82	
2016	76,164	42,131	34,033	6,375	7,260	2.50	
2017	81,897	50,177	31,720	6,660	5,974	2.51	
2018	83,739	46,484	37,255	6,985	5,181	3.06	
2019	91,903	50,060	41,843	7,300	5,043	3.39	
2020	93,603	53,539	40,064	4,190	4,723	4.50	
2021	96,355	53,490	42,865	3,735	4,812	5.02	
2022	85,443	69,729	15,714	4,120	4,625	1.80	
2023	111,511	77,487	34,024	4,310	4,446	3.89	
	Gas Utility Revenue Bonds						
2014	$ 41,963	$ 29,173	$ 12,790	$ 925	$ 384	9.77	6.11
2015	41,961	30,407	11,554	980	358	8.64	5.52
2016	39,142	26,591	12,551	995	328	9.49	5.99
2017	40,773	27,927	12,846	1,000	297	9.90	6.13
2018	45,119	30,307	14,812	650	266	16.17	7.07
2019	47,496	32,353	15,143	660	250	16.64	7.23
2020	43,382	28,972	14,410	675	234	15.85	6.88
2021	42,914	32,576	10,338	695	217	11.34	4.94
2022	44,759	38,932	5,827	710	199	6.41	2.78
2023	47,881	33,059	14,822	735	181	16.18	7.08
	Stormwater Utility Revenue Bonds						
2014	$ 17,256	$ 12,553	$ 4,703	$ 1,300	$ 1,186	1.89	
2015	18,123	11,529	6,594	1,375	1,084	2.68	
2016	18,360	9,537	8,823	1,455	1,079	3.48	
2017	18,685	9,042	9,643	1,500	1,039	3.80	
2018	18,451	7,844	10,607	1,550	991	4.17	
2019	21,181	7,672	13,509	1,610	937	5.30	
2020	17,947	8,052	9,895	5,535 [b]	840	1.55	
2021	17,084	8,579	8,505	1,360	743	4.04	
2022	13,547	7,244	6,303	8,735 [c]	583	0.68	
2023	18,700	8,106	10,594	890	429	8.03	

[a] Maximum debt service coverage is presented for continuing disclosure on the Gas System Revenue Bonds and is based upon the maximum annual debt service for outstanding bonds and parity bonds.

[b] Principal payment in 2020 includes an additional principal payment in the amount of $4,205,000 on November 1, 2019 to redeem all outstanding principal on the 2014 Stormwater Revenue Refunding Bond, a direct placement bank loan.

[c] Principal payment in 2022 includes an additional principal payment in the amount of $7,885,000 on November 1, 2021 to redeem all outstanding principal on the 2013 Stormwater Revenue Refunding Bond, a direct placement bank loan.

Schedule 14

City of Clearwater, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (thousands of dollars)	Per Capita Personal Income (b)	Median Age (c)	School Enrollment (d)	Unemployment Rate (e)
2014	109,340	$ 5,053,913	$ 46,222	46.9	14,160	5.9%
2015	110,679	5,333,842	48,192	47.1	14,132	5.0%
2016	112,387	5,493,252	48,878	47.4	14,000	4.7%
2017	113,723	5,845,931	51,405	47.6	13,652	3.9%
2018	115,589	6,193,027	53,578	47.8	13,207	3.3%
2019	116,585	6,528,993	56,002	48.1	12,523	2.9%
2020	118,017	6,984,010	59,178	48.4	12,013	5.7%
2021	117,800	7,767,261	65,936	48.5	11,897	4.3%
2022	119,208	8,182,676	68,642	*	11,735	2.5%
2023	118,904	*	*	*	11,416	3.2%

(a) Population data for the City of Clearwater is from the University of Florida, Bureau of Economic and Business Research, published April 1st of each year.

(b) Per capita personal income data for Pinellas County for 2014-2022 is from the Florida Office of Economic and Demographic Research.

(c) Median age data for Pinellas County for 2014-2021 is from the U.S. Census Bureau.

(d) School enrollment data for public schools located within the City of Clearwater is from the Pinellas County School District.

(e) Unemployment data for the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area for September of each year is from the Bureau of Labor Statistics.

Note: Data is the latest published annual data available for an unspecified point in each year, not specifically September 30.

* Data not available.

Schedule 15

City of Clearwater, Florida
Principal Employers[a]
Current Year and Nine Years Ago

	2023[b]			2014		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
BayCare (including all hospitals and subsidiaries)	14,300	1	2.65%			
Pinellas County School Board (District office and schools)	11,800	2	2.19%	15,928	1	4.01%
Publix (including Publix Pharmacy and Liquor Stores)	7,500	3	1.39%			
Pinellas County Government[c]	6,000	4	1.11%			
U.S. Dept. of Veterans Administration (including VA district office and healthcare system)	4,900	5	0.91%	4,406	2	1.11%
Walmart (including Sam's Club and Walmart Neighborhood Grocery Stores)	4,800	6	0.89%			
Raymond James Financial (all subsidiaries)	3,800	7	0.70%	2,475	8	0.62%
City of St. Petersburg	3,800	8	0.70%	3,112	3	0.78%
Johns Hopkins All Children's Hospital (all subsidiaries)	3,600	9	0.67%	2,950	4	0.74%
HCA Florida Healthcare (including all hospitals and subsidiaries)	3,500	10	0.65%			
St. Petersburg College				2,744	5	0.69%
Pinellas County Sheriff				2,693	6	0.68%
Morton Plant Hospital				2,525	7	0.64%
Home Shopping Network				2,150	9	0.54%
Mease Hospital				2,050	10	0.52%
Total Employment	539,439			396,809		

[a] Data is for Pinellas County. City data is not available.

[b] Source: Florida Research and Economic Database and Pinellas County Department of Economic Development.

[c] Includes employees in the Pinellas County Unified Personnel System and the Sheriff's Office.

Schedule 16

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	282.3	281.8	287.3	295.9	298.8	301.3	301.3	301.8	307.8	315.3
Public safety:										
Fire	201.0	201.0	201.0	204.0	204.0	205.0	204.0	204.0	204.0	205.0
Police	364.5	364.0	362.5	367.5	373.3	373.3	374.3	375.3	375.3	387.3
Physical environment	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	9.0 [a]
Transportation	34.0	34.0	34.0	35.0	35.0	35.0	36.0	36.0	36.0	62.0 [a]
Economic environment	10.0	10.0	12.0	10.4	11.0	11.0	11.0	11.0	12.0	12.5
Culture and recreation:										
Library	73.6	74.4	81.4	82.3	85.1	84.0	84.0	83.6	83.3	83.3
Parks & Rec	202.5	204.6	209.7	219.0	241.4	240.9	240.9	243.4	245.4	249.8
Water & Sewer Utility	176.0	184.0	187.0	188.0	196.0	196.0	196.0	196.0	196.0	198.0
Gas Utility	83.0	87.0	92.0	104.0	110.0	110.0	110.0	110.0	110.0	97.0
Solid Waste Utility	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	112.5	110.5
Stormwater Utility	49.0	49.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	51.0
Recycling	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	21.0	21.0
Marine	24.6	24.6	27.7	28.3	18.6	18.9	18.9	15.6	15.6	18.5
Clearwater Harbor Marina	5.6	5.6	6.7	6.7	6.7	6.3	6.5	8.8	8.8	9.1
Aviation	1.4	1.4	1.4	1.4	1.4	1.6	1.6	2.6	2.6	2.9
Parking System	33.7	33.7	35.8	41.3	44.8	44.8	45.6	45.4	45.4	45.6
Total	1,695.7	1,709.6	1,745.0	1,790.3	1,832.6	1,834.6	1,836.6	1,840.0	1,848.7	1,877.8

Source: City of Clearwater Office of Management and Budget

[a] Reorganization and creation of a Public Works Department.

City of Clearwater, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government:											
Planning	Commercial building permits issued	1,988	1,854	1,706	1,757	1,902	2,425	1,931	1,886	1,939	1,561
	Residential building permits issued	5,756	6,546	6,987	9,134	8,702	8,856	8,536	9,141	9,096	8,779
Public safety:											
Police	Average officer training hours	85	120	115	150	194	170	82	121	145	135
	Total volunteer training hours	286	246	1034	58	679	209	144	34	107	0
Fire	Percentage of fire responses under 7.5 minutes	93%	93%	91%	89%	89%	89%	82%	79%	82%	84%
Physical environment	Square feet of sidewalks repaired/constructed	23,651	35,611	36,694	48,075	39,335	41,268	33,658	28,250	20,843	21,376
Transportation	Miles of roadway resurfaced	8.2	0	15.89	6.2	16.88	17.66	12	11.4	2.47	10.54
Economic environment	Code enforcement cases brought to compliance	4,431	4,458	4,736	4,771	4,642	4,561	5,187	4,947	3,733	3,889
Human services	City employees that mentor in area schools	6	5	16	13	17	20	0	19	9	0
Culture and recreation:											
Library system	Library visits	600,148	636,006	562,387	522,014	582,315	625,411	389,063	280,977	372,527	431,168
	Circulation	1,019,984	987,430	869,469	891,597	857,232	865,987	742,493	694,440	692,288	711,218
Parks and recreation	Recreation center visitations	517,378	696,094	714,657	689,750	708,562	718,261	386,282	307,880	498,551	508,677
	Athletic program visitations	989,570	1,066,767	1,093,090	1,104,126	916,355	1,054,200	859,860	877,982	978,996	1,177,709
Water and Sewer Utility:											
	Water customers	43,704	44,236	44,743	45,275	45,486	45,587	45,760	46,087	46,203	46,213
	Volume of water pumped (million gallons/day)	12.1	12.1	11.7	11.9	11.4	11.2	11.9	11.7	11.9	12.1
	Sewer customers	33,564	33,390	33,763	33,947	34,111	34,183	34,442	34,654	34,712	34,724
	Miles of sewers cleaned	197	172	160	251	161	109	138	136	94	121
Gas Utility:											
	Number of customers	20,719	21,277	21,973	23,031	24,620	26,438	28,243	30,001	31,548	32,991
Solid Waste Utility:											
	Solid waste tonnage collected and disposed	113,218	117,214	124,917	123,425	122,890	127,008	118,461	124,233	122,566	118,077
Stormwater Utility:											
	Number of equivalent residential units	100,629	101,663	102,798	103,742	104,105	104,621	105,161	105,581	105,589	106,416
Recycling Utility:											
	Marketable tons recycled	11,716	12,079	13,467	13,438	11,503	4,169	3,275	3,843	3,623	8,627

*** Note**: No operating indicators are available for marine, aviation, parking and Clearwater Harbor Marina functions.

Schedule 18

City of Clearwater, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety:										
Fire										
Stations	8	8	8	8	8	8	8	8	8	8
Police										
Stations	6	7	7	7	6	6	6	6	6	5
Transportation:										
Paved streets (miles)	320	321	322	322	324	327	327	324	329	324
Culture and recreation:										
Library system										
Volumes in collection (thousands)	582	564	519	528	469	473	439	428	455	452
Parks and recreation										
Parks acreage	1453	1455	1457	1457	1457	1457	1457	1875	1875	1774
Recreational paths (miles)	18	22	22	22	22	22	22	19	19	19
Playgrounds	27	27	27	26	26	26	26	27	27	27
Baseball and softball fields	32	32	32	32	32	32	32	34	34	34
Soccer and football fields	20	20	20	21	21	21	21	18	16	17
Recreation centers	5	5	5	5	6	6	6	6	6	6
Water & Sewer Utility :										
Water mains (miles)	596.97	588.57	587.75	584.6	582.63	586.14	595.72	586.42	587.69	588.02
Sanitary sewer mains (miles)	364.24	364.27	368.98	370.2	370.0	370.44	372.14	372.15	372.3	372.11
Daily treatment capacity (millions of gallons)	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5
Gas Utility :										
Gas mains (miles)	862	884	908	930	965	994	1,021	1,056	1,075	1,085
Stormwater Utility:										
Stormwater mains (miles)	151.41	152.63	153.74	153.99	154.59	154.12	155.47	156.49	157.55	157.4
Marine:										
Boat slips	189	189	189	189	189	190	198	198	198	198
Clearwater Harbor Marina:										
Boat slips	126	126	126	126	126	126	127	127	127	127
Aviation:										
Airpark spaces	177	177	177	177	177	177	174	174	174	174
Parking system:										
Parking spaces	2232	2312	2302	2345	2462	3073	3108	3004	2580 [a]	2815 [b]

[a] Reduction in spaces due to temporary closure of lot 11 for Imagine Clearwater construction, as well as the sale of spaces in the North Beach Parking Garage.

[b] Increase in spaces due to reopening of lot 11 with additional spaces, as well as additional spaces on Drew Street and the 300 block of Cleveland Street.

Sources: Various city departments

Note: No capital asset indicators are available for the general government, physical environment, economic environment human services, solid waste and recycling functions.

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Other Information

City of Clearwater, Florida
Continuing Disclosure – Gas System Revenue Bonds
Series 2013 and 2014

The System:

Rates, Fees and Charges

Clearwater Gas System (CGS) is not subject to regulation by any State agency in establishing or revising its rates. The rate structure for customers receiving firm natural gas service consists of three distinct groups of charges:

(1) the Purchased Gas Adjustment (PGA) rate;

(2) rate riders including the Energy Conservation Adjustment (ECA), the Usage and Inflation Adjustment (UIA), and the regulatory imposition adjustment (RIA); and

(3) the base rates.

The PGA rate is the mechanism by which CGS recovers the cost of natural has it purchases and distributes to its customers. The ECA is designed to recover costs associated with energy conservation and demand management. The UIA is designed to mitigate operational and financial risk associated with fluctuations in demand and inflationary cost increases. The RIA is designed to recover the cost of regulatory imposed programs. The base rates (customer and commodity charges) effectively recover all other costs of distributing natural gas to customers.

The current rate structure in effect at September 30, 2023 is based on a Natural Gas Rate Study completed in December 2020, and was adopted by Ordinance 9433-21 to be effective for all gas bills and services rendered on or after March 1, 2021. The Residential Customer Charge was increased by $2 per month effective March 1, 2021 and then an additional $2 per month effective March 1, 2022. The Commercial Non-Fuel energy charge decreased by $0.04 per therm effective March 1, 2021. These changes were not revenue neutral in the first year and reduced reserve levels by approximately $559,000; however, reserves are projected to remain above the minimum 180-day reserve requirement throughout the five-year forecast period included in the rate study.

Where competitive fuel sources or transportation service are available to the customer, the City Council has authorized the City Manager to enter into contract gas service rates at special rates and/or conditions as required to obtain/retain the customer load. Such contract service must meet the normal construction feasibility formula to insure profitable payback to CGS. In addition to the above rate changes, all customers served under contract rates as of February 28, 2021 were allowed to remain on their existing contracts until the next expiration date, at which time the contract was automatically discontinued and the customer was moved to the applicable standard rate unless a new contract was executed. As of September 30, 2023,contract rates applied to 133 customer accounts impacting 4% of total revenues.

CLEARWATER GAS SYSTEM

NATURAL GAS RATE BILLING FACTORS

FOR AUGUST 1, 2023 - OCTOBER 31, 2023 BASED ON APPROVED GAS ADJUSTMENT FACTORS

	Firm Natural Gas Rate Schedules															
	RS	SMF	MMF	LMF	SGS	MGS	LGS	RAC	GAC	LAC	SL	SL w/M& Relight	NGV (Non-Resl)	NSS (Non-Resl)	Interr. NG Rate IS	Contract NG Rate CNS
Applicable Annual Therm Range or Other Rate Determinant	NA (1 - 3 Units)	NA (4 + Units)	NA (4 + Units)	NA (4 + Units)	0 - 17,999	18,000- 99,999	100,000 & up	NA (1 - 3 Units)	NA (0 - 149 tons)	NA (150 tons & +)	NA	NA	NA	NA	100,000 & up	NA
Monthly Customer Charge (For Central Pasco Territory)	$16.00 ($24.00)	$25.00 ($40.00)	$40.00 ($70.00)	$95.00 ($160.00)	$25.00 ($40.00)	$40.00 ($70.00)	$95.00 ($160.00)	Rate Suspended Reserved for Future Use	Rate Suspended Reserved for Future Use	Rate Suspended Reserved for Future Use	$20.00 ($30.00)	$20.00 ($30.00)	By Contract (By Contract)	$50.00 ($75.00)	$250.00 ($400.00)	By Contract (By Contract)
Non-Fuel Energy Charge/Therm																
Non-Fuel Energy Charge	$0.44	$0.44	$0.44	$0.44	$0.38	$0.34	$0.30	NA	NA	NA	$0.20	$0.35	By Contract	$0.38	$0.24	By Contract
Energy Conservation Adj. (ECA)	0.13	0.13	0.13	0.13	0.13	0.13	0.13	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regulatory Imposition Adj. (RIA)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	NA	NA	NA	NA	NA	NA	NA	NA	NA
Usage & Inflation Adj. (UIA)	0.01	0.01	0.01	0.01	0.03	0.03	0.03	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total Non-Fuel Energy Charge	$0.60	$0.60	$0.60	$0.60	$0.56	$0.52	$0.48	NA	NA	NA	$0.20	$0.35	By Contract	$0.38	$0.24	By Contract
Purchased Gas Adjustment (PGA)	0.69	0.69	0.69	0.69	0.69	0.69	0.69	NA	NA	NA	0.69	0.69	By Contract	0.69	0.60	0.60
Total Energy Charge/Therm	1.29	1.29	1.29	1.29	1.25	1.21	1.17	NA	NA	NA	0.89	1.04	By Contract	1.07	0.84	0.60 + Non-Fuel
Minimum Monthly Bill (For Central Pasco Territory)	$16.00 ($24.00)	$25.00 ($40.00)	$40.00 ($70.00)	$95.00 ($160.00)	$25.00 ($40.00)	$40.00 ($70.00)	$95.00 ($160.00)	NA	NA	NA	$20.00 ($30.00) + FAC	$20.00 ($30.00) + FAC	By Contract (By Contract) + FAC	$50.00 ($75.00) + FAC	$250.00 ($400.00) + Non-Fuel Therm Rate for Contract # of Therms	Customer Charge + Non-Fuel Therm Rate for Contract # of Therms
Compares to LP/Gallon Rate of	$ 1.18	$ 1.18	$ 1.18	$ 1.18	$ 1.14	$ 1.11	$ 1.07	NA	NA	NA	$ 0.81	$ 0.95	NA	$ 0.98	$ 0.77	
with 6.0% Franchise	$ 1.25	$ 1.25	$ 1.25	$ 1.25	$ 1.21	$ 1.17	$ 1.13	NA	NA	NA	$ 0.86	$ 1.01	NA	$ 1.04	$ 0.81	

Utility Tax Note:

Fuel Rate per Therm 10/01/1973	$0.069	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	NA	NA	NA	$0.000	$0.000	$0.000	$0.000	$0.055	$0.000
Non-Utility Taxable Fuel/Therm	$0.621	$0.690	$0.690	$0.690	$0.690	$0.690	$0.690	NA	NA	NA	$0.690	$0.690	$0.000	$0.690	$0.545	$0.600

BTU FACTOR = THERMS/100 CUBIC FEET (CCF)

	10/2022	11/2022	12/2022	01/2023	02/2023	03/2023	04/2023	05/2023	06/2023	07/2023	08/2023	09/2023	FY 22/23 Avg.
Firm & Interruptible Service Rates	1.026	1.027	1.026	1.024	1.028	1.028	1.024	1.022	1.020	1.021	1.024	1.024	**1.024**

City of Clearwater, Florida
Continuing Disclosure - Gas System Revenue Bonds
Series 2013 and 2014

GAS SUPPLY

On August 1, 1990, the Federal Energy Regulatory Commission (FERC) deregulated the natural gas pipeline industry. This allows other natural gas suppliers and local distribution companies, like the City of Clearwater, to transport gas over the Florida Gas Transmission (FGT) pipelines as opposed to purchasing natural gas supply from only FGT.

The two natural gas transmission companies that serve within the State of Florida are Florida Gas Transmission (FGT) and Gulfstream. Currently FGT is the sole provider of transportation service to the City. Florida Gas Transmission is a natural gas pipeline which brings gas from Texas, Louisiana, Mississippi, and Alabama into Florida. The pipeline is owned 50% by Energy Transfer Partners (Owner/Operator) and 50% by Kinder Morgan Partnership, each respectively representing units in Citrus Corporation.

The City joined Florida Gas Utility (FGU) in October 2000 by Resolution 00-35. FGU is responsible for the purchase & management of the City's natural gas supply. An updated All Requirements Gas Service Agreement, which was approved by Resolution 02-02 in January 2002, required the City to purchase 100% of its supply through FGU. FGU was formed through an Interlocal Agreement among its members. The Interlocal Agreement became effective on September 1, 1989 and consisted of five municipal utilities. Over the next several years, additional electric and gas distribution utilities joined FGU, bringing its current membership to 25.

In addition, the City has entered into a Gas Supply & Transportation Agreement with Peoples Gas System (PGS), dated 12/02/04, to purchase natural gas to serve customers located in our Central Pasco territory, generally east of the Suncoast Parkway in Pasco County. The City received a letter from FGU Council, dated 8/31/04, granting the City permission to utilize TECO Peoples Gas as a third party gas supplier since FGU is unable and unwilling to provide gas to the City within the meaning of the provisions of Section 3 (a)(i) and (ii) of the All Requirements Gas Service Agreement between the City and FGU.

The City has two Firm Transportation Service agreements (FTS-1 & FTS-2) with FGT in order to deliver natural gas to the City's four gate stations. FGU is currently managing the City's Phase II (FTS-1) and Phase III (FTS-2) transportation capacity on a daily basis. Table 1 shows the breakdown of the City's annual gas supply entitlements with FGT. The total annual entitlement is 3,212,226 decatherms of natural gas transportation.

Table 1 Breakdown of Transportation Capacity

Contract Period	Phase II (FTS-1) MMBtu Per Day 2/01/17 - 1/31/27	Phase III (FTS-2) MMBtu Per Day 2/1/14 - 2/28/25	Total MMBtu Per Day
October	170,438	41,788	212,226
Nov-Mar	1,543,069	268,931	1,812,000
April	216,570	53,430	270,000
May-Sept	711,756	206,244	918,000
Total Annual	2,641,833	570,393	3,212,226

City of Clearwater, Florida
Continuing Disclosure – Gas System Revenue Bonds
Series 2013 and 2014

Service Area

The Clearwater Gas System (CGS) is owned and operated as an enterprise utility by the City of Clearwater. CGS operates over 1,085 miles of underground gas main and handles the supply and distribution of both natural and propane (LP) gas throughout northern Pinellas County and western Pasco County. As a "full service" gas utility, CGS provides gas appliance sales, installation of inside customer gas piping, domestic and commercial gas equipment service, construction and maintenance of underground gas mains and service lines, and 24-hour response to any gas emergency within the service area. The Florida Public Service Commission and the Federal Department of Transportation regulate CGS for safety.

CGS has been serving customers in the Clearwater area for 100 years (since 1924) when operations began with a manufactured gas plant operation from coal and coke. In 1959, when natural gas transmission lines were finally extended to the Florida peninsula, CGS discontinued manufacturing gas and began receiving piped natural gas from Florida Gas Transmission.

Clearwater Gas System serves over 31,000 customers in a 330 square mile service territory, which includes 20 municipalities as well as the unincorporated areas of northern Pinellas County and western Pasco County. The Pinellas County service territory is 158 square miles and extends generally from Ulmerton and Walsingham Roads on the south to the Pasco County line on the north and from the Gulf of Mexico on the West to the Hillsborough County line on the east. This includes all of the Pinellas beach communities south to Redington Beach. The Pasco County service territory is 172 square miles and extends from the Gulf of Mexico on the West inland about 20 miles to just east of State Road 41 and Land O' Lakes and from the Pinellas and Hillsborough County lines on the South to generally State Road 52 on the north. The CGS service territory extends 42.3 miles from the southwestern-most to the northwestern-most points.

Clearwater Gas System prides itself in being a competitive and public service-minded utility, providing safe, economical and environmentally-friendly gas, which is made in America, available in our communities for all of the homes and businesses in our service area, with special focus on the residential customers who make up approximately 90% of our customer base.

City of Clearwater, Florida
Continuing Disclosure - Gas System Revenue Bonds
Series 2013 and 2014

As of September 30, 2023 the System's active natural gas customers were located as shown in the following table:

Location	Meters	Percentage
Belleair	632	2.04%
Belleair Beach	291	0.94%
Belleair Bluffs	59	0.19%
Belleair Shores	32	0.10%
Clearwater	7,825	25.29%
Dunedin	1,701	5.50%
Indian Rocks Beach	241	0.78%
Indian Shores	163	0.53%
Largo	1,214	3.92%
Madeira Beach	1	0.00%
New Port Richey	86	0.28%
North Redington Beach	99	0.32%
Oldsmar	169	0.55%
Port Richey	16	0.05%
Redington Beach	253	0.82%
Redington Shores	117	0.38%
Safety Harbor	770	2.49%
Tarpon Springs	1,696	5.48%
Unincorporated Areas Pasco	7,275	23.51%
Central Pasco	4,637	14.98%
Unincorporated Areas Pinellas	3,669	11.86%
Total	30,946	100.00%

The following table shows the five largest interruptible customers by peak monthly consumption and the percent of the System's revenues derived from such customers during the 12 months ending September 30, 2023.

Customer Name	Peak Monthly Therms	% of Gross Revenues
Morton Plan Hospital	96,732.2	1.74%
Mease Hospital	91,916.3	1.65%
New Port Richey Hospital Inc.	85,576.7	2.14%
MI Metals	70,418.4	1.43%
Largo Medical Center	52,345.9	1.46%

The following table shows the breakdown of the System's customers by category as well as the volume of gas sold and the sales revenues generated by each category for the year ended September 30, 2023:

	Average No. Customers	Gas Volume	Gas Sales
Interruptible (including CNG Station)	20	28.67%	14.77%
Residential	28,318	20.04%	34.77%
Commercial (excluding CNG Station)	2,610	51.29%	50.46%

	Therms	Revenues
Interruptible (including CNG Station)	7,382,175.4	$ 5,731,197
Residential	5,158,862.8	13,494,384
Commercial (excluding CNG Station)	13,206,752.1	19,582,699
Totals	25,747,790.3	$ 38,808,280

City of Clearwater, Florida
Continuing Disclosure – Water and Sewer Revenue Refunding Bonds
Series 2017, 2017B and 2020

Historical Financial Information

Water System:

Source and Volume of Water Pumped

(in million gallons per day, averaged over the fiscal year)

FY	City Wells	County	Total
2019	6.9	4.3	11.2
2020	7.7	4.2	11.9
2021	6.7	5.0	11.7
2022	6.8	5.1	11.9
2023	7.3	4.8	12.1

Historical Growth in Number of Water Customers

(all figures are as of September of the year indicated)

FY	Potable Water Service Customers	Reclaimed Water Service Customers	Total Water Service Customers
2019	37,848	7,739	45,587
2020	37,951	7,809	45,760
2021	38,244	7,843	46,087
2022	38,320	7,883	46,203
2023	38,306	7,907	46,213

Ten Largest Water Customers
Fiscal Year Ending September 30, 2023

Name of User	Water Used (in 100 Cubic Feet)	Revenues Produced
1. CITY OF CLEARWATER	90,736	$ 1,500,712
2. CHURCH OF SCIENTOLOGY	147,938	1,298,256
3. MORTON PLANT HOSPITAL	108,900	1,184,721
4. INFINITY THE STANDARD	93,492	875,227
5. PINELLAS COUNTY SCHOOLS	37,546	519,919
6. THE SANDPEARL RESORT	48,727	389,176
7. PINELLAS COUNTY GOVERNMENT	14,643	310,148
8. JEMB POCONO LLC	30,140	307,565
9. THE GENESIS APARTMENT LLC	34,470	292,773
10. SPT WAH WELLINGTON, LLC	35,359	291,743
	641,951	$ 6,970,240

Reclaimed Water System:

Year	Average Daily Flow MGD
2019	5.7
2020	6.1
2021	5.5
2022	5.8
2023	5.6

City of Clearwater, Florida
Continuing Disclosure – Water and Sewer Revenue Refunding Bonds
Series 2017, 2017B and 2020

Sewer System:

Average Sewage Flow and Historical Growth in Number of Sewer Customers
(as of September of the year indicated)

Year	Flow in MGD	Sewer Customers
2019	12.8	34,183
2020	12.7	34,442
2021	12.2	34,654
2022	12.0	34,712
2023	12.6	34,724

Ten Largest Sewer Customers
Fiscal Year Ending September 30, 2023

Name of User	Sewer Used (in 100 Cubic Feet)	Revenues Produced
1. MORTON PLANT HOSPITAL	85,132	$ 1,037,321
2. CHURCH OF SCIENTOLOGY	111,540	1,021,591
3. CITY OF CLEARWATER	39,269	830,936
4. INFINITY THE STANDARD	93,492	828,695
5. PINELLAS COUNTY SCHOOLS	36,204	652,088
6. THE SANDPEARL RESORT	48,724	432,132
7. THE GENESIS APRTMENT LLC	34,470	327,440
8. PINELLAS COUNTY GOVERNMENT	8,871	318,253
9. JEMB POCONO LLC	30,137	315,340
10. SPT WAH WELLINGTON, LLC	35,356	313,925
	523,195	$ 6,077,721

Rates, Fees and Charges

The City uses a three-tiered rate structure for water and sewer usage. The base rate for water includes a minimum usage for residential and nonresidential water rates. Any usage over the minimum is billed at one rate per 1,000 gallons up to a designated level and at a second rate for usage over that level. For irrigation, there is a base rate, with no usage allowance, and a charge per 1,000 gallons of water usage up to a designated level and a higher charge for usage over that amount. The sewer base rate includes a minimum usage and a fixed charge per 1,000 gallons of water usage over the basic allowance. The minimum usage and second and third tier usage levels vary with the size of the meters. For fiscal year 2023 there were no changes to the three-tiered rate structure for water or sewer usage.

City of Clearwater, Florida
Continuing Disclosure – Water and Sewer Revenue Refunding Bonds
Series 2017, 2017B and 2020

Residential and Nonresidential Water Rates		October 1, 2019	October 1, 2020	October 1, 2021	October 1, 2022	October 1, 2023
	Size of Meter					
Minimum -	Under 1 inch	$ 23.16	$ 24.09	$ 25.05	$ 25.80	$ 26.58
	1 inch	54.04	56.21	58.45	60.20	62.02
	1.5 inch	772.00	803.00	835.00	860.00	886.00
	2 inch	1,798.76	1,870.99	1,945.55	2,003.80	2,064.38
	3 or 2 inch manifold	2,771.48	2,882.77	2,997.65	3,087.40	3,180.74
	4 inch	5,334.52	5,548.73	5,769.85	5,942.60	6,122.26
	6 inch	13,703.00	14,253.25	14,821.25	15,265.00	15,726.50
	8 inch	23,160.00	24,090.00	25,050.00	25,800.00	26,580.00

Additional charges are assessed for usage in excess of designated minimums.

Rates for Irrigation (Lawn) Meters		October 1, 2019	October 1, 2020	October 1, 2021	October 1, 2022	October 1, 2023
	Size of Meter					
Minimum -	Under 1 inch	$ 8.26	$ 8.59	$ 8.94	$ 9.21	$ 9.48
	1 inch	24.80	25.79	26.82	27.62	28.45
	1.5 inch	124.08	129.04	134.20	138.23	142.37
	2 inch	347.43	361.32	375.78	387.05	398.67
	3 or 2 inch manifold	686.56	714.02	742.58	764.86	787.80
	4 inch	1,323.50	1,376.44	1,431.50	1,474.45	1,518.68
	6 inch	3,995.32	4,155.13	4,321.34	4,450.98	4,584.51

Sewer Rates		October 1, 2019	October 1, 2020	October 1, 2021	October 1, 2022	October 1, 2023
	Size of Meter					
Minimum -	Under 1 inch	$ 31.89	$ 33.18	$ 34.50	$ 35.55	$ 36.60
	1 inch	74.41	77.42	80.50	82.95	85.40
	1.5 inch	1,063.00	1,106.00	1,150.00	1,185.00	1,220.00
	2 inch	2,476.79	2,576.98	2,679.50	2,761.05	2,842.60
	3 or 2 inch manifold	3,816.17	3,970.54	4,128.50	4,254.15	4,379.80
	4 inch	7,345.33	7,642.46	7,946.50	8,188.35	8,430.20
	6 inch	18,868.25	19,631.50	20,412.50	21,033.75	21,655.00
	8 inch	31,890.00	33,180.00	34,500.00	35,550.00	36,600.00
Per 1,000 gallons of water used over the allowed minimum		10.63	11.06	11.50	11.85	12.20

Additional Indebtedness

No additional indebtedness was incurred for capital improvements to the water and sewer systems, or for the financed purchase of capital equipment.

City of Clearwater, Florida
Continuing Disclosure – Stormwater System Revenue Refunding Bonds
Series 2012

Rates, Fees, and Charges

The City uses a measurement of one equivalent residential unit or ERU as the basis for the stormwater management utility fee. The rates per ERU from the inception of the utility are as follows:

Effective Date	Rate per ERU	Effective Date	Rate per ERU
January 1, 1991	$3.00	October 1, 2010	$12.51
October 1, 1998	4.00	October 1, 2011	13.04
October 1, 1999	4.17	October 1, 2012	13.40
October 1, 2000	4.35	October 1, 2013	13.77
October 1, 2001	4.54	October 1, 2014	14.15
January 1, 2002	6.13	October 1, 2015	14.33
October 1, 2002	7.16	October 1, 2016	14.51
October 1, 2003	8.01	October 1, 2017	14.58
October 1, 2004	8.65	October 1, 2018	14.65
October 1, 2005	9.35	October 1, 2019	13.40
October 1, 2006	9.71	October 1, 2020	13.40
October 1, 2007	10.51	October 1, 2021	13.40
October 1, 2008	11.14	October 1, 2022	13.64
October 1, 2009	11.80	October 1, 2023	13.87

Single-family homes, multifamily units, condominium units, apartments and mobile homes are rated as one ERU per dwelling unit. Nonresidential property is charged at the rate of 1,830 square feet of impervious area per ERU.

HISTORICAL NET REVENUES

	2019	2020	2021	2022	2023
Net Operating Revenues (Excluding Depreciation)	$ 11,721,958	$ 9,090,521	$ 8,669,978	$ 10,056,468	$ 9,466,692
Interest Income and other Non-operating Revenues (Expenses)	1,786,699	804,165	(164,421)	(3,753,234)	1,127,274
Total Net Revenues	$ 13,508,657	$ 9,894,686	$ 8,505,557	$ 6,303,234	$ 10,593,966
Maximum Annual Debt Service	$ 2,568,762	$ 2,175,028	$ 2,175,028	$ 1,375,312	$ 1,375,312
Coverage	5.26	4.55	3.91	4.58	7.70

City of Clearwater, Florida
Continuing Disclosure - Non-Ad Valorem Revenue Bonds, Series 2022

Historical Non-Ad Valorem Revenues

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Taxes					
Electric Utility Taxes (Public Service Tax)	$ 11,895,320	$ 12,423,810	$ 12,712,884	$ 13,177,949	$ 14,206,888
Water Utility Taxes (Public Service Tax)	3,754,315	4,000,713	4,246,078	4,497,067	4,678,161
Gas/Propane Utility Taxes (Public Service Tax)	799,213	741,067	786,621	792,079	782,045
Communications Services Taxes	4,370,997	4,368,536	4,174,817	4,190,145	4,558,837
Local Business Tax	2,077,054	2,027,827	2,127,380	2,066,475	2,082,520
Local Option Gas Tax [1]	1,526,214	1,381,690	1,438,852	1,460,864	1,483,005
Intergovernmental Revenues					
Infrastructure Sales Surtax[2]	12,277,473	12,087,548	14,296,517	16,585,888	16,875,895
Half-Cent Sales Tax	7,561,298	7,223,098	8,545,241	9,581,538	10,000,390
State Revenue Sharing	3,968,913	3,694,083	4,274,388	5,339,006	5,583,615
County Fire Protection Tax[3]	2,204,826	1,982,071	2,347,737	2,485,600	2,457,962
County EMS Tax[4]	5,466,073	6,385,390	6,920,226	6,549,680	7,011,751
Other Intergovernmental[5]	2,008,240	1,999,853	2,059,830	2,361,645	2,532,401
Permits and Fees					
Electric Franchise Fees	9,994,490	9,723,086	9,792,097	10,165,857	12,707,196
Gas Franchise Fees	648,251	588,685	563,190	621,152	619,290
Other Licenses and Permits	3,995,469	4,439,432	5,264,834	6,418,933	4,483,295
Charges for Services					
General Governmental	9,911,353	10,130,574	10,658,514	10,090,583	11,562,558
Public Safety	431,472	477,087	545,259	554,372	322,714
Physical Environment	59,738	25,157	45,825	36,930	37,016
Transportation	160,537	93,970	169,080	65,196	66,172
Culture and Recreation	5,532,353	3,508,054	4,241,205	5,600,062	5,822,324
Other					
Enterprise Fund Transfers[6]	10,902,995	11,877,105	11,471,726	10,163,054	11,094,546
Rents and Leases	2,045,244	1,721,918	2,048,323	2,538,288	3,098,309
Fines and Forfeitures	1,881,613	1,479,026	1,688,182	1,607,344	1,426,817
Miscellaneous	4,538,757	2,174,890	604,175	(8,618,050) [8]	4,804,870
Total Sources of Non-Ad Valorem Revenues[7]	$ 108,012,207	$ 104,554,669	$ 111,022,981	$ 108,331,657	$ 128,298,577

Source: City of Clearwater, Florida

(1) Revenues derived from the Local Option Gas Tax may only be used for transportation operations and maintenance. As such, local option gas tax funds are not available to pay debt service on the Series 2022 Bonds.

(2) A portion of Infrastructure Sales Surtax funds are restricted legally or by City Council policy to be used for specific capital improvement projects, and thus may only be used with respect to certain capital projects after a special public hearing is held. Thus, a special public hearing would be required for the City's Infrastructure Sales Surtax Revenues to be available to pay debt service on the Series 2022 Bonds. The current Infrastructure Sales Surtax will expire on December 31, 2029, which is prior to the expiration of the Series 2022 Bonds.

(3) The County Fire Protection Tax funds are revenues from the County that are reimbursed to the City for provision of fire services to the unincorporated areas within the designated Clearwater Fire District. County Fire Protection Tax funds are restricted legally for such purposes and may not be used to pay debt service on the Series 2022 Bonds.

(4) The County Emergency Medical Services ("EMS") Tax funds are revenues from the County that are reimbursed to the City for provision of EMS services to the unincorporated areas within the designated Clearwater Fire District. County EMS Tax funds are restricted legally for such purposes and may not be used to pay debt service on the Series 2022 Bonds.

(5) Other Intergovernmental Revenues are derived from a number of sources including Florida Department of Transportation reimbursements for traffic signals and street lighting, mobile home licenses, alcoholic beverage licenses, firefighters' supplemental compensation, rebates on municipal vehicle fuel, the Pinellas Library Cooperative, County traffic signal reimbursements, and other reimbursements from the County for the use of Fire and EMS vehicles in the Clearwater Fire District.

(6) The Enterprise Fund Transfers revenue include the total amount of transfers from each enterprise fund (with the exception of the Gas Fund) to the General Fund calculated at 5.5% of gross revenues in the prior fiscal year; the annual dividend transferred from the Gas Fund to the General Fund; and net parking fine revenues transferred from the Parking enterprise fund to the General Fund.

(7) May not add due to rounding.

(8) Negative miscellaneous revenues for fiscal year 2022 are due to a significant unrealized investment loss at 9/30/2022 due to a significant increase in interest rates.

Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting, in thousands of dollars)

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenues					
Total Governmental Funds:					
Property taxes	$ 64,050	$ 68,522	$ 73,096	$ 76,856	$ 86,167
Sales taxes	12,278	12,087	14,296	16,586	16,876
Utility taxes	16,449	17,166	17,746	18,467	19,667
Communications services taxes	4,371	4,368	4,175	3,824	4,559
Other taxes	3,603	3,409	3,566	3,527	3,566
Franchise fees	10,643	10,312	10,355	10,787	13,326
Licenses, permits, and fees	3,995	4,439	5,265	6,419	4,483
Intergovernmental revenues	34,770	29,730	36,442	56,637	39,846
Charges for services	17,719	15,461	17,106	18,265	19,815
Fines and forfeitures	2,605	2,321	2,308	2,387	1,938
Investment earnings	5,292	2,963	(387) (1)	(18,025) (1)	7,359
Miscellaneous	4,289	3,592	3,185	4,034	6,136
Total Revenues	180,064	174,370	187,153	199,764	223,738
Expenditures					
Total Governmental Funds:					
Current:					
General government	17,521	12,648	13,248	14,514	19,743
Public safety	74,164	78,002	81,172	87,269	94,959
Physical environment	3,488	3,938	3,644	4,003	1,804
Transportation	9,956	8,453	8,427	14,019	14,800
Economic environment	4,831	6,602	4,711	4,758	6,329
Human services	594	634	595	728	2,125
Culture and recreation	40,080	34,971	35,218	38,899	42,102
Debt service:					
Principal	1,486	1,508	1,617	1,347	1,287
Interest and issuance costs	348	308	260	704	1,187
Capital outlay:	12,068	15,916	19,029	51,822 (2)	49,445 (2)
Total Expenditures	164,536	162,980	167,921	218,063	233,781
Excess (deficiency) of revenues over (under) expenditures	15,528	11,390	19,232	(18,299)	(10,043)
Other Financing Sources (Uses)					
Total Governmental Funds:					
Transfers in	45,697	47,307	45,071	103,139	70,324
Transfers out	(40,396)	(42,979)	(40,354)	(102,302)	(75,586)
Proceeds from sale of capital assets	1,545	1,746	537	634	211
Proceeds from lease obligations	-	-	-	755	1,541
Proceeds from subscription obligations	-	-	-	-	330
Other long term debt issued	-	964	-	31,226 (3)	-
Total other financing sources (uses)	6,846	7,038	5,254	33,452	(3,180)
Net Change in Fund Balances	22,374	18,428	24,486	15,153	(13,223)
Debt service as a percentage of noncapital expenditures	1.2%	1.2%	1.3%	1.2%	1.3%

Source: City of Clearwater, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2023.

(1) The decreases in 2021 and 2022 investment earnings was primarily due to unrealized losses in market value at September 30, 2021 and September 30, 2022, caused by increases in interest rates.

(2) The increased level of capital outlay expenditures in 2022 and 2023 was primarily due to expenditures for the Imagine Clearwater waterfront park and amphitheater project.

(3) The large increase in other long term debt issued for fiscal year 2022 was due to issuance of the Series 2022 Non-ad Valorem revenue bonds.

City of Clearwater, Florida
Fire Services Program

Pursuant to agreements between the City of Clearwater, the Pinellas County Fire Authority and the Pinellas County Emergency Medical Services Authority, the City has provided fire and emergency medical services to the respective authorities. With respect to fire services, the services are provided for the benefit of properties located outside the corporate limits of the City, but within a designated service area. Emergency medical services are provided for the benefit of persons residing both inside and outside the corporate limits of the City, based on the Authority's nearest unit dispatch policy.

With respect to the Fire Services Program, a budget was prepared by Fire Department personnel covering proposed expenditures for fiscal year ending September 30, 2023, for the Fire Department as a whole. Since the funding for the Emergency Medical Services Program is based on the level fixed in prior years, the Fire Services Program budget is essentially the residual obtained by deducting the approved level of funding for the Emergency Medical Services Program from the budgeted amounts included in the total Fire Department budget. This budget was submitted to, and duly approved by, the relevant Authority prior to the commencement of the fiscal year. Income received from Pinellas County Fire Protection Authority and valid program expenditures for the Fire Services Program for the fiscal year ended September 30, 2023 are summarized below.

Total Revenue Received from Pinellas County Fire Protection Authority	$	2,457,962
Total Fire Service Expenditures for Fiscal Year Ended September 30, 2023	$	2,834,707

The Fire Service Program does not currently utilize an equipment reserve.

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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*

To the Honorable Mayor and City Council Members
City of Clearwater, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Clearwater, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 1, 2024. We have also audited the financial statements of each of the City's nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund statements as of and for the year ended September 30, 2023, as listed in the table of contents.

Report on Internal Control over Financial Reporting

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

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

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

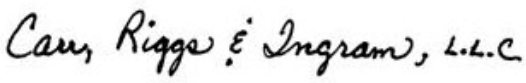
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
April 1, 2024

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MANAGEMENT LETTER

To the Honorable Mayor and City Council Members
City of Clearwater, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Clearwater, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 1, 2024.

Auditor's 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 Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's 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*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 1, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Financial Condition and Management

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

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

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
April 1, 2024

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor and City Council Members
City of Clearwater, Florida

We have examined the City of Clearwater, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the City's compliance with the requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether 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.

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

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
April 1, 2024

CITY OF CLEARWATER, FLORIDA

Schedules of Expenditures of Federal Awards and State Financial Assistance and Reports as Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

September 30, 2023

(With Independent Auditor's Report Thereon)

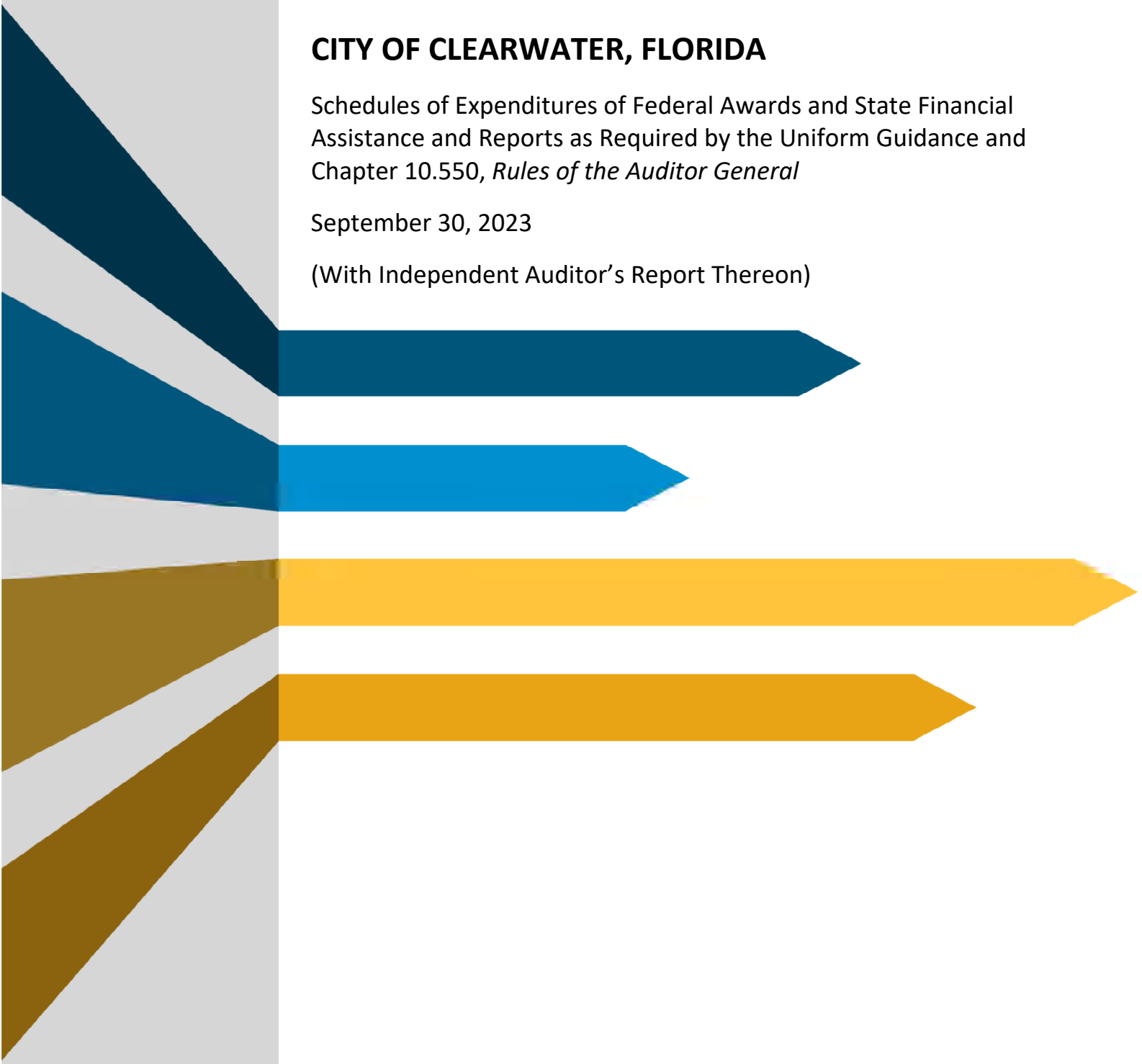


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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Council Members
City of Clearwater, 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 Clearwater, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 1, 2024. We have also audited the financial statements of each of the City's nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds as of and for the year ended September 30, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Clearwater, Florida'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 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.

Clearwater, Florida
April 1, 2024

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

To the Honorable Mayor and City Council Members
City of Clearwater, Florida

Report on Compliance for Each Major Federal Program and Each Major State Project

Qualified and Unmodified Opinions

We have audited the City of Clearwater, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements identified as subject to audit in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and major state projects for the year ended September 30, 2023. The City's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on ALN 14.218 Community Development Block Grants / Entitlement Grants

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City of Clearwater, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on ALN 14.218 Community Development Block Grants / Entitlement Grants for the year ended September 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs and Major State Projects

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs and state projects identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2023.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General, *Florida Single Audit Act Audits – Local Governmental Entity Audits*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified

opinions on compliance for each major federal program and state project. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on ALN 14.218 Community Development Block Grants / Entitlement Grants

As described in the accompanying schedule of findings and questioned costs, the City of Clearwater, Florida did not comply with requirements regarding ALN 14.218 Community Development Block Grants / Entitlement Grants as described in finding number 2023-001 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the City of Clearwater, Florida to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City of Clearwater, Florida's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Clearwater, Florida's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City of Clearwater, Florida's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Clearwater, Florida's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clearwater, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 1, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rule of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Clearwater, Florida
June 27, 2024

City of Clearwater, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2023

Federal Grantor / Pass-through Grantor / Program Title	Assistance Listing Number ALN	Grant I.D. Number	Federal Share of Expenditures	Transfers to Subrecipients
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development:				
Community Development Block Grant - Entitlement - 2018	14.218	B-18-MC-12-0002	$ 7,630	$ 7,205
Community Development Block Grant - Entitlement - 2019	14.218	B-19-MC-12-0002	52,678	52,393
COVID 19 - Community Development Block Grant - Entitlement - 2020	14.218	B-20-MW-12-0002	479,829	443,794
Community Development Block Grant - Entitlement - 2020	14.218	B-20-MC-12-0002	211,935	216,362
Community Development Block Grant - Entitlement - 2021	14.218	B-21-MC-12-0002	516,765	329,521
Community Development Block Grant - Entitlement - 2023	14.218	B-22-MC-12-0002	140,300	78,012
Community Development Block Grant - Entitlement - 2020	14.218	Program Income	31,500	31,500
Community Development Block Grant - Entitlement - 2023	14.218	Program Income	14,274	14,274
Community Development Block Grant - Entitlement - 2023	14.218	Program Income	48,796	-
Total Community Development Block Grants/Entitlement Grants Cluster			**1,503,707**	**1,173,061**
Community Project Funding - Imagine Clearwater	14.251	B-22-CP-FL-0236	1,493,242	-
Total Community Project Funding - Imagine Clearwater			**1,493,242**	**-**
Home Investment Partnerships Program	14.239	M-15-MC-12-0230	163,348	-
Home Investment Partnerships Program	14.239	M-16-MC-12-0230	1,877	-
Home Investment Partnerships Program	14.239	M-17-MC-12-0230	488,986	-
Home Investment Partnerships Program	14.239	M-19-MC-12-0230	37,380	-
Home Investment Partnerships Program	14.239	M-20-MC-12-0230	12,141	-
Home Investment Partnerships Program	14.239	M-21-MC-12-0230	2,614	-
Home Investment Partnerships Program	14.239	M-22-MC-12-0230	44,036	-
Home Investment Partnerships Program	14.239	M-21-MP-12-0230	14,488	-
Home Investment Partnerships Program	14.239	Program Income	601,164	-
Total Home Investment Partnerships Program			**1,366,034**	**-**
Total U.S. Department of Housing and Urban Development			**4,362,983**	**1,173,061**
U.S. Department of Justice:				
Congressionally Recommended Awards	16.753	15PBJA-22-GG-00216-BRND	144,000	-
Equitable Sharing Program	16.922	FL0520300	100,000	-
Total U.S. Department of Justice			**244,000**	**-**
U.S. Department of Transportation:				
Passed through Florida Dept of Transportation:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	G2A92	21,836	-
Total U.S. Department of Transportation:			**21,836**	**-**
U.S Department of Treasury				
Passed through Florida Department of Law Enforcement				
Equitable Sharing Program	21.016	FL0520300	21,019	-
Total U.S. Department of Treasury			**21,019**	**-**
U.S. Department of Homeland Securities				
Passed through the Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Hurricane Irma	269,926	-
Total U.S. Dept of Homeland Security			**269,926**	**-**
U.S. Environmental Protection Agency				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.818	02D09421	42,886	-
Total U.S. Environmental Protection Agency			**42,886**	**-**
Total Expenditures of Federal Awards			**$ 4,962,650**	**$ 1,173,061**

City of Clearwater, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2023

State Grantor / Pass-through Grantor / Program Title	CSFA Number	Grant I.D. Number	State Share of Expenditures	Transfers to Subrecipients
STATE FINANCIAL ASSISTANCE				
Florida Housing Finance Corporation:				
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	$ 1,199,718	$ 27,250
Total Florida Housing Finance Corporation			**1,199,718**	**27,250**
Florida Department of Transportation:				
Aviation Grant Program (Security System Upgrade)	55.004	FPN: 438512-1-94-01 Contract Number: G1K66	4,052	-
Aviation Grant Program (Golf Cart Purchase)	55.004	FPN: 452809-1-94-01 Contract Number G2H99	11,752	-
Total Florida Department of Transportation			**15,804**	**-**
Florida Department of Economic Opportunity:				
Economic Development Partnerships	40.040	N/A	500,004	-
Total Florida Department of Economic Opportunity			**500,004**	**-**
Florida Department of Environmental Protection				
Statewide Water Quality Restoration Projects	37.039	LPA0265	1,296,722	
Total Florida Department of Environmental Protection:			**1,296,722**	**-**
Florida Department of Law Enforcement				
Assist with Investigative Operations (ESST)	71.010	Z4011	2,099	-
FDLE Drone Replacement Program	71.092	3X026	20,415	-
Total Florida Department of Law Enforcement:			**22,514**	**-**
Total Expenditures of State Financial Assistance			**$ 3,034,762**	**$ 27,250**
Total Expenditures of Federal Awards and State Financial Assistance			**$ 7,997,412**	**$ 1,200,311**

NOTE 1 – Basis of Presentation

(a) Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects ("Schedule") presents the activity of all federal financial and state grant activity projects of the City of Clearwater, Florida (the "City"). Federal and state financial assistance received directly from federal and state agencies, and federal financial assistance passed through other governmental agencies are included on the schedules. The information in this schedule is presented in accordance with the 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.

(b) Disaster Grants – Public Assistance (Presidentially Declared Disaster) (97.036)

After a Presidentially Declared Disaster, the Federal Emergency Management Agency (FEMA) provides a Public Assistance Grant to reimburse eligible costs associated with emergency response, debris removal, and eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities. The Federal Government reimburses in the form of cost-shared grants.

During fiscal 2023, FEMA approved $269,926 of eligible expenditures that were incurred in prior years and included in the Schedule.

NOTE 2 – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects is presented using the modified accrual or accrual basis of accounting, depending on the type of fund in which the grant is recorded, as described in Note I.C. to the City's basic financial statements.

NOTE 3 – ALN/CSFA Numbers

ALN numbers represent Assistance Listing Numbers and apply only to federal awards. CSFA numbers represent Catalog of State Financial Assistance and apply only to state financial assistance.

NOTE 4 – Subrecipients

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

Program Title	Federal ALN/ State CFSA	Amount Provided To Subrecipients
U.S. HUD Community Development Block Grant	14.218	$1,173,061
State Housing Initiative Partnership Program (SHIP)	40.901	$ 27,250

NOTE 5 – Loans Outstanding

The current year additions related to the loans are included in the Schedule of Expenditures of Federal Awards and State Financial Assistance Projects. The City had the following loan balances outstanding, net of $11,702,067 allowance for uncollectable accounts, at September 30, 2023:

14.218	Community Development Block Grant	$ 1,800,144
14.239	Home Investment Partnership Program	1,975,868
40.901	State Housing Initiative Partnership	2,291,464
		$ 6,067,476

NOTE 6 – Indirect Cost Rate

The City did not utilize the 10% de minimis indirect cost rates for reimbursement of grant expenditures for the fiscal year ended September 30, 2023.

Part I – Summary of Auditor's Results

Financial Statements:

1.	Type of Auditor's report issued	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified not considered to be material weaknesses?	None noted
	c. Noncompliance material to the financial statements noted?	No

Federal Awards:

1.	Type of Auditor's report issued on compliance for major programs	
		ALN 14.218 – Qualified
		All other major federal programs - Unmodified
2.	Internal control over major programs:	
	a. Material weaknesses identified?	Yes
	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)?	Yes
4.	Identification of major programs:	

Federal Awards	ALN
Community Development Block Grants / Entitlement Grants Cluster	14.218
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251
Home Investment Partnership Program (HOME)	14.239

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

State Awards:

1.	Type of Auditor's report issued on compliance for major programs:	Unmodified
2.	Internal control over major programs:	
	a. Material weaknesses identified?	No
	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 Rule 10.554(1)(l)(4)?	No
4.	Identification of major projects:	

State Projects	CSFA
State Housing Initiative Partnership	40.901
Statewide Water Quality Restoration Projects	37.039

7.	Dollar threshold used to distinguish between type A and type B programs:	$750,000

Part II – Financial Statement Findings

None

Part III – Findings and Questioned Costs – Federal Programs

Material Weakness
Finding Number: 2023-001

ALN 14.218:

Federal Program: Community Development Block Grants / Entitlement Grants Cluster
Passed through: N/A
Contract Number and Year: Program Year 2023
Compliance Requirement: Reporting
Questioned Costs: N/A

Criteria: 2 CFR section 200.303 – Internal Controls of the Uniform Guidance states that the non-federal entity must (a) establish and maintain effective internal controls over federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in "Standards in Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)".

2 CFR Part 170 requires non-federal entities making first-tier subawards of federal funding to comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (FFATA) (Public Law 109-282), as amended by section 6202 of Public Law 110-252. Compliance with FFATA requires prime recipients, to report certain information about subawards to the FFATA Subaward Reporting System (FSRS) by the end of the month, plus 30 days, in which the award is made.

Condition: The City did not report required information about subawards made under Assistance Listing No. 14.218 to the FSRS as required by FFATA within the timeline required.

Population of subawards subject to FFATA reporting: 3 subawards, $263,960
Subawards not reported: 3 subawards, $263,960
Report not timely: 3 subawards, $263,960
Sub award amount incorrect: 3 subawards, $263,960
Subaward missing key elements: 3 subawards, $263,960

Cause/Effect: The City did not have internal controls in place to ensure accurate and timely subaward information is reported to the FSRS.

Auditor's Recommendation: We recommend that the City have policies in place to ensure information is reported to the FSRS as required by FFATA.

Response: See Corrective Action Plan Letter

Part IV – Findings and Questioned Costs – State Projects

None

CITY OF CLEARWATER
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April 26, 2024

Corrective Action Plan for the City of Clearwater, Florida for Fiscal Year 2023

The Corrective Action Plan, indicating the parties responsible for implementation, is presented as follows:

Finding Number: 2023-001 – Material Weakness

Corrective Action Plan: Management will document a procedure by which Economic Development & Housing Department staff will execute the reporting requirement, to be reviewed and verified by the Assistant Director.

Responsible Party: Chuck Lane, Assistant Director, Economic Development & Housing Department

Anticipated Date of Completion: June 1, 2024

Jay Ravins
Finance Director

Bruce Rector, Mayor
Ryan Cotton, Councilmember
Mike Mannino, Councilmember
David Allbritton, Councilmember
Lina Teixeira, Councilmember
"Equal Employment and Affirmative Action Employer"

Significant Deficiency
Finding Number: 2022-001
Financial Reporting

Condition: The carrying amount of liabilities for estimated unpaid claims was overstated in the financial statements.

Recommendation: The City should review accounting policies and processes to ensure transactions are recorded in accordance with generally accepted accounting principles.

Current Status: This finding is fully corrected.