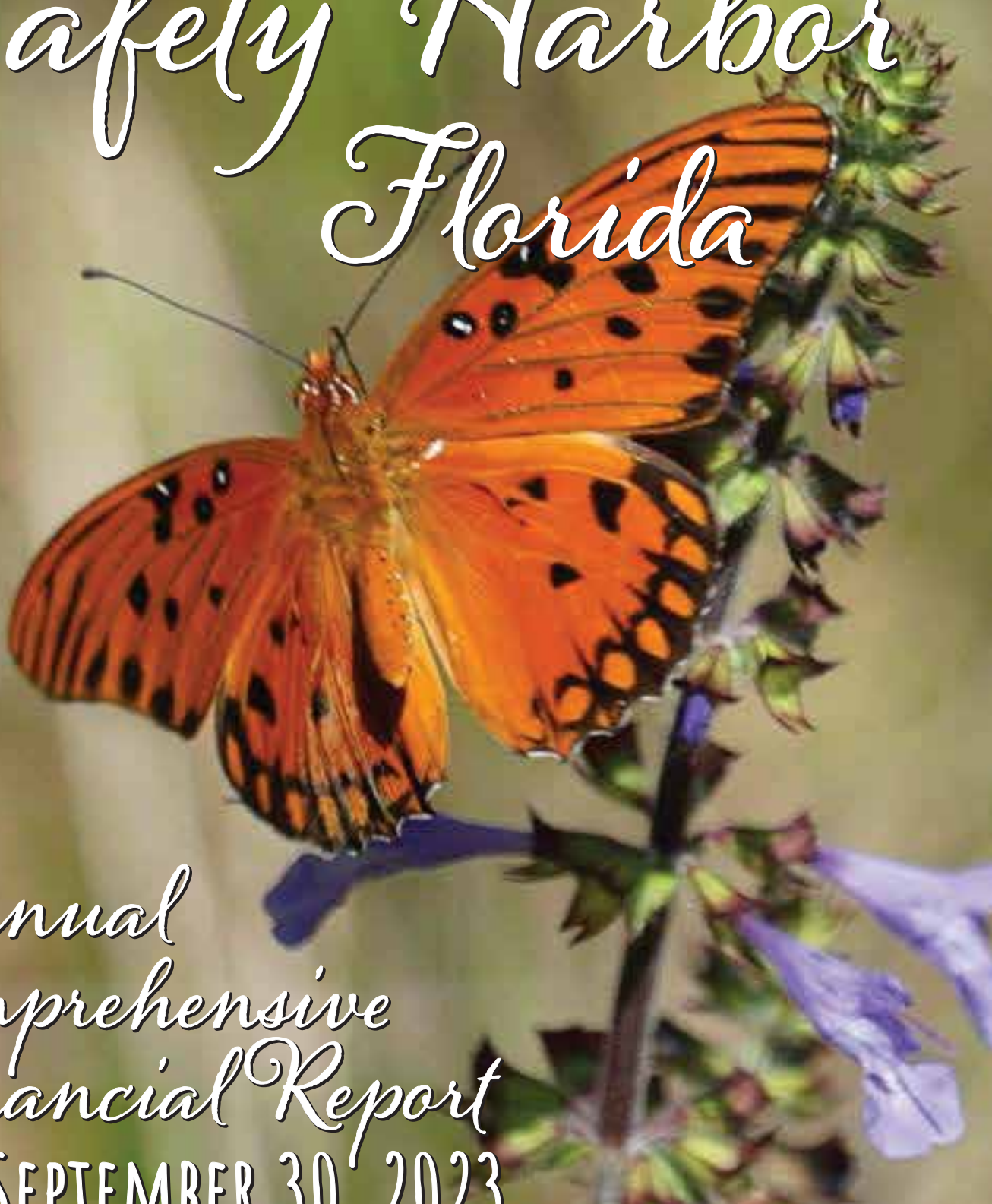


City of Safety Harbor Florida

A monarch butterfly with vibrant orange wings and black markings is perched on a purple flower. The background is a soft, out-of-focus green, suggesting a natural outdoor setting.

Annual
Comprehensive
Financial Report
FYE SEPTEMBER 30, 2023

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City of Safety Harbor, Florida

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2023



Prepared by:
Finance Department

Victoria Gilley
Finance Director

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CITY OF SAFETY HARBOR, FLORIDA

September 30, 2023

CITY COMMISSION

Joe Ayoub, Mayor
Nancy Besore, Vice Mayor
Cliff Merz
Andy Steingold
Carlos Diaz

CITY ADMINISTRATION

City Manager
Matthew Spoor

City Clerk
Rachael Telesca

City Attorney
Isabella Sobel

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CITY OF SAFETY HARBOR, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
SEPTEMBER 30, 2023

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INTRODUCTORY SECTION

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City of Safety Harbor Florida

HOME OF ESPIRITU SANTO MINERAL SPRINGS

750 Main Street ‡ Safety Harbor, Florida 34695 ‡ (727) 724-1555
FAX 724-1566

To the Honorable Mayor, Vice Mayor, Commissioners, and Citizens of the City of Safety Harbor:

The Comprehensive Annual Financial Report of the City of Safety Harbor, Florida for the fiscal year ended September 30, 2023, is hereby submitted in accordance with Florida Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida.

This report has been compiled and prepared by the City's Finance Department. 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 City'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 (Generally Accepted Accounting Principles). 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.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Safety Harbor's financial statements for the year ended September 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Safety Harbor (the "City"), incorporated on June 11, 1917, is located in the Tampa Bay area and is primarily a bedroom community with a limited amount of supporting commercial and industrial uses. The City is located halfway between the Tampa International Airport and Pinellas County Beaches; making it perfect for homeowners who travel often but want to share in the beauty of what Pinellas County has to offer. It currently occupies approximately 5 square miles and serves a population of approximately 17,040. The City of Safety Harbor is empowered to levy a property tax on real property located within its boundaries. The City is also empowered by State Statute to extend its corporate limits by annexation, which it has done from time to time.

The City operates under the Commission-Manager form of government. The City Commission is comprised of the Mayor and four Commissioners and is responsible for enacting ordinances, resolutions, and regulations governing the City as well as appointing members to various statutory and advisory boards, the City Manager, and the City Attorney. As chief administrative officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the City's department heads.

The City provides a full range of municipal services normally associated with a municipality including fire protection, street construction and maintenance, planning, zoning and redevelopment, recreation and parks, library services, storm water management and general administrative services. Law enforcement service is provided via an annual contract with the Pinellas County Sheriff's Office. In addition, water, wastewater, solid waste, and stormwater services are provided under an enterprise fund concept with user charges set by the City Commission to ensure adequate coverage of operating expenses and payment of outstanding debt.

Local Economy

The City continues to take a guarded financial approach and monitors accounts very closely. The City budgets conservatively and in the current fiscal year has managed accordingly given the impact of a 11.6 percent increase in the City's property tax base and an unemployment rate for the local metropolitan area of 4.1 percent. Safety Harbor's advantage is the fact that the City has continued to experience an extremely sound fiscal condition, and as a result has been able to continue with planned expenditures given the impact of unknowns due to the COVID pandemic.

Long-Term Financial Planning

Funding for operations and capital projects is derived from various sources, including user fees, state shared revenue, local option gas tax, Penny for Pinellas 1% sales tax, grants and contributions from state and local governments and investment returns. As sources decline or are no longer available over the next five years, the City cautiously prioritizes critical capital improvements considering the projects that are matched by grant funds and/or a dedicated funding source.

Relative to operations and economic conditions, in Fiscal Year 2023/2024, the City budgeted for a 7.9 percent increase in property taxable value and maintained the millage rate at 3.95 increasing budgeted ad valorem by \$567,640, consistent with City Commission's goal to maintain a low millage rate. Budgeted use of General Fund reserves reflected \$9,182,765 use of reserves. Citywide budgeted revenues, excluding transfers and debt proceeds, were assumed to increase by \$9,499,270 or 1.17% percent more than the prior years estimated year-end budget with budgeted appropriations excluding transfers decreasing by \$9,660,030 or 15.59 percent. On March 11, 2021, the American Rescue Plan Act was signed into law and established the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program.

The City experienced challenges in planning for FY 2023/2024 budget estimates due to the ongoing recovery from COVID. Funding allocated to the City from the American Rescue Plan Act in the previous year totaled \$9,023,379. The City received the first distribution of funding from the American Rescue Plan Act in the amount of \$4,511,689 in FY2021. The remaining balance of \$4,511,690 was received in FY2022. The revenue replacement funding allowed the City to recover quickly from the COVID pandemic and after a successful year of resuming public services in FY 2022/2023, the budget for 2023/2024 assumed continued growth of services and infrastructure.

Relevant Financial Policies

By resolution of the City Commission, the City must maintain a General Fund minimum reserve of seventeen (17) percent of General Fund expenditures of the prior years audited financial statements. Additionally, the resolution states that twenty (20) percent of General Fund operating expenditures, based on the current year's adopted budget, be committed for the specific purpose for use in the event of a major storm or other unforeseen disaster of a nonrecurring character, including environmental damage, flood, fire or tornado; provided that if federal or state funds are received to offset appropriations for such purposes, such monies shall be returned to the Stabilization Arrangement. If needed, replenishment of the stabilization arrangement will be from Unassigned Fund Balance over a period of five (5) years.

The City utilizes the modified accrual basis of accounting for all governmental fund types. Under this modified accrual basis, expenditures are generally recognized when the related liability is incurred. Revenues are recognized in the accounting period when they become measurable and available.

Accounting records for the City's proprietary funds, water, wastewater, solid waste, and stormwater, are maintained on an accrual basis with revenues being recognized when earned and expenses recognized when incurred.

Budgetary control is maintained at the departmental level. All purchase orders are compared to available line-item control accounts and if necessary, budgetary adjustments are made prior to issuing purchase orders. The City Manager is authorized to transfer any unencumbered appropriated balance or portion thereof between specific classifications of expenditures within a department. By Resolution, the City Commission may authorize the transfer of any unencumbered appropriated balance or portion thereof from one fund, office, or department to another.

Major initiatives

In preparing the Fiscal Year 2023/2024 Budget, the City identified several major programs and projects to continue to maintain the City's position of excellent service provision, financial performance, and quality of operational facilities. The Five-year Capital Improvements Plan (CIP) for FY 2023/2024 to FY 2027/2028 is \$46.1 million, of which \$12.9 million is appropriated in FY 2023/2024. Proprietary fund infrastructure projects make up 6.2 percent of the \$46.1 million five-year budgets.

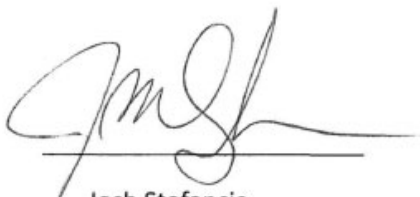
The City remains active with construction projects in water and wastewater main replacements. Capital project improvements are programmed in recreation, parks, library (construction), fire, building maintenance and streets. Design for construction of the second-floor library addition is underway in FY 2023 and planned to begin in FY 2024. The second story will provide additional community meeting space and relocate first floor services, opening needed space for library programs and meeting rooms on the first floor.

In fiscal year 2022, the City Commission identified “Quality of Life” and main priority goals for economic and development activities over the next few years to include the continued promotion of the competitive advantages of living, working and doing business in Safety Harbor; service development to include parks improvement programs; capital improvement projects and funding to include opportunities to purchase and develop properties downtown; budget development to include implementation of a rate study to assess the long-term sustainability of the City’s water, sewer, and stormwater proprietary funds, increases in sanitation rates effective October 1, 2021 and identifying capital projects and additional uses Penny For Pinellas and CRA funding. Additional goals identified by City Commission include the transition to Pinellas County for Building Review Services, Bishop and Mullet Creek Erosion Control Study, Downtown Master Plan- CRA extension, Recycling and Contamination review/study, Rigsby Recreation Center Improvements, Folly Farm Barn Improvements, and Safety Harbor City Park Playground Surface Replacement. These goals continued into fiscal year 2023, with additional goal setting planned in fiscal year 2024.

This preparation and submission of this report is due to the dedicated services of the Finance Department staff. We would like to express our sincere appreciation to all members of the department who contributed to the year-end close out process and document preparation. We would also like to express our appreciation to City departmental staff who provided a significant contribution by ensuring the accuracy and integrity of accounting information compiled and submitted throughout the entire year. Our sincerest appreciation is expressed for the City Commission’s continued support and interest in the planning and conducting of the City’s financial operations in a responsible manner.

We extend our gratitude to the Audit Committee for their continued support and high level of professionalism, and CliftonLarsonAllen LLP for their professionalism and expertise.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Stefancic", written over a horizontal line.

Josh Stefancic
City Manager

A handwritten signature in blue ink, appearing to read "Victoria Gilley", written over a horizontal line.

Victoria Gilley
Finance Director

CITY OF SAFETY HARBOR



LIST OF PRINCIPAL OFFICIALS

September 30, 2023

CITY COMMISSION

Joe Ayoub, Mayor
Nancy Besore, Vice Mayor
Cliff Merz
Andy Steingold
Carlos Diaz

City Manager
Matthew Spoor

City Clerk
Rachael Telesca

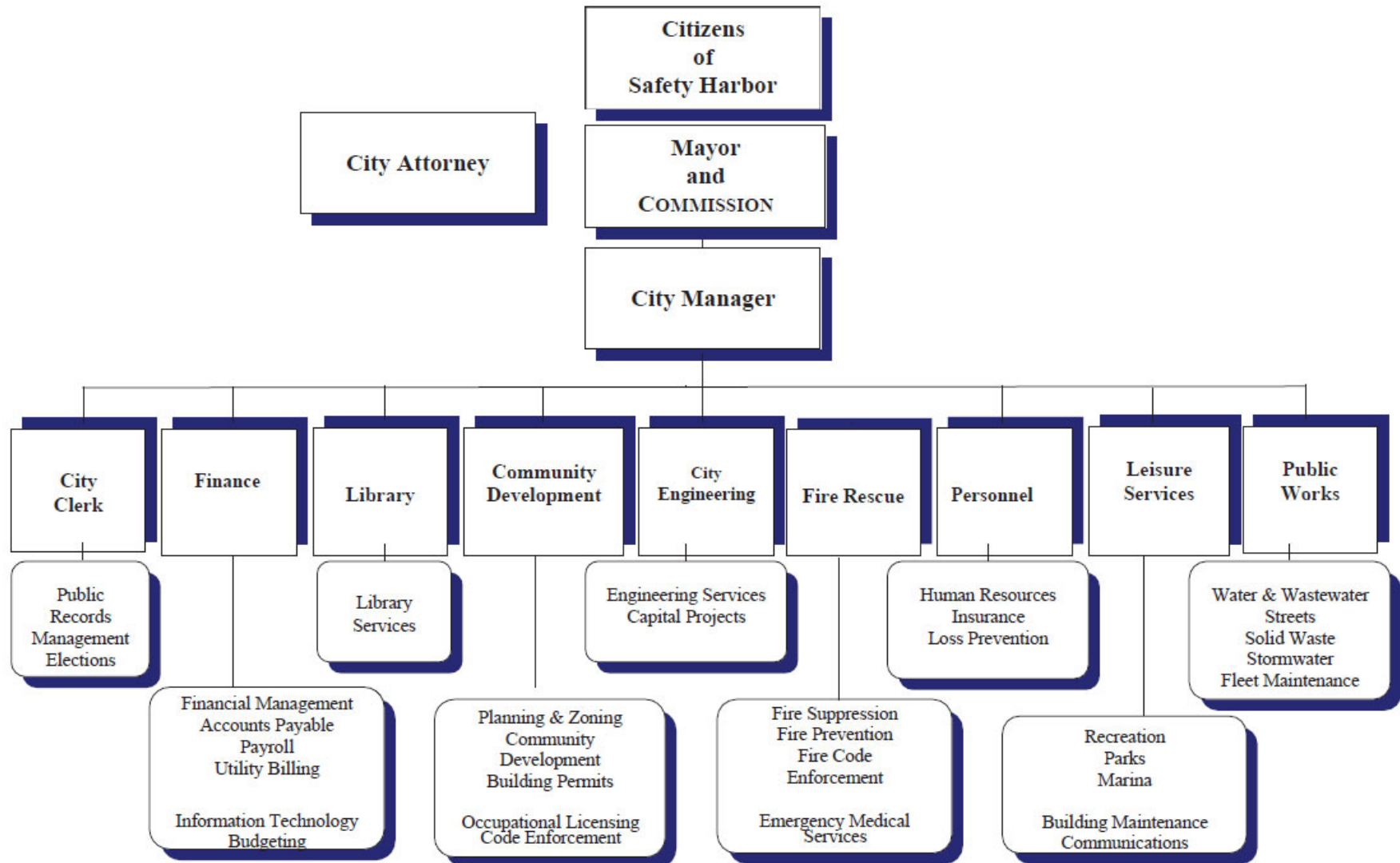
City Attorney
Isabella Sobel

EXECUTIVE MANAGEMENT STAFF

City Engineer
Community Development Director
Finance Director
Fire Chief
Human Resources Director
Leisure Services Director
Library Director
Public Works Director

Michelle Giuliani
Marcie Stenmark
Victoria Gilley
Josh Stefancic
Terri Kearnes
Andrea Norwood
Lisa Kothe
Renee Cooper

CITY OF SAFETY HARBOR ORGANIZATIONAL CHART



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Safety Harbor, Florida (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.

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective October 1, 2022, the City adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. The guidance requires the recognition of a Subscription Based Information Technology Arrangement asset and corresponding liability. Our opinions are 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.

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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, budgetary comparison schedules for the General Fund and Community Redevelopment Agency Fund, information on pension benefits, and information on other postemployment benefits, 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 GAAS, 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 fund financial statements and schedules and other supplemental schedules 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules and other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Tampa, Florida
March 25, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The City of Safety Harbor's (the City) annual financial report presents management's discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the City's basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Safety Harbor exceeded its liabilities and deferred inflows on September 30, 2023, by \$113,705,556 (net position). Of this amount, \$47,490,716 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased over prior period by \$7,031,664 or 6.7 percent. Governmental net position increased by \$68,667 which is less than one percent while business type net position increased by \$6,962,997 or 12.58 percent as of September 30, 2023.
- As of September 30, 2023, the City of Safety Harbor's governmental funds reported combined ending fund balances of \$24,686,693, a decrease of \$1,162,251 in comparison with the prior year. Of this total amount, committed, assigned and unassigned fund balances of \$19,791,451 or 80.2 percent.
- The City's total debt for revenue bonds and notes decreased by repayments of principal in the amount of \$1,201,261 during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements' focus is on both the City as a whole (government-wide) and on the individual funds. Both perspectives (government-wide and individual funds) allow the user to address relevant questions, broaden the basis for comparison from year to year or government to government and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the City of Safety Harbor's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's financial position and results of operations in a manner like a private-sector business.

The Statement of Net Position presents information on all the City's assets and deferred outflows, less liabilities, and deferred inflows, with the difference reported as *net position*. The focus of the Statement of Net Position is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current economic resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of basic governmental services as well as any subsidy in the business-type activities.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City includes general government; law enforcement, fire protection and building department, which provide public safety; physical environment; transportation, which includes activities associated with streetlights, streets, and sidewalks; library; and parks and recreation, which also includes Main Street events and marina activities. The business-type activities of the City include water and sewer, solid waste, and stormwater.

The government-wide financial statements include the City of Safety Harbor as a whole, as well as the component unit the Safety Harbor Community Redevelopment Agency (CRA). The CRA is reported within the general government activities.

Fund financial statements

A *fund* is a grouping of related accounts used to maintain control over the resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the governmentwide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City'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 City's near-term financing decisions. The governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Community Redevelopment Agency Fund, and Capital Projects Fund, which are considered to be major funds. Data from eleven of the governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds (Special Revenue and Debt Service Funds) is provided in the form of combining statements in this report.

The City adopts an annual appropriated budget for all funds. Budgetary comparison statements have been provided for all major and non-major governmental funds to demonstrate compliance with the budget.

CITY OF SAFETY HARBOR, FLORIDA
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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 its Water and Sewer, Solid Waste and Stormwater (drainage) operations.

The proprietary fund statements 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 City's water and sewer operations, solid waste operation and stormwater operation, all of which are considered major funds.

Internal service funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City does not currently utilize internal service funds.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one fiduciary fund to account for the firefighters' retirement benefit. The fund is with the Florida League of Cities, Florida Municipal Pension Trust Fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's budgetary legal compliance for the General and Community Redevelopment Agency funds; the City's progress in funding the firefighters' pension obligation, general employee Florida Retirement System pension obligation; and the funding progress of the retiree health plan.

CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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GOVERNMENT WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position. Net position over time may serve as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$113.7 million. The following table reflects the condensed Statement of Net Position compared to the prior year. Throughout this report, increases and decreases are reflected based on current year impacts. For more detailed information see the Statement of Net Position.

	Net Position								
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Assets									
Current and other assets	\$ 28,104,373	\$ 28,787,858	\$ 25,530,257	\$ 36,739,249	\$ 32,592,123	\$ 32,321,233	\$ 64,843,622	\$ 61,379,981	\$ 57,851,490
Capital Assets	28,488,953	26,918,229	27,919,957	39,344,646	37,447,877	33,806,361	67,833,599	64,366,106	61,726,318
Total Assets	56,593,326	55,706,087	53,450,214	76,083,895	70,040,000	66,127,594	132,677,221	125,746,087	119,577,808
Deferred Outflows	3,635,919	2,874,706	1,527,457	744,046	281,742	212,215	4,379,965	3,156,448	1,739,672
Liabilities									
Current and other liabilities	1,546,658	986,514	6,695,878	3,402,113	3,303,171	3,209,813	4,948,771	4,289,685	9,905,691
Long-term liabilities	4,536,128	3,261,611	2,972,134	10,575,226	11,094,587	11,629,785	15,111,354	14,356,198	14,601,919
Total Liabilities	6,082,786	4,248,125	9,668,012	13,977,339	14,397,758	14,839,598	20,060,125	18,645,883	24,507,610
Deferred Inflows	2,769,074	3,023,950	3,703,225	522,431	558,810	1,109,651	3,291,505	3,582,760	4,812,876
Net Position									
Net investment in capital assets	27,339,458	25,655,529	26,175,658	28,639,293	25,479,614	23,116,018	55,978,751	51,135,143	49,291,676
Restricted	5,364,468	5,876,424	6,012,532	4,871,621	4,652,292	4,606,106	10,236,089	10,528,716	10,618,638
Unrestricted	18,673,459	19,776,765	9,418,244	28,817,257	25,233,268	22,668,436	47,490,716	45,010,033	32,086,680
Total Net Position	<u>\$ 51,377,385</u>	<u>\$ 51,308,718</u>	<u>\$ 41,606,434</u>	<u>\$ 62,328,171</u>	<u>\$ 55,365,174</u>	<u>\$ 50,390,560</u>	<u>\$ 113,705,556</u>	<u>\$ 106,673,892</u>	<u>\$ 91,996,994</u>

The largest portion of the City's net position, 49.2 percent, reflects its net investment in capital assets (e.g., land, buildings, infrastructure improvements, and vehicles and equipment) less any related debt used to acquire those assets that remains outstanding. The City uses these capital assets to provide services to citizens; 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 sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources that are subject to external or enabling legislation that restricts how they may be used make up \$10.2 million (9.0 percent) of net position. The remaining balance of unrestricted net position or \$47.5 million (41.8 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

On September 30, 2023, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Statement of Activities. The following schedule compares the revenues and expenses for the current and two previous fiscal years. More detailed information can be found in the Statement of Activities.

Changes in Net Position									
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
REVENUES									
Program revenues:									
Charges for services	\$ 1,851,872	\$ 1,639,859	\$ 1,689,806	\$ 18,133,545	\$ 17,399,991	\$ 17,266,815	\$ 19,985,417	\$ 19,039,850	\$ 18,956,621
Operating grants and contributions	1,581,555	1,501,049	1,629,871	12,238	-	-	1,593,793	1,501,049	1,629,871
Capital grants and contributions	42,556	3,574	56,173	-	-	-	42,556	3,574	56,173
General Revenues									
Property taxes	7,131,307	6,784,259	6,345,780	-	-	-	7,131,307	6,784,259	6,345,780
Utility taxes	3,195,103	3,084,868	2,566,340	-	-	-	3,195,103	3,084,868	2,566,340
Local business tax	139,061	131,022	145,664	-	-	-	139,061	131,022	145,664
Local option tax	2,822,696	2,774,708	2,419,622	-	-	-	2,822,696	2,774,708	2,419,622
Franchise fees	1,576,515	1,568,699	1,474,949	-	-	-	1,576,515	1,568,699	1,474,949
Sales tax	1,448,441	1,428,874	1,288,238	-	-	-	1,448,441	1,428,874	1,288,238
Intergovernmental	836,581	10,049,319	793,692	-	12,525	12,570	836,581	10,061,844	806,262
Investment income	398,955	(1,078,788)	(7,195)	535,155	(1,467,365)	(16,365)	934,110	(2,546,153)	(23,560)
Other	579,701	1,232,910	1,228,426	85,014	450,814	468,664	664,715	1,683,724	1,697,090
Gain on the sale of capital assets	47,688	-	-	15,800	53,666	22,561	63,488	53,666	22,561
Insurance recoveries	12,858	-	-	11,845	-	-	24,703	-	-
Total Revenues	21,664,889	29,120,353	19,631,366	18,793,597	16,449,631	17,754,245	40,458,486	45,569,984	37,385,611
EXPENSES									
Function/program activities									
Primary government:									
Governmental activities:									
General government	4,315,128	3,617,239	3,506,083	-	-	-	4,315,128	3,617,239	3,506,083
Law enforcement	1,612,409	1,532,963	1,453,856	-	-	-	1,612,409	1,532,963	1,453,856
Fire protection	5,003,702	4,261,405	3,958,157	-	-	-	5,003,702	4,261,405	3,958,157
Building department	347,809	343,934	588,892	-	-	-	347,809	343,934	588,892
Physical environment	507,205	467,169	445,092	-	-	-	507,205	467,169	445,092
Transportation	1,467,894	1,351,413	1,415,505	-	-	-	1,467,894	1,351,413	1,415,505
Library	1,560,315	1,517,358	1,345,498	-	-	-	1,560,315	1,517,358	1,345,498
Parks and recreation	5,134,883	4,506,518	4,231,580	-	-	-	5,134,883	4,506,518	4,231,580
Interest on long-term debt	30,917	20,430	71,516	-	-	-	30,917	20,430	71,516
Business-type activities:									
Water and sewer	-	-	-	9,232,770	9,022,523	8,764,856	9,232,770	9,022,523	8,764,856
Solid Waste	-	-	-	3,249,561	3,187,515	2,968,009	3,249,561	3,187,515	2,968,009
Stormwater	-	-	-	964,229	1,064,619	929,468	964,229	1,064,619	929,468
Total Expenses	19,980,262	17,618,429	17,016,179	13,446,560	13,274,657	12,662,333	33,426,822	30,893,086	29,678,512
Excess before contributions	1,684,627	11,501,924	2,615,187	5,347,037	3,174,974	5,091,912	7,031,664	14,676,898	7,707,099
Transfers	(1,615,960)	(1,799,640)	-	1,615,960	1,799,640	-	-	-	-
Changes in net position	68,667	9,702,284	2,615,187	6,962,997	4,974,614	5,091,912	7,031,664	14,676,898	7,707,099
Net position, beginning of year	51,308,718	41,606,434	38,991,247	55,365,174	50,390,560	45,298,648	106,673,892	91,996,994	84,289,895
Net position, end of year	\$ 51,377,385	\$ 51,308,718	\$ 41,606,434	\$ 62,328,171	\$ 55,365,174	\$ 50,390,560	\$ 113,705,556	\$ 106,673,892	\$ 91,996,994

Governmental activities. The net position for the City's governmental activities increased by \$68,667.

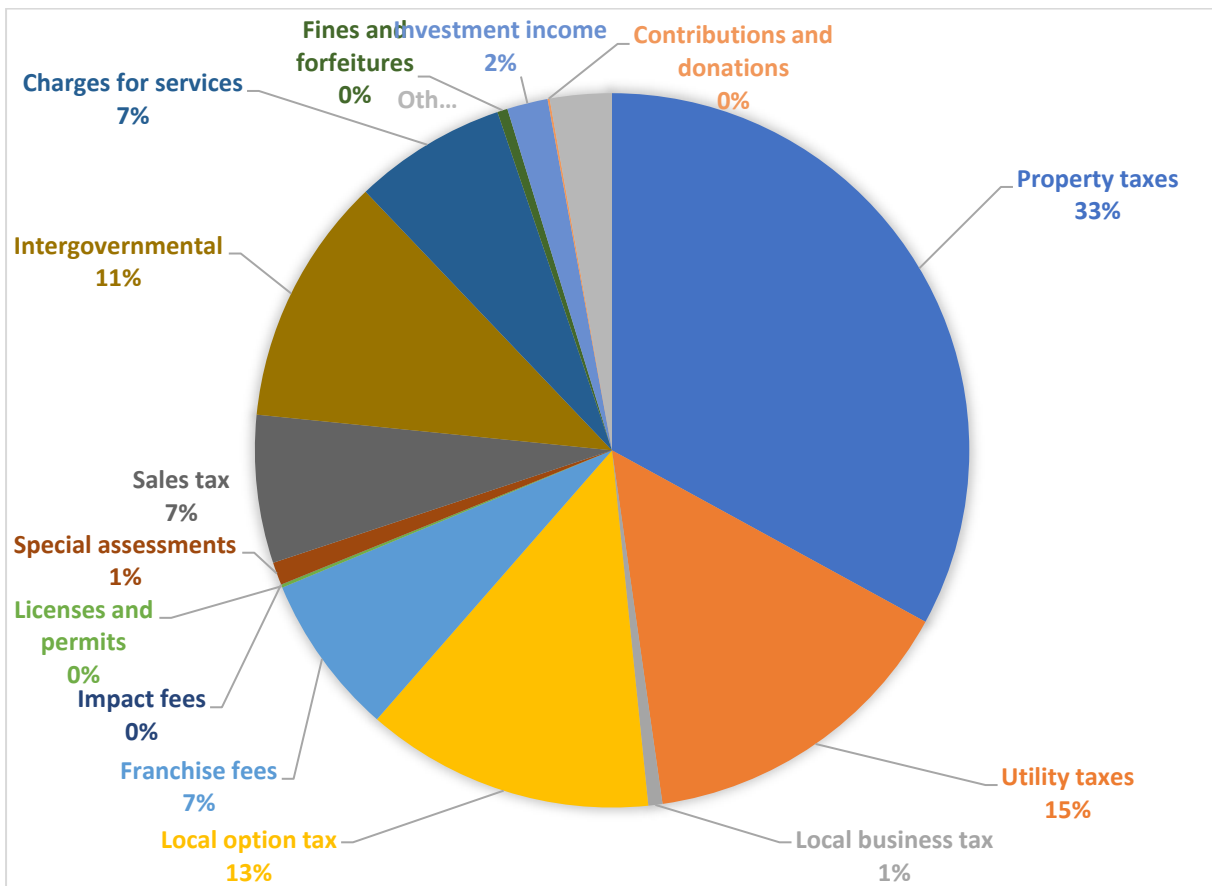
Total revenues for the City's governmental activities decreased by \$7,455,464 (25.6 percent) over prior year.

Key elements are as follows:

- Program revenues increased by \$331,501.
- Charges for services increased by \$212,013. Of the total increase, recreation program revenue increased by \$98,184, building permit revenues increased by \$97,639, but transportation decreased by \$13,129.
- Operating grants and contributions increased by a net amount of \$80,506. Public safety revenue for Fire and EMS District taxes and federal storm reimbursements increased by 6.3 percent or \$76,904; library revenue from the Pinellas Public Library Cooperative increased by 5.9 percent or \$14,608. Other general grants and contributions increased by \$8,994 or 153.1%.

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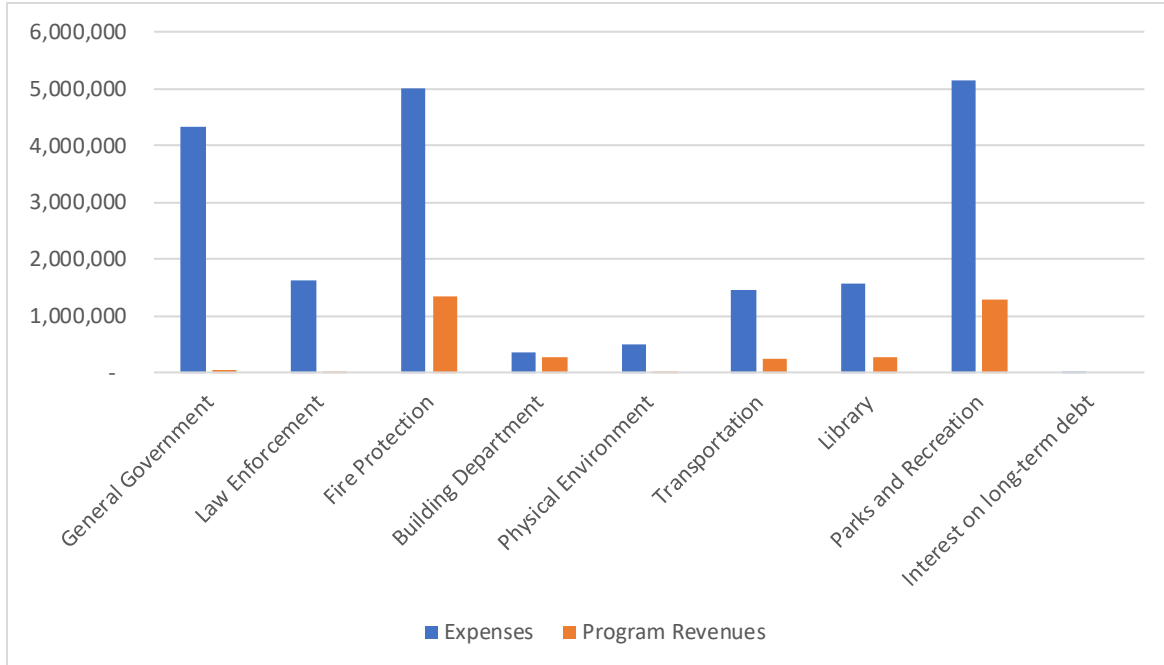
- Capital grants and contributions increased by \$38,982, due to an increase in Fire Protection of \$22,356 and in Library of \$16,626.
- General revenues decreased by 30.0 percent or \$7,786,965.
 - Property tax revenue increased by \$347,048 (5.1 percent). Gross taxable values in the City increased by 9.5 percent over prior year. City taxable values in the Community Redevelopment District increased by 15.4 percent over prior year. The millage rate remained at 3.95 consistent with prior year.
 - Investment income and fair value adjustments increased by \$1,477,743 from prior year due to rising interest rates that increased the market value of mortgage related securities and bonds.
 - Utility taxes, local option taxes, sales tax, franchise fees and other intergovernmental revenue decreased by \$9,019,093 or 47.4 percent. Revenue replacement funding received in the prior fiscal year as a result of the American Rescue Plan Act funding totaling \$9,023,379 contributes to the difference in intergovernmental revenue.



- Expenses for the City's governmental activities increased by \$2,361,833 or 13.4 percent. Key elements of the net increase are as follows:
- General government, law enforcement, fire protection, and parks and recreation came in over prior year by \$2,153,549. Interest on long-term debt increased \$4,935 due to implementation of GASB 96 for SBITA reporting.

CITY OF SAFETY HARBOR, FLORIDA
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- Transportation, building department, physical environment, library, and interest on long term debt increased over prior year by \$208,284. The largest increase over last year was in transportation.



Business-type activities. Business-type activities resulted in an increase in the City's net position by \$6,962,997.

Total revenues for the City's business-type activities increased by \$2,343,966 (14.2 percent) over prior year. Key elements are as follows:

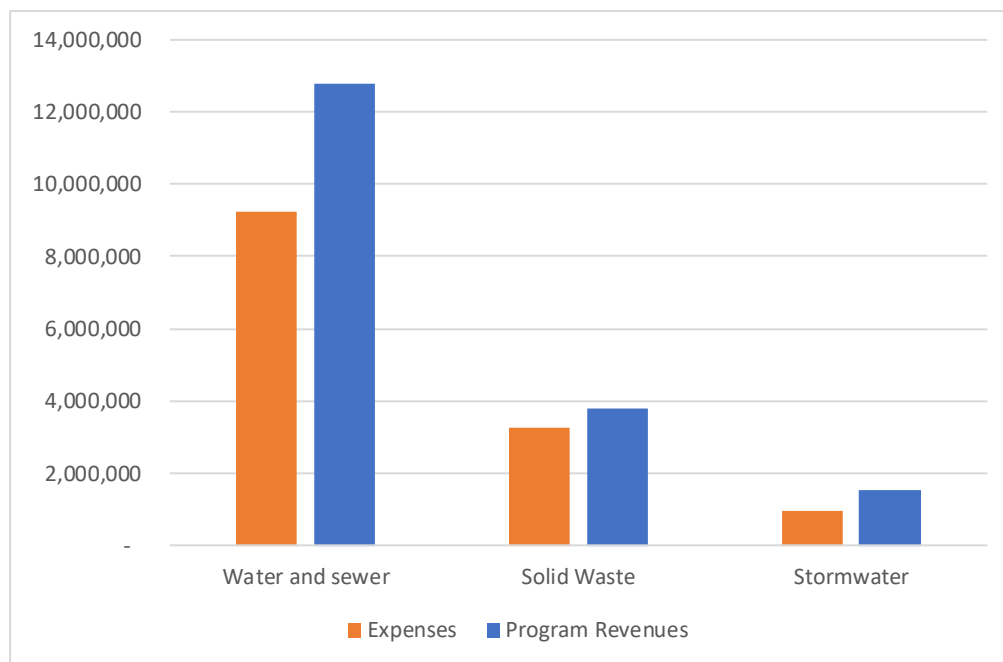
- Program revenues increased by \$733,554, which is a 4.2 percent increase.
 - Charges for services includes revenue for water, sewer, and stormwater.
 - The city implemented completed a rate study for water, sewer, and stormwater in November of 2021. No rate change went into effect for FY23, however the City implemented a new billing tier structure for water and sewer based on the study, which went into effect on January 1st of 2023, contributing to the increase of \$530,786 in water and sewer revenues in addition to reclassifying the interfund services from the other category to this category.
 - There were no changes to stormwater rates or tier structures in FY23. Stormwater revenue increased by \$1,092.
 - The city implemented the first year of a five-year rate change on January 1st of 2020. Solid waste operating revenue realized an increase of \$201,676 or 5.6 percent.

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- General revenues increased by \$1,598,174.
 - Investment income increased by \$2,002,520 which is consistent with economic conditions.
 - Other revenues decreased by \$365,800 (81.1 percent). This is due to reclassifying interfund services provided and used to charges for services, which triggered the increase in that category.

Expenses, including operating and nonoperating, for the City's business-type activities increased by \$171,903, which is 1.3 percent. Key elements of the increase are as follows:

- Water and sewer expenses increased by \$210,247 which is 2.3 percent over prior year. Contractual and other services increased by \$115,239 (2.53 percent). The largest increase was due to depreciation and amortization in the amount of \$184,419 or 8.22 percent.
- Solid waste expenses increased by \$62,046 or 1.9 percent under prior year. Of the net increase, personnel services increased by \$135,296 or 11.93 percent. Contractual and other services increased by \$5,649 or less than 1.0 percent. Depreciation and amortization decreased by \$69,174 or 10.84 percent.
- Stormwater expenses decreased by \$100,390 or 9.4 percent over prior year. Materials and supplies decreased by \$33,975 or 42.98 percent. Contractual and other services increased by \$6,353 or 3.29 percent. Depreciation and amortization decreased by \$66,631 or 15.82 percent.



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FUND FINANCIAL STATEMENT ANALYSIS

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. Unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2023, the City's governmental funds reported combined ending fund balances of \$24,686,693, a decrease of \$1,162,251 over prior year. Of this total amount, \$9,132,169 or 37.0 percent is unassigned and available for spending at the City's discretion. The remainder of fund balance, \$15,554,524 or 63.0 percent is either not in spendable form or restricted, committed, or assigned for specific purposes.

The **General Fund** is the chief operating fund of the City. On September 30, 2023, committed (emergency/stabilization) and unassigned fund balance was \$13,593,095. As a measure of the General Fund's liquidity, it may be useful to compare both non-spendable and restricted fund balance as well as unrestricted fund balance to total General Fund expenditures. Fund balance that is either non-spendable (inventories, prepaids, and advance) or restricted for a specific purpose is 5.4 percent of total General Fund expenditures excluding transfers out, while committed and unassigned fund balance is 81.6 percent of total General Fund expenditures, excluding transfers out. The City Commission's desire of a minimum unassigned General Fund balance of the prior year's operating expenditures, including transfers out, is 17 percent (\$2,831,801). As of September 30, 2023, the City's unassigned fund balance exceeds this goal at 54.8 percent of prior year's operating expenditures.

General Fund balance decreased by \$2,848,480 in the current fiscal year. Key elements of the decrease are as follows:

- Revenues, including transfers in of \$255,740, total \$17,397,073, which is a decrease of \$7,654,077 over prior year. The majority of the total decrease is due to ARPA revenue replacement funding received in the prior year in the amount of \$9,023,379.
 - Ad valorem revenue increased by \$564,986, due to an increase in property values of 9.5 percent, driven by the increase in local real estate values with a millage rate of 3.95 consistent with prior year.
 - Utility taxes are increased over prior year by \$110,235 or 3.6 percent.
 - Local business taxes, franchise fees, sales tax, charges for services and fines and forfeitures recognized a total increase of \$257,707, with the largest increase in charges for services in the amount of \$229,273.
 - Investment income increased by \$1,043,569 due to changing market conditions.
 - Intergovernmental revenues All other categories of revenues decreased under prior year by \$9,742,287 or 76 percent, mostly due to ARPA revenue replacement funding received in the prior fiscal year.

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- Expenditures of \$20,373,122, including transfers out of \$3,715,470, reflect a net increase of \$2,503,123 or 14 percent over prior year. Operating expenditures excluding capital outlay and transfers increased by \$1,466,572 or 9.7 percent.
 - Capital outlay, general government and library had increases of \$28,801, \$701,794, and \$55,232 or 18.8, 22 and 4.6 percent, respectively. Expenses for parks and recreation also increased by \$525,080 or 14.4 percent, which reflects the continued recovery and growth of parks and recreation programs after COVID shutdowns. Fire protection increased by \$8,592 or 0.2 percent over prior year. Engineering (Physical Environment) was \$47.268 or 11.1 percent over prior year. Transportation increased by \$66,096.
 - The City's contract for law enforcement services increased by \$78,969 or 5.2 percent.
 - Transfers to other funds increased by \$1,007,750 over prior year of which the largest increases were to stormwater and street improvements for infrastructure projects.
 - Building Department had a decrease of \$25,406 or 8.0 percent.

The **Community Redevelopment Agency (CRA)** fund balance is \$1,754,635 as of September 30, 2023. Revenue of \$1,149,580 is 0.9 percent under prior year. Municipal taxable values and County taxable values increased by 15.41 and 15.37 percent, respectively, in the tax increment financing district over prior year. With millage of 3.9500 remaining consistent with prior year, the decrease in ad valorem revenue is \$217,938 over prior year. Expenditures of \$1,224,078, including a land purchase of \$913,418 and a transfer of \$129,700 to Capital Projects to service debt on the acquisition of Baranoff Oak Park, are 149.5 percent higher than prior year's expenditures. Facade and partnership incentive grants totaled \$37,718, special event holiday lighting totaled \$29,656, streetscaping in the amount of \$25,243, with other program expenditures of \$88,343. The details for all CRA activities are included in Note 10-Redevelopment Trust Fund within this document.

The **Capital Projects** fund balance is \$4,171,739 on September 30, 2023. Revenue of \$2,592,265 from the Penny for Pinellas sales tax (Penny) is \$44,547 (2.0 percent) over prior year. The Penny is eligible for capital infrastructure improvements as well as the servicing of debt. Current year capital improvements and acquisitions are \$2,011,394 (222.8 percent higher than prior year). The most significant capital outlays include the automotive and equipment purchases that were delayed from prior fiscal years due to supply shortages during COVID.

More detail regarding the governmental funds can be found in the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance of this report.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer, Sanitation and Stormwater funds at the end of the year were \$18,418,781, \$4,212,901, and \$6,185,575, respectively. Cumulatively, the unrestricted net position for the enterprise funds increased by \$4,083,989 from prior year or by 16.2 percent. Water/Sewer increased by \$670,002, Sanitation decreased by \$3,124,880, and Stormwater increased by \$353,292. Funds restricted for debt service increased by \$195,586 and capital projects decreased by \$476,257. The total increase in net position current year is \$6,962,997.

Total operating and non-operating revenue in the proprietary funds increased by \$2,343,966 with investment income \$2,002,520 higher than prior year.

CITY OF SAFETY HARBOR, FLORIDA
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Total expenses in the City's proprietary funds increased by \$236,413 (1.8 percent) over prior year, excluding interest on debt. Cumulatively the total of all funds in each category including salaries and fringes, contractual and other services and depreciation and amortization increased by \$291,232 while materials and supplies decreased by \$54,819. Overall, salaries and fringes increased by 3.5 percent over prior year, contractual and other services increased by 2.2 percent, and depreciation/amortization increased by 1.5 percent. Materials and supplies decreased by 9.7 percent.

More detail regarding the proprietary funds can be found in the Statement of Net Position-Proprietary Funds and Statement of Revenues, Expenses, and Changes in Net Position-Proprietary Funds in this report.

General Fund Budgetary Highlights

During the current year, the total increase between adopted and final budget was \$1,121,831, with a final adopted General Fund budget of \$22,304,631 including budgeted reserve. Contracts in place on September 30, 2022, were moved forward to October 1, 2022, in the amount of \$250,000 which is included in the increase between adopted and final budget. For ACFR reporting purposes, contracts in place are included in the original budget.

More details regarding the General Fund Budget can be found on in the Budgetary Comparison Schedule for the General Fund in this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for governmental and business-type activities as of September 30, 2023, is \$67,833,599, net of accumulated depreciation. As reflected in the following schedule, the City's investment in capital assets increased in land, construction in progress, buildings, and equipment in governmental activities with a decrease in improvements other than buildings. In business-type activities, construction in progress and improvements other than buildings increased, equipment decreased, and no change in land and buildings. The net increase in the City's investment in capital assets is \$3,467,493 over prior year.

	Capital Assets								
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Land	\$ 10,906,856	\$ 9,993,940	\$ 9,993,940	\$ 606,548	\$ 606,548	\$ 606,548	\$ 11,513,404	\$ 10,600,488	\$ 10,600,488
Construction in progress	1,955,459	656,737	578,221	9,640,405	6,866,350	3,609,028	11,595,864	7,523,087	4,187,249
Buildings	6,088,315	6,082,044	6,021,985	343,689	343,689	343,689	6,432,004	6,425,733	6,365,674
Improvements other than buildings	35,379,306	35,694,676	35,141,242	54,712,560	52,922,567	48,412,683	90,091,866	88,617,243	83,553,925
Equipment	8,555,234	7,842,660	7,598,744	10,952,256	11,069,314	10,176,672	19,507,490	18,911,974	17,775,416
Right-to-Use leased equipment	81,187	20,476	-	36,471.00	13,164	-	117,658	33,640	-
Right-to-Use SBITA	-	-	-	130,757.00	-	-	130,757	-	-
Less:									
Accumulated Depreciation	34,477,404	33,372,304	31,414,175	37,078,040	34,373,755	31,342,259	71,555,444	67,746,059	62,756,434
Total	<u>\$ 28,488,953</u>	<u>\$ 26,918,229</u>	<u>\$ 27,919,957</u>	<u>\$ 39,344,646</u>	<u>\$ 37,447,877</u>	<u>\$ 31,806,361</u>	<u>67,833,599</u>	<u>64,366,106</u>	<u>59,726,318</u>

CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The following reconciliation summarizes the Changes in Capital Assets, which is presented in detail in Note 4 of the notes to the financial statements.

Changes in Capital Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning Balance	\$ 26,918,229	\$ 37,447,877
Additions	3,995,635	6,789,219
Depreciation	(2,391,692)	(3,351,788)
Disposals (net of depreciation)	(33,219)	(1,540,662)
Ending Balance	<u><u>\$ 28,488,953</u></u>	<u><u>\$ 39,344,646</u></u>

Long-term debt. As of fiscal year end, the City's outstanding long-term debt from revenue bonds and notes decreased by \$1,201,261. The Debt Service section in Note 6 – Long Term Liabilities of the notes to the financial statements provides details for the following summary.

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percent Change</u>
Governmental Activities				
Purchase land for Barnoff Oak Park and land for a future Building Maintenance facility	\$ 752,700	\$ 888,300	\$ (135,600)	-15.3%
Refunding 2006 note for general government improvements	<u>137,144</u>	<u>159,074</u>	<u>(21,930)</u>	<u>-13.8%</u>
Governmental Activities Total	<u>\$ 889,844</u>	<u>\$ 1,047,374</u>	<u>\$ (157,530)</u>	<u>-29.1%</u>
Business-Type Activities				
Water and Sewer infrastructure improvements	\$ 6,720,140	\$ 7,261,200	\$ (541,060)	-7.5%
Refunding 2006 note for utility system improvements	<u>3,139,455</u>	<u>3,642,126</u>	<u>(502,671)</u>	<u>-13.8%</u>
Business-Type Activities Total	<u>\$ 9,859,595</u>	<u>\$ 10,903,326</u>	<u>\$ (1,043,731)</u>	<u>-21.3%</u>
Total Outstanding Debt	<u><u>\$ 10,749,439</u></u>	<u><u>\$ 11,950,700</u></u>	<u><u>\$ (1,201,261)</u></u>	<u><u>-50.3%</u></u>

CITY OF SAFETY HARBOR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Economic Factors and Next Year's Budgets and Rates

The State of Florida, by Constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, utility services, etc.) and fees (franchise, occupational license, etc.) and limited state-shared revenues for their governmental activities.

- The unemployment rate for the Tampa-St. Petersburg-Clearwater Metropolitan area on September 30, 2022, was 3.2 percent compared to the prior year's 2.6 percent. This is consistent with Florida's unemployment rate of 2.8 percent and the national unemployment rate of 3.8 percent.
- For the ninth consecutive fiscal year, property values have shown recovery with an increase of 9.51 percent in assessed values moving into the 2024 budget cycle. The millage rate was held at 3.9500 for the sixth consecutive year, budgeting for a General Fund ad valorem revenue increase of \$562,750.
- In FY 2024, \$1,468,021 was budgeted from General Fund reserves to balance the budget. Future years' Capital Improvements will require transfers from General Fund reserves to continue with programmed street improvements and other capital projects.
- A rate study for the Enterprise Funds was adopted by City Commission and implemented on January 1st of 2017. Effective October 1, 2018, water and wastewater increased by 11.5 percent, respectively, with a change in base charges and tiers. Stormwater increased by 3.0 percent with the equivalent residential unit (ERU) moving from \$10.61 in FY 2020 to \$10.93 in FY 2021. A rate study for Sanitation commenced in FY 2020 to address increasing rates and changes in the recycling market. Rates and charges for sanitation services increased 6.0 percent except for those charges for nonresidential (commercial) recycling fees in FY2021.
- As additional rate study was completed in FY 2022 for Enterprise funds. The purpose of this study was to evaluate the sufficiency of utility revenues to meet both current and projected financial requirements. This study reviewed and analyzed rates and rate structures for water, wastewater, and stormwater services. The study found that existing rates are sufficient to satisfy projections through FY 2027. Changes in tier structure for water rates and wastewater caps were recommended, resulting in revenue reduction of approximately \$25,000 and \$180,000 respectively. Additionally, multiple miscellaneous charges and customer deposit fees were evaluated, and rates updated to match current costs for such services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of and demonstrate accountability for the City of Safety Harbor's finances to users and interested parties, citizens, taxpayers, customers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, City of Safety Harbor, 750 Main Street, Safety Harbor, Florida 34695, via the City's website (<http://www.cityofsafetyharbor.com>) or by phone at 727-724-1555.

BASIC FINANCIAL STATEMENTS

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CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Assets	Governmental Activities	Business-Type Activities	Total
Current assets:			
Pooled cash and investments	\$ 24,838,800	\$ 29,204,286	\$ 54,043,086
Accounts receivable, net	785,394	1,721,875	2,507,269
Due from other governments	897,378	12,238	909,616
Inventories	71,379	212,425	283,804
Prepaid items	7,587	2,500	10,087
Restricted assets:			
Pooled cash and investments:			
Sinking fund	2,554	66,062	68,616
Customer deposits	50,535	648,242	698,777
Total current assets	26,653,627	31,867,628	58,521,255
Noncurrent assets:			
Restricted assets:			
Pooled cash and investments:			
Sinking fund	-	2,698,038	2,698,038
Capital projects	-	2,173,583	2,173,583
Capital assets:			
Non depreciable	12,862,315	10,246,953	23,109,268
Depreciable, net of accumulated depreciation/amortization	15,626,638	29,097,693	44,724,331
Net pension asset	1,450,746	-	1,450,746
Total noncurrent assets	29,939,699	44,216,267	74,155,966
Total assets	56,593,326	76,083,895	132,677,221
Deferred Outflows of Resources			
Deferred outflows of resources related to OPEB	1,566,470	584,246	2,150,716
Deferred outflows of resources related to pensions	2,069,449	159,800	2,229,249
Total deferred outflows of resources	3,635,919	744,046	4,379,965

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	627,965	728,544	1,356,509
Accrued liabilities	349,642	111,041	460,683
Customer deposits	50,535	-	50,535
Unearned revenue	166,830	-	166,830
Current liabilities, payable from restricted assets:			
Accrued interest payable	2,554	66,062	68,616
Customer deposits	-	648,242	648,242
Construction contracts payable	-	721,277	721,277
Current portion of long-term obligations	349,132	1,126,947	1,476,079
Total current liabilities	1,546,658	3,402,113	4,948,771
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	1,898,946	9,155,947	11,054,893
Total other postemployment benefits	1,924,191	706,313	2,630,504
Net pension liability	712,991	712,966	1,425,957
Total noncurrent liabilities	4,536,128	10,575,226	15,111,354
Total liabilities	6,082,786	13,977,339	20,060,125
Deferred Inflows of Resources			
Deferred inflows of resources related to OPEB	574,027	281,101	855,128
Deferred inflows of resources related to pension	1,423,085	241,330	1,664,415
Lease related items	771,962	-	771,962
Total deferred inflows of resources	2,769,074	522,431	3,291,505
Net Position			
Net investment in capital assets	27,339,458	28,639,293	55,978,751
Restricted, net of payables from restricted assets:			
General government	1,694,042	-	1,694,042
Fire protection and public safety	49,623	-	49,623
Transportation programs	247,265	-	247,265
Library	95,751	-	95,751
Debt service	129,752	2,698,038	2,827,790
Capital projects	1,697,289	2,173,583	3,870,872
Pension Benefits	1,450,746	-	1,450,746
Unrestricted	18,673,459	28,817,257	47,490,716
Total net position	<u>\$ 51,377,385</u>	<u>\$ 62,328,171</u>	<u>\$ 113,705,556</u>

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Function/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 4,315,128	\$ 58,792	\$ -	\$ -	\$ (4,256,336)	\$ -	\$ (4,256,336)
Law enforcement	1,612,409	8,052	-	-	(1,604,357)	-	(1,604,357)
Fire protection	5,003,702	12,250	1,304,412	22,356	(3,664,684)	-	(3,664,684)
Building department	347,809	261,200	-	-	(86,609)	-	(86,609)
Physical environment	507,205	-	8,500	-	(498,705)	-	(498,705)
Transportation	1,467,894	225,230	6,367	-	(1,236,297)	-	(1,236,297)
Library	1,560,315	12,203	262,276	-	(1,285,836)	-	(1,285,836)
Parks and recreation	5,134,883	1,274,145	-	20,200	(3,840,538)	-	(3,840,538)
Interest on long-term debt	30,917	-	-	-	(30,917)	-	(30,917)
Total governmental activities	<u>19,980,262</u>	<u>1,851,872</u>	<u>1,581,555</u>	<u>42,556</u>	<u>(16,504,279)</u>	<u>-</u>	<u>(16,504,279)</u>
Business-type activities:							
Water and sewer	9,232,770	12,788,981	-	-	-	3,556,211	3,556,211
Solid waste	3,249,561	3,798,670	12,238	-	-	561,347	561,347
Stormwater	964,229	1,545,894	-	-	-	581,665	581,665
Total business-type activities	<u>13,446,560</u>	<u>18,133,545</u>	<u>12,238</u>	<u>-</u>	<u>-</u>	<u>4,699,223</u>	<u>4,699,223</u>
Total primary government	<u>\$ 33,426,822</u>	<u>\$ 19,985,417</u>	<u>\$ 1,593,793</u>	<u>\$ 42,556</u>	<u>(16,504,279)</u>	<u>4,699,223</u>	<u>(11,805,056)</u>
General revenues:							
Taxes:							
Property taxes					7,131,307	-	7,131,307
Utility taxes					3,195,103	-	3,195,103
Local business tax					139,061	-	139,061
Local option tax					2,822,696	-	2,822,696
Franchise fees					1,576,515	-	1,576,515
Sales tax					1,448,441	-	1,448,441
Intergovernmental Unrestricted					836,581	-	836,581
Investment income					398,955	535,155	934,110
Other					579,701	85,014	664,715
Gain on the sale of capital assets					47,688	15,800	63,488
Transfers					(1,615,960)	1,615,960	-
Insurance recoveries					12,858	11,845	24,703
Total general revenues and transfers					<u>16,572,946</u>	<u>2,263,774</u>	<u>18,836,720</u>
Change in net position					68,667	6,962,997	7,031,664
Net position, beginning					51,308,718	55,365,174	106,673,892
Net position, ending					<u>\$ 51,377,385</u>	<u>\$ 62,328,171</u>	<u>\$ 113,705,556</u>

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

CITY OF SAFETY HARBOR, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Other Non- major Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 14,117,825	\$ 2,654,532	\$ 3,863,134	\$ 4,256,398	\$ 24,891,889
Receivables, net:					
Accounts receivable	737,609	2,024	5,390	40,371	785,394
Due from other governments	433,691	-	425,534	38,153	897,378
Inventories	71,379	-	-	-	71,379
Prepaid items	6,569	-	1,018	-	7,587
Advance to CRA	900,000	-	-	-	900,000
					-
Total assets	\$ 16,267,073	\$ 2,656,556	\$ 4,295,076	\$ 4,334,922	\$ 27,553,627
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 439,714	\$ -	\$ 123,337	\$ 64,914	\$ 627,965
Accrued liabilities	347,721	1,921	-	-	349,642
Customer deposits	42,051	-	-	8,484	50,535
Unearned revenue	165,961	-	-	869	166,830
Advance from Primary Government	-	900,000	-	-	900,000
Total liabilities	995,447	901,921	123,337	74,267	2,094,972
Deferred Inflows of Resources:					
Lease Related Items	771,962	-	-	-	771,962
Total Deferred Inflows of Resources	771,962	-	-	-	771,962
Fund Balances:					
Nonspendable:					
Advance from primary government	900,000	-	-	-	900,000
Inventories and prepaid items	77,948	-	1,018	-	78,966
Restricted for:					
General government	-	1,694,042	-	-	1,694,042
Fire protection	-	-	-	49,623	49,623
Transportation	-	-	-	247,265	247,265
Library	-	-	-	95,751	95,751
Debt service	-	-	-	132,306	132,306
Capital projects	-	-	1,697,289	-	1,697,289
Committed to:					
Emergency/disaster relief stabilization	4,460,926	-	-	-	4,460,926
Physical environment	-	-	-	266,467	266,467
Public safety	-	-	-	134,854	134,854
Assigned to:					
General government	-	60,593	-	-	60,593
Fire protection	-	-	-	7,197	7,197
Library	-	-	-	2,702	2,702
Parks and recreation	-	-	2,473,432	79,088	2,552,520
Public safety	-	-	-	3,234	3,234
Physical environment	-	-	-	57,659	57,659
Transportation	-	-	-	3,184,509	3,184,509
Unassigned:	9,060,790	-	-	-	9,060,790
Total fund balances	14,499,664	1,754,635	4,171,739	4,260,655	24,686,693
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,267,073	\$ 2,656,556	\$ 4,295,076	\$ 4,334,922	\$ 27,553,627

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

CITY OF SAFETY HARBOR, FLORIDA
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Fund balances - total governmental funds	\$	24,686,693
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Amounts reported for governmental activities in the statement
of net position are different because:

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

Governmental capital assets			
Non depreciable	\$	12,862,315	
Depreciable		50,104,042	
Less, accumulated depreciation/amortization		<u>(34,477,404)</u>	28,488,953

The net pension asset related to governmental activities does not represent financial resources and is not reported in the funds.		1,450,746
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Deferred outflows of resources related to OPEB and net pension assets/(liabilities) do not have a current financial resources focus, and therefore are not recognized in the governmental fund statements.		3,635,919
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Accrued interest payable on long-term debt does not represent the current use of financial resources and is not reported as a liability in the governmental funds		(2,554)
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Deferred inflows of resources related to OPEB and net pension assets/(liabilities) and other post employee benefits do not have a current financial resources focus, and therefore are not recognized in the governmental fund statements		(1,997,112)
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Long-term liabilities are not due and payable in the current period
and, therefore, are not reported in the governmental funds.

Net pension liability		(712,991)	
Revenue notes		(889,844)	
Financed purchase		(195,000)	
Lease payable		(64,651)	
Compensated absences		(1,098,583)	
Other post employment benefits		<u>(1,924,191)</u>	<u>(4,885,260)</u>

Net position of governmental activities	\$	<u>51,377,385</u>
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The notes to the basic financial statements are an integral part of this statement.

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Other Non- major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 6,024,650	\$ 1,106,657	\$ -	\$ -	\$ 7,131,307
Utility taxes	3,195,103	-	-	-	3,195,103
Local business tax	139,061	-	-	-	139,061
Local option tax	-	-	2,592,265	230,431	2,822,696
Franchise fees	1,576,515	-	-	-	1,576,515
Licenses and permits	29,632	-	-	-	29,632
Impact fees	-	-	-	2,123	2,123
Special assessments	-	-	-	222,256	222,256
Sales tax	1,448,441	-	-	-	1,448,441
Intergovernmental	2,409,636	-	22,356	8,500	2,440,492
Charges for services	1,386,582	-	-	110,941	1,497,523
Fines and forfeitures	100,340	-	-	-	100,340
Investment income	226,553	42,283	63,493	66,626	398,955
Contributions and donations	-	-	-	20,200	20,200
Other	604,820	-	-	-	604,820
Total revenues	17,141,333	1,148,940	2,678,114	661,077	21,629,464
Expenditures:					
Current operating:					
General government	3,879,508	180,960	-	-	4,060,468
Public safety					
Law enforcement	1,609,248	-	-	-	1,609,248
Fire protection	4,161,690	-	-	-	4,161,690
Building department	293,361	-	-	36,908	330,269
Physical environment	474,193	-	-	25,110	499,303
Transportation	595,888	-	10,000	362,418	968,306
Culture and recreation					
Library	1,261,549	-	-	-	1,261,549
Parks and recreation	4,179,989	-	-	33,365	4,213,354
Capital outlay	182,126	913,418	2,011,394	880,601	3,987,539
Debt service:					
Principal retirement	18,700	-	-	162,528	181,228
Interest and other charges	1,400	-	-	29,970	31,370
Total expenditures	16,657,652	1,094,378	2,021,394	1,530,900	21,304,324
Excess (deficiency) of revenues over (under) expenditures	483,681	54,562	656,720	(869,823)	325,140
Other financing sources (uses):					
Transfers in	255,740	640	625,000	2,536,810	3,418,190
Transfers out	(3,715,470)	(129,700)	(1,188,980)	-	(5,034,150)
Lease	68,023	-	-	-	68,023
Gain on the sale of capital assets	47,688	-	-	-	47,688
Insurance recoveries	11,858	-	1,000	-	12,858
Total other financing sources (uses)	(3,332,161)	(129,060)	(562,980)	2,536,810	(1,487,391)
Net change in fund balances	(2,848,480)	(74,498)	93,740	1,666,987	(1,162,251)
Fund balances, beginning of year	17,348,144	1,829,133	4,077,999	2,593,668	25,848,944
Fund balances, end of year	\$ 14,499,664	\$ 1,754,635	\$ 4,171,739	\$ 4,260,655	\$ 24,686,693

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

CITY OF SAFETY HARBOR, FLORIDA
RECONCILIATION TO 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 \$ (1,162,251)

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

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

Expenditure for capital assets	\$ 3,987,537		
Less, current year depreciation and amortization	(2,391,695)		
Gain (loss) on disposal of assets	<u>(25,119)</u>		1,570,723

Debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal on long-term debt is reported as an expenditure in governmental funds, but a reduction of long-term liabilities in the statement of net position.

Leases	(68,023)		
Principal payments on finance purchase	5,000		
Principal payments on notes	157,530		
Principal payment on leases	<u>18,698</u>		113,205

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

Pension related amounts	(386,985)		
Accrued interest on long-term debt	453		
Compensated absences	(91,278)		
Other post employment benefits	<u>24,800</u>		<u>(453,010)</u>

Change in net position - governmental activities		<u>\$ 68,667</u>
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The notes to the basic financial statements are an integral part of this statement.

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Water And Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Assets				
Current assets:				
Pooled cash and investments	\$ 17,985,837	\$ 4,942,351	\$ 6,276,098	\$ 29,204,286
Accounts receivable, net:				
Accounts receivable	1,318,493	282,659	120,723	1,721,875
Due from other governments	-	12,238	-	12,238
Inventories	212,425	-	-	212,425
Prepaid items	2,500	-	-	2,500
Restricted assets:				
Pooled cash and investments:				
Sinking fund	63,673	852	1,537	66,062
Customer deposits	593,255	54,987	-	648,242
Total current assets	20,176,183	5,293,087	6,398,358	31,867,628
Noncurrent assets:				
Restricted pooled cash and investments:				
Sinking fund	2,429,023	102,637	166,378	2,698,038
Capital projects	2,173,583	-	-	2,173,583
Capital assets:				
Nondepreciable	9,628,242	-	618,711	10,246,953
Depreciable, net of accumulated depreciation/amortization	23,360,056	1,431,430	4,306,207	29,097,693
Total noncurrent assets	37,590,904	1,534,067	5,091,296	44,216,267
Total assets	57,767,087	6,827,154	11,489,654	76,083,895
Deferred outflows of resources				
Deferred outflows of resources related to OPEB	323,763	240,166	20,317	584,246
Deferred outflows of resources related to pensions	45,657	91,314	22,829	159,800
Total deferred outflows of resources	369,420	331,480	43,146	744,046
Liabilities				
Current liabilities:				
Accounts payable	431,828	284,158	12,558	728,544
Accrued liabilities	61,665	41,716	7,660	111,041
Current liabilities, payable from restricted assets:				
Accrued interest payable	63,673	852	1,537	66,062
Customer deposits	593,255	54,987	-	648,242
Construction contracts and retainage payable	721,277	-	-	721,277
Current portion of long-term obligations:				
Compensated absences	13,328	6,248	2,835	22,411
Bonds and notes payable	928,720	46,954	84,684	1,060,358
Lease payable	7,652	214	214	8,080
SBITA payable	36,098	-	-	36,098
Total current liabilities	2,857,496	435,129	109,488	3,402,113
Noncurrent liabilities:				
Compensated absences	164,385	77,063	34,959	276,407
Other post employment benefits	380,157	290,163	35,993	706,313
Net pension liability	203,709	407,402	101,855	712,966
Bonds and notes payable	8,117,978	243,000	438,259	8,799,237
Lease payable	16,744	734	734	18,212
SBITA payable	62,091	-	-	62,091
Total noncurrent liabilities	8,945,064	1,018,362	611,800	10,575,226
Total liabilities	11,802,560	1,453,491	721,288	13,977,339
Deferred inflows of resources				
Deferred inflows of resources related to OPEB	145,871	111,174	24,056	281,101
Deferred inflows of resources related to pensions	68,951	137,903	34,476	241,330
Total deferred inflows of resources	214,822	249,077	58,532	522,431
Net position				
Net investment in capital assets	23,097,738	1,140,528	4,401,027	28,639,293
Restricted for:				
Debt service	2,429,023	102,637	166,378	2,698,038
Capital projects	2,173,583	-	-	2,173,583
Unrestricted	18,418,781	4,212,901	6,185,575	28,817,257
Total net position	\$ 46,119,125	\$ 5,456,066	\$ 10,752,980	\$ 62,328,171

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Water And Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Operating revenues				
Charges for services	\$ 12,788,981	\$ 3,798,670	\$ 1,545,894	\$ 18,133,545
Intergovernmental	-	12,238	-	12,238
Other	15,949	69,065	-	85,014
Total operating revenues	<u>12,804,930</u>	<u>3,879,973</u>	<u>1,545,894</u>	<u>18,230,797</u>
Operating expenses				
Salaries, wages, and employee benefits	1,782,132	1,268,970	358,394	3,409,496
Materials and supplies	179,028	284,153	45,072	508,253
Contractual and other services	4,675,925	1,123,720	199,448	5,999,093
Depreciation and amortization	2,428,254	568,967	354,565	3,351,786
Total operating expenses	<u>9,065,339</u>	<u>3,245,810</u>	<u>957,479</u>	<u>13,268,628</u>
Operating income	<u>3,739,591</u>	<u>634,163</u>	<u>588,415</u>	<u>4,962,169</u>
Nonoperating revenue (expenses)				
Investment income	355,517	79,632	100,006	535,155
Interest and other charges	(167,431)	(3,751)	(6,750)	(177,932)
Insurance recoveries	973	10,872	-	11,845
Gain on the sale of capital assets	6,410	9,390	-	15,800
Total nonoperating revenue (expenses)	<u>195,469</u>	<u>96,143</u>	<u>93,256</u>	<u>384,868</u>
Income before transfers	3,935,060	730,306	681,671	5,347,037
Transfers				
Transfers in	<u>60,298</u>	<u>42,743</u>	<u>1,512,919</u>	<u>1,615,960</u>
Change in net position	3,995,358	773,049	2,194,590	6,962,997
Net position - beginning of year	<u>42,123,767</u>	<u>4,683,017</u>	<u>8,558,390</u>	<u>55,365,174</u>
Net position - end of year	<u><u>\$ 46,119,125</u></u>	<u><u>\$ 5,456,066</u></u>	<u><u>\$ 10,752,980</u></u>	<u><u>\$ 62,328,171</u></u>

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Water And Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Cash flows from operating activities:				
Cash received from customers	\$ 12,839,099	\$ 3,805,038	\$ 1,555,811	\$ 18,199,948
Other operating and intergovernmental revenue	15,949	81,590	-	97,539
Cash paid to suppliers for goods and services	(4,704,389)	(1,198,874)	(244,027)	(6,147,290)
Cash payments to and for the benefit of employees	(1,771,114)	(1,281,681)	(373,062)	(3,425,857)
Cash provided by operating activities	<u>6,379,545</u>	<u>1,406,073</u>	<u>938,722</u>	<u>8,724,340</u>
Cash flows from capital and related financing activities:				
Transfers in	60,298	42,743	1,512,919	1,615,960
Insurance recoveries	973	10,872	-	11,845
Principal payments on long-term debt and leases and SBITAs	(952,622)	(46,584)	(83,883)	(1,083,089)
Interest payments on long-term debt and leases and SBITAs	(173,340)	(3,919)	(7,051)	(184,310)
Proceeds from the sale of capital assets	6,410	9,390	-	15,800
Acquisition and construction of capital assets	(5,103,849)	(211,151)	(113,363)	(5,428,363)
Cash provided/(used) by capital and related financing activities	<u>(6,162,130)</u>	<u>(198,649)</u>	<u>1,308,622</u>	<u>(5,052,157)</u>
Cash flows from investing activity:				
Interest and dividends on investments	<u>364,711</u>	<u>80,888</u>	<u>101,015</u>	<u>546,614</u>
Cash used by investing activities	<u>364,711</u>	<u>80,888</u>	<u>101,015</u>	<u>546,614</u>
Net increase (decrease) in pooled cash and investments	582,126	1,288,312	2,348,359	4,218,797
Pooled cash and investments at beginning of year	<u>22,663,245</u>	<u>3,812,515</u>	<u>4,095,654</u>	<u>30,571,414</u>
Pooled cash and investments at end of year	<u>\$ 23,245,371</u>	<u>\$ 5,100,827</u>	<u>\$ 6,444,013</u>	<u>\$ 34,790,211</u>

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Water And Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Reconciliation of cash and investments to Statement of Net Position:				
Total unrestricted pooled cash and investments	\$ 17,985,837	\$ 4,942,351	\$ 6,276,098	\$ 29,204,286
Total restricted pooled cash and investments	<u>5,259,534</u>	<u>158,476</u>	<u>167,915</u>	<u>5,585,925</u>
Total pooled cash and investments	<u>\$ 23,245,371</u>	<u>\$ 5,100,827</u>	<u>\$ 6,444,013</u>	<u>\$ 34,790,211</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 3,739,591	\$ 634,163	\$ 588,415	\$ 4,962,169
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	2,428,254	568,967	354,565	3,351,786
Change in operating assets and liabilities:				
Decrease (increase) in accounts receivable	47,232	6,368	9,917	63,517
Decrease (increase) in due from other governments	-	287	-	287
Decrease (increase) in inventories	(3,273)	-	-	(3,273)
Decrease (increase) in deferred outflows	(277,234)	(181,496)	(3,574)	(462,304)
Increase (decrease) in accounts payable	153,837	208,999	493	363,329
Increase (decrease) in pension and other accrued liabilities	(13,271)	(23,200)	(14,910)	(51,381)
Increase (decrease) in deferred inflows	(15,789)	(17,714)	(2,876)	(36,379)
Increase (decrease) in customer deposits	2,886	-	-	2,886
Increase (decrease) in OPEB	301,708	223,002	13,118	537,828
Increase (decrease) in accumulated unused compensated absences	<u>15,604</u>	<u>(13,303)</u>	<u>(6,426)</u>	<u>(4,125)</u>
Net cash provided by operating activities	<u>\$ 6,379,545</u>	<u>\$ 1,406,073</u>	<u>\$ 938,722</u>	<u>\$ 8,724,340</u>
Non cash investing, capital, and financing activities:				
Construction contracts payable at year end	\$ 721,277	\$ -	\$ -	\$ 721,277
Change in fair value of investments	(153,749)	(37,004)	(46,481)	(237,234)
Lease right-to-use assets acquired	21,098	1,105	1,105	23,308
SBITA right-to-use assets acquired	130,757	-	-	130,757

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Pension Trust Fund
Assets	
Cash and cash equivalents:	
Money market	\$ 202,588
Investments, at fair value:	
Equity securities	10,187,291
U.S. Treasury Bonds, Notes and Bills	4,080,704
Total investments	<u>14,267,995</u>
Accounts receivable	16,975
Total assets	<u>14,487,558</u>
Net position	
Restricted for pension benefits	13,429,460
Restricted for pension benefits - Share Plan	<u>1,058,098</u>
Total net position	<u><u>\$ 14,487,558</u></u>

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

CITY OF SAFETY HARBOR, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Pension Trust Fund</u>
Additions	
Contributions:	
State	\$ 1,807
City	325,699
Employees	<u>134,031</u>
Total contributions	461,537
Investment income:	
Interest earnings and net decrease in the fair value of investments	<u>1,131,882</u>
 Total additions	 <u>1,593,419</u>
 Deductions	
Administrative expenses	46,804
Distributions	<u>171,611</u>
 Total deductions	 <u>218,415</u>
 Change in net position	 1,375,004
 Net position - beginning of year	 <u>13,112,554</u>
 Net position - end of year	 <u><u>\$ 14,487,558</u></u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Safety Harbor, Florida (the City) is a political subdivision of the state of Florida. The City was originally incorporated on June 11, 1917, and in 1982, the citizens of the City ratified the current City Charter (the Charter). The Charter provides for a Commission-Manager form of government. The City was created under legal authority of Chapter 61-2735, laws of Florida, which was subsequently amended by and adopted as ordinance No. 92-36 on December 21, 1992, and passed at referendum on March 9, 1993. The government of the City is operated by the authority of the powers granted by its Charter, as limited by the State Legislature. The City provides a full complement of municipal services, except for certain education, health, and welfare services, which are administered by other governmental entities.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). The more significant accounting policies established under GAAP and used by the City are discussed below.

The Reporting Entity

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable, and, as such, be included in the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management has determined that the Community Redevelopment Agency is the only organization that should be included in the City's financial statements as a blended component unit.

Blended Component Unit

The Community Redevelopment Agency (CRA) was created in 1992 pursuant to Chapter 163.356, Florida Statutes, City Ordinance 92-24, and City Resolutions 92-25 and 92-26. The City Commission serves as the CRA Board and there is a financial benefit or burden relationship between the City and the CRA. Although legally separate, the CRA is appropriately blended as a special revenue fund type component unit into the primary government. Separate financial statements are prepared for the CRA. Requests for additional information should be addressed to the Finance Director, City of Safety Harbor, 750 Main Street, Safety Harbor, Florida 34695, via the City's website <http://www.cityofsafetyharbor.com>).

The City includes advisory boards and commissions within the City in its financial statements in circumstances where the City selects the governing authority, designates management, has the ability to influence operations, and has accountability for fiscal matters of the advisory boards and commissions.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole, excluding fiduciary activities, such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in a whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the function's program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions, which finance annual operating activities; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. As a general rule, interfund accounts and transactions are eliminated.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for nonmajor funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

The government-wide financial statements are presented on the accrual basis of accounting. The government funds in the fund financial statements are presented on a modified accrual basis of accounting.

All proprietary funds are maintained on the accrual basis of accounting with revenues being recognized when earned and expenses recognized when incurred. Operating revenues and expenses of the proprietary funds are defined revenues or expenses related to the provision of the applicable service. Non-operating revenues and expenses include items unrelated to the provision of services.

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after yearend to pay liabilities of the current period (i.e., within 60 days of the end of the current fiscal period). Revenues which are susceptible to accrual are as follows: water, sewer and solid waste collection revenue, state revenue sharing, franchise fees, local infrastructure tax, and intergovernmental grants.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Expenditures are recognized at the time the fund liability is incurred, if measurable. Interest and principal payments on general long-term debt and compensated absences are recognized when paid. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Measurement Focus

The governmental fund measurement focus (in the fund financial statements) is based on determination of financial position and changes in financial position rather than on net income. The proprietary fund measurement focus is on the determination of operating income, changes in net position, and cash flows similar to businesses in the private sector.

Fund Accounting

To ensure observance of limitations and restrictions on the use of the available resources, the financial records and accounts are maintained in accordance with the principles of fund accounting. The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures or expenses.

The fund financial statements are presented to emphasize the major funds of the City. GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, sets forth criteria for the determination of major funds. The general fund is always a major governmental fund. Based on the criteria of GASB No. 34, community redevelopment agency and capital projects funds are also considered major governmental funds. The combined total of nonmajor funds is reflected as other governmental funds. For the business-type activities, the water and sewer, solid waste, and stormwater funds are considered major funds. There are no other business-type activity funds for consideration. The fund financial statements are prepared on the modified accrual basis for governmental activities and the accrual basis for business-type activities.

Governmental Fund Types

Governmental fund types are as follows:

- General Fund – accounts for and reports for all financial resources not accounted for in another fund.
- Community Redevelopment Agency – accounts for and reports the proceeds of property tax revenue restricted for financing or refinancing community redevelopment pursuant to the City's adopted community redevelopment plan.
- Capital Projects Fund – accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlay.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Proprietary Fund Types

Proprietary fund types are as follows:

- Water and Sewer – accounts for the provision of water and sewer services to the residents of the City and some county residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to, administration and system maintenance.
- Solid Waste – accounts for the provision of solid waste removal service to the residents of the City. All activities necessary to the provision of this service are accounted for in this fund.
- Stormwater Utility Fund – accounts for the provision of stormwater and drainage services to the City and some County residents. All activities necessary to the provision of this service are accounted for in this fund.

Fiduciary Fund Type

- Fiduciary fund includes the pension trust fund. The measurement focus of the pension trust fund is similar to proprietary funds. Trust funds are used to account for assets held by the City in a trustee capacity. The City reports the Retirement Plan for the Firefighters of the City of Safety Harbor as a pension trust fund.

Interfund Activity

Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements to a fund for payments initially made, but which are applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are treated as transfers. Interfund services provided and used are not eliminated in the process of consolidation. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide statements.

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. At least thirty days prior to October 1, the Budget Officer submits to the City Commission an operating budget and an explanatory message. The budget message contains an outline of the proposed financial policies for the fiscal year: (1) identifies any important changes from the current year in revenue items or appropriations, (2) lists pending funding, (3) presents a complete program and financial plan for the appropriation of expenditures, and (4) presents anticipated revenues and revenue sources.
- b. Public hearings are conducted by the City Commission as required by state and federal law to obtain taxpayer comments on the proposed budget.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

- c. The budget is adopted by a majority of all members of the City Commission not later than three days before October 1.
- d. The City Manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the City Commission.
- e. Budgets for the general, special revenue, debt service, and capital projects funds are adopted on a basis consistent with GAAP. Budgeted amounts are, as originally adopted or as amended, in accordance with City Ordinance.

Section 7.28 of the City's Code of Ordinances prohibits the expenditure of any money or the incurrence of any liability in excess of the amounts appropriated for these general classifications of expenditures: personal services, contractual and other services, materials and supplies, capital outlay, and debt service.

Appropriations for outstanding authorized encumbrances are automatically re-appropriated on October 1 of the new budget year without any further action by City Commission per Section 7.13 of City Code. However, it is management's policy to request City Commission re-appropriate unexpended or unencumbered appropriations in the succeeding year's budget.

Pooled Cash and Investments

The City utilizes a consolidated cash pool to account for cash and investments of all City funds other than those which 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 which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds.

Investments in U.S. government agencies, collateralized mortgage obligations and mortgage-backed securities are recorded at fair value, as determined by quoted market prices. If quoted market prices are not available, fair values are estimated on the basis of dealer quotes, pricing models, or quoted prices for instruments with similar characteristics. Florida PRIME, operated by the Florida State Board of Administration, currently meets all of the necessary GASB 79 criteria to elect to measure all of the investments in Florida PRIME at amortized cost; therefore, are valued at amortized cost.

Cash Equivalents

For purposes of the statement of cash flows, the proprietary funds consider pooled cash and investments to be cash equivalents since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Receivables

Utility (water and sewer, solid waste, and stormwater) operating revenues are generally recognized on the basis of cycle billings rendered monthly. The City recognizes as revenue the estimated unbilled consumption as of September 30. The City has recorded an allowance for potentially uncollectible water and sewer, solid waste, and stormwater billings. The City's General Fund includes \$3,504,222 in code enforcement lien receivables, of which approximately 98.5% (\$3,451,658) has been recorded as uncollectable.

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pinellas County Property Appraiser and the Pinellas County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2023, was 3.9500.

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

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pinellas County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Currently a lien is placed on the property. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest up to 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by Pinellas County.

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

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Inventories and Prepaids

Inventories are stated at cost (determined on the first-in, first-out method). Equipment and office supply inventories in the governmental funds are accounted for by the purchase method where inventories are recorded as expenditures when they are acquired. The unused balance is reclassified from expenditure to inventory at year end, and a portion of fund balance is considered nonspendable for the balance of these inventories on hand at year-end. Fuel inventory in the governmental funds is accounted for by the consumption method, where inventories are recorded as expenditures when used.

The following is the breakdown in governmental fund inventories on September 30, 2023:

Equipment supplies	\$	22,065
Fuel supplies		49,314
	\$	<u>71,379</u>

Certain advance payments to vendors, i.e., insurance premiums, reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and individual fund financial statements. The cost of these items are recorded as expenditures when consumed rather than when purchased. Prepaid items are equally offset by non-spendable fund balance and are not available for spending even though they are a component of net current assets.

Capital Assets

The City's property, plant, equipment, right-to-use leased equipment, subscription-based technology arrangements, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary capital assets are also reported in their respective fund financial statements. Donated assets are stated at acquisition value on the date donated. Acquisition value represents the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at acquisition date. The City generally capitalizes assets with a cost of \$5,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated/amortized using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation/amortization are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

The estimated useful lives of the various classes of depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 50
Infrastructure	5 - 50
Machinery and equipment	3 - 15

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based Information Technology Arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

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 maximum limits vary depending on an employee's class of service, hire date, etc. but generally vacation cannot exceed 280 hours and sick leave cannot exceed 1,800 hours. Upon separation from the City, an eligible employee is paid for all vacation time not exceeding their maximum limit and from one-quarter to one-half of accumulated unused sick leave not exceeding the sick leave maximum limit, i.e., sick leave payout is 900 hours for an employee with a 1,800-hour maximum limit. The City accrues for all earned, but unused vacation pay up to the maximum limit 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 governmental fund where the vacation and/or sick are earned.

Long-Term Obligations

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

In the separate fund financial statements, governmental fund types recognize bond premiums and discounts as other financing sources. Premiums received on issuance of debt are reported as other financing sources while discounts on issuance of debt are reported as other financing uses. Issuance costs, whether or not withheld from the actual issuance of debt received, are reported as debt service expenditures.

Postretirement Health and Life Insurance Benefits

The City makes healthcare insurance available for eligible retirees through the City's group health insurance plan, which covers both active and retired members. Retirees pay the full cost of healthcare insurance, which is a single, blended premium rate that is used for both active employees and retired members.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Unearned Revenue

The government-wide financial statements as well as in governmental, proprietary, and fiduciary fund financial statements, can report as unearned revenue resources that have been received but not yet earned.

Recreation, library, and special events revenues received but not yet earned total \$166,830.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the City's statement of net position pertain to one or more of the City's pension plans: the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Firefighters' Pension Plan. These amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position pertain to one or more of the City's pension plans: the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Firefighters' Pension Plan. These amounts will be recognized as reductions in pension expense in future years. The statement of net position and governmental funds balance sheet also report a deferred inflow of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Fund Balances

Governmental funds

The City Commission established and adopted by resolution a fund balance policy consistent with the Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The City's policy identifies the classification of fund balances as follows:

- Non-spendable fund balance cannot be spent because it is not in spendable form, legally or contractually required to be maintained intact or is not yet available for spending. The City reports inventories and prepaids as fund balance amounts that are not in spendable form.
- Restricted fund balance is restricted for specific purposes that are either externally imposed by creditors, grantors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City's Special Revenue fund balance policy accounts for the following funds as restricted:

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Public Safety Fund

The Public Safety fund is used to account for and report the proceeds of impact fee revenue *restricted* for public safety related capital improvements limited to facilities, vehicles, and equipment for firefighting and fire protection services and for emergency medical services. The Public Safety fund is restricted per Pinellas County Resolution Number 09-38, Chapter 62, Pinellas County Code, and Section 163.31801, Florida Statutes.

Street Improvement Fund

The Street Improvement fund is used to account for and report the proceeds of the local option gas tax restricted to transportation expenditures per Section 336.025, Florida Statutes, as may be amended.

Library Impact Fee Fund

The Library Impact Fee fund is used to account for and report the proceeds of library impact fee funds *restricted* for financing of capital and resource expansion of the City's Library in accordance with standards established by the Florida Library Association. The Library Impact Fee Fund is restricted per Section 163.31801, Florida Statutes, as may be amended.

Street Assessment Fund

The Street Assessment fund is used to account for and report the proceeds of special assessment revenue *restricted* for financing capital improvements for streets pursuant to Section 170.01, Florida Statutes, as may be amended.

Community Redevelopment Agency Fund

The Community Redevelopment Agency fund is used to account for, and report proceeds of revenue *restricted* for financing or refinancing community redevelopment pursuant to Section 163.370, Florida Statutes, as may be amended.

Capital Projects Fund

The Capital Projects fund is used to account for and report the proceeds of the local government infrastructure (Penny for Pinellas) discretionary sales tax that is *restricted* for the purpose of capital outlay, including the acquisition or construction of new facilities and other capital assets, pursuant to Section 212.055(2), Florida Statutes, as may be amended.

Street Lighting Fund

The Street Lighting Fund is used to account for the proceeds of special assessment revenue *restricted* to expenditure for street lighting services and facilities charges pursuant to Section 170.201, Florida Statutes, as may be amended.

Debt Service Fund

The Debt Service fund is used to account for and report resources that are *restricted* to expenditure for principal and interest of debt service pursuant to bond covenants.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

- In the event the City no longer expects that a substantial portion of Special Revenue Fund inflows will be derived from restricted or committed revenue sources, the City may discontinue reporting these funds as a Special Revenue Fund and report the funds remaining as resources in the General Fund.
- Committed fund balance may only be used for specific purposes as imposed by formal action of the City Commission, which is the highest level of decision-making authority. Commitments of fund balance may only be removed or changed by taking the same type of action formally used to commit the amount, which is by resolution.

Marina Fund

The Marina fund is used to account for and report the proceeds from marina slip rentals that are *committed* for the specific purpose of marina expenditures, including operating, maintenance and capital outlay and improvements.

City Tree Bank Fund

The City Tree Bank fund is used to account for and reports the proceeds from fines and mitigation for tree removal fees collected in lieu of replacing protected trees that are *committed* for the specific purpose of purchasing trees for use on city property or for use in a City sponsored reforestation program within the City limits; for the payment of fees by the City to a landscape professional or certified arborist for educating City Staff or the general public with regard to tree protection and preservation; or, for such other services or programs deemed to further the intent of Article X, Section 153.07(F) of the City of Safety Harbor Land Development Code.

Stabilization Arrangement

Commitment of general fund balance may be made by the City Commission by authorizing resolution for such purposes including, but not limited to, a) meeting future obligations resulting from a natural disaster; b) accumulating resources pursuant to a stabilization arrangement; and/or c) setting aside amounts for specific projects. Once a fund balance has been committed, the City Commission may only change the classification upon duly adopted resolution. The City maintains at a minimum, a fund balance of twenty (20) percent of General Fund operating expenditures based on the current year's adopted budget, including amendments thereto, committed for the specific purpose for use in the event of a major storm or other unforeseen disaster of a nonrecurring character, including environmental damage, flood, fire or tornado; provided that if federal or state funds are received to offset appropriations for such purposes, such monies shall be returned to the Stabilization Arrangement. Replenishment of the stabilization arrangement will be from Unassigned Fund Balance over a period of five (5) years. On September 30, 2023, the fund balance committed for stabilization is \$4,460,926.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

- Assigned fund balance is established by City Commission or City Management, the City Manager, and is intended to be used for specific purposes, which are neither considered restricted nor committed. The subsequent year's budgeted fund balance shall be assigned by the City Commission and/or City Management (the City Manager) as set forth in the annual budget, and any amendments thereto, to appropriate a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount not to exceed the projected excess of estimated expenditures over estimated revenues, transfers, and other financing sources.
- Unassigned fund balance is the residual classification for the general fund that has not been assigned to other funds and has not been restricted, committed, or assigned to a specific purpose within the general fund. The City Commission adopted a resolution whereby there shall be a targeted minimum unassigned fund balance of two months or seventeen (17) percent of General Fund operating expenditures based on the prior year's audited financial statements. This minimum unassigned fund balance shall be in addition to all other categories of unrestricted fund balances.

The spending order of fund balances as established by the City is to first spend restricted amounts when both restricted and unrestricted fund balances are available, unless there are legal restrictions that prohibit such action, such as grant agreements that require a dollar match. Additionally, when expenditures are incurred for purposes for which unrestricted fund balances could be used, the City shall first spend committed fund balance, followed by assigned fund balance, and then unassigned fund balance.

Restrictions on Net Position (Proprietary and Government-Wide)

Net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. All net position not reported as net investment in capital assets or restricted net position, is reported as unrestricted net position.

Fiduciary Fund Type

Fiduciary net position is used to indicate that a portion of net position that is not available for appropriation or expenditure or are legally segregated for a specified future use.

Impact of Recently Issued Accounting Principles

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The implementation of this standard did not affect beginning net position.

The City adopted the requirements of the guidance effective October 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS:

Equity in Pooled Cash and Investments

On September 30, 2023, the carrying amount of the City's deposits with financial institutions, excluding fiduciary funds, was \$8,720,615 and the bank account balance was \$9,318,744. The City's cash deposits were fully insured by federal depository insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the State of Florida. This act establishes a multiple financial institution collateral pool in which all financial institutions holding public deposits pledge a pool of collateral against all public deposits they collectively hold. In the event of a default or insolvency by a qualified public depository, any loss not covered by deposit insurance or the proceeds from the sale of securities pledged by the defaulting depository is covered by an assessment against the other qualified public depositories of the same type as the depository in default. The assessment is based upon the average share of the public fund deposits held by each of these depositories during the previous 12 months in relation to total public deposits held by all depositories of the same type during the same period.

<u>Pooled Cash and Investments</u>	Carrying Amount	% of Portfolio	Weighted average maturity (years)	Credit Rating
<u>Cash and cash equivalents</u>				
Cash on hand	\$ 1,480	-	n/a	n/a
Cash in bank	8,720,613	-	n/a	n/a
Total cash and cash equivalents	8,722,093	14.61%		
<u>Investments</u>				
Certificates of Deposit	4,062	0.01%	0.80	AAA
SBA Florida PRIME	21,841,862	36.60%	1.00	AAAm
Federal Home Loan Mortgage ARM FHLMC	1,171,744	1.96%	4.49	AAA
Federal Home Loan Mortgage CMO FHLMC	4,160,535	6.97%	2.33	AAA
Federal Home Loan Mortgage MBS FHLMC	2,796,631	4.69%	4.69	AAA
Government National Mortgage Association ARM GNMA	84,194	0.14%	5.82	AAA
Government National Mortgage Association CMO GNMA	7,933,737	13.29%	3.78	AAA
Government National Mortgage Association MBS GNMA	1,124,093	1.88%	3.63	AAA
Federal National Mortgage Association ARM FNMA	13,426	0.02%	4.10	AAA
Federal National Mortgage Association CMO FNMA	3,616,424	6.06%	2.83	AAA
Federal National Mortgage Association MBS FNMA	7,715,909	12.93%	3.32	AAA
Federal Farm Credit Bank (FFCB)	497,390	0.83%	0.64	AAA
Total investments	50,960,007			
Total pooled cash and investments	\$ 59,682,100	100.00%		

Equity in Pooled Investments

Custodial Risk

Custodial credit risk is the risk that a government will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third party holding the investments' securities. All investments are held in the name of the City and all-time deposits are maintained with qualified public depositories, as previously discussed.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Credit Risk

Credit quality risk results from potential default of investments that are not financially sound. Florida Statutes (166.261 and 218.415) and the City's investment policy authorize the City to invest surplus public funds in:

- The Local Government Surplus Funds Trust Fund;
- Direct obligations of the United States Government;
- Obligations guaranteed by the U.S. Government as to principal and interest;
- Interest bearing time deposits or savings accounts:
 - In banks organized under the laws of Florida,
 - In national banks organized under the laws of the United States and doing business and situated in the state of Florida,
 - In savings and loan associations which are under the state of Florida's supervision and in federal savings and loan associations located in Florida and organized under federal law and federal supervision;
 - Financial institution must be approved as a qualified public depository by the State of Florida, Department of Insurance and Treasurer;
- Obligations of the Federal Home Loan Mortgage Corporation; Federal Home Loan Mortgage Corporation Participation Certificates; Obligations of the Federal Home Loan Banks or its district banks; Obligations guaranteed by the Government National Mortgage Association.

The City does not have a policy with respect to credit rating limitations beyond the types of authorized investments.

The City is a participant in the State of Florida State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (Florida PRIME). The SBA Florida PRIME, with a current Standard & Poor's rating of AAAm. The SBA is authorized to administer and invest Florida PRIME consistent with Chapter 215.47, Florida Statutes. Florida PRIME meets all the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, which approximates fair value. The weighted average days to maturity on September 30, 2023, was 35 days. The investment policy of Florida PRIME is to manage the dollar weighted average maturity to 75 days or less.

On September 30, 2023, the fair value of the City's investments in Florida PRIME was \$21,841,862 with no liquidity restrictions.

Qualifying local government investment pools in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within an LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

With regard to liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the SBA.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

On September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single user. Pursuant to the City's investment policy, the City diversifies its portfolio to control risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific instrument and/or class of instruments. This is accomplished by limiting investments to avoid over concentration from a specific issuer or business sector, limiting investments in securities that have higher credit risk, investing in securities with varying maturities, and continuously investing in readily available funds.

The following table shows the City's level of investment in each financial instrument issuer as a percentage of total investments along with the maximum allowed concentration by investment type.

Investment Types	Concentration at Fair Value	Percentage Pooled Investments	Maximum Portfolio Composition per Investment Policy
Certificates of Deposit	\$ 4,062	0.01%	20.00%
SBA Florida PRIME	21,841,862	42.86%	25.00%
US/Government Agencies			
Federal Home Loan Mortgage ARM FHLMC	1,171,744	2.30%	
Federal Home Loan Mortgage MBS FHLMC	2,796,631	5.49%	
Government National Mortgage Association ARM GNMA	84,194	0.17%	
Government National Mortgage Association MBS GNMA	1,124,093	2.21%	
Federal National Mortgage Association ARM FNMA	13,426	0.03%	
Federal National Mortgage Association MBS FNMA	7,715,909	15.14%	
Federal Farm Credit Bank	497,390	0.98%	
Total US/Government Agencies	13,403,387	26.30%	75.00%
Collateralized Mortgage Obligations (CMO's)			
Federal Home Loan Mortgage CMO FHLMC	4,160,535	8.16%	
Government National Mortgage Association CMO GNMA	7,933,737	15.57%	
Federal National Mortgage Association CMO FNMA	3,616,424	7.10%	
Total Collateralized Mortgage Obligations (CMO's)	15,710,696	30.83%	75.00%
	<u>\$ 50,960,007</u>	<u>100.00%</u>	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to the City's investment policy, the City manages exposure to declines in fair value caused by rising interest rates by not investing in securities having a maturity date of more than five years from the date of purchase. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investments is made to coincide as nearly as practical with the expected use of the funds. Investment maturities are also ladder (staggered) throughout the year so that a portion of investments mature monthly, which further reduces exposure to declines in fair value. In addition, it is the City's practice to hold all investments until maturity, therefore, decline in fair value, if any, caused by rising interest rates are recognized for accounting purposes, but are never realized. Maturities of the City's investment portfolio are displayed in the table below.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Investment Types	Fair Value	0 to 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	More than 4 Years
Certificates of Deposit	\$ 4,062	\$ 4,062	\$ -	\$ -	\$ -	\$ -
SBA Florida PRIME	21,841,862	21,841,862	-	-	-	-
Federal Home Loan Mortgage ARM FHLMC	1,171,744	-	-	-	-	1,171,744
Federal Home Loan Mortgage CMO FHLMC	4,160,535	-	-	2,049	140,186	4,018,300
Federal Home Loan Mortgage MBS FHLMC	2,796,631	501,157	578,280	52,596	-	1,664,598
Government National Mortgage Association ARM GNMA	84,194	-	-	-	-	84,194
Government National Mortgage Association CMO GNMA	7,933,737	-	-	-	-	7,933,737
Government National Mortgage Association MBS GNMA	1,124,093	-	-	-	-	1,124,093
Federal National Mortgage Association ARM FNMA	13,426	-	-	-	-	13,426
Federal National Mortgage Association CMO FNMA	3,616,424	-	-	-	27,088	3,589,336
Federal National Mortgage Association MBS FNMA	7,715,909	-	4,540	54,483	303,939	7,352,947
Federal Farm Credit Bank	497,390	497,390	-	-	-	-
	<u>\$ 50,960,007</u>	<u>\$ 22,844,471</u>	<u>\$ 582,820</u>	<u>\$ 109,128</u>	<u>\$ 471,213</u>	<u>\$ 26,952,375</u>

City's Firefighter Pension Plan Deposit and Investments

The City participates in the Florida Municipal Pension Trust Fund which invests assets in the Florida Municipal Investment Trust (FMIvT). The FMIvT is a Local Government Investment Pool (LGIP) administered by the Florida League of Cities for the Firefighters' Pension Plan. The FMIvT is an authorized investment under Section 163.01, Florida Statutes used to invest surplus and pension funds. The FMIvT is governed by a Board of Trustees consisting of the president and second vice president of the Florida League of Cities, two representatives who are appointed from the Florida Municipal Insurance Trust and up to three members who are elected officials of governmental entities actively participating in the FMIvT.

Credit Risk

Credit risk exists when there is a possibility the issuer, or other counterparty to an investment, may be unable to fulfill its obligations. The FMIvT is considered an external investment pool for GASB reporting requirements. The City is a participating employer in the FMPTF and has a beneficial interest in shares of the FMIvT portfolio – 401(a) Defined Benefit/OPEB. The City's investment is a beneficial interest in the FMIvT 401(a) Defined Benefit/OPEB portfolio, not the individual securities held in the portfolio.

The credit risk for FMIvT funds in the portfolio is as follows:

	Firefighters Pension Plan Fitch Rating
Fixed Income Fund:	
FMIvT Broad Market High Quality Bond Fund	AAf/S4
FMIvT Core Plus Fixed Income Fund	Not Rated
Investments, at fair value:	
FMIvT Diversified Large Cap Equity Portfolio	Not Rated
FMIvT Diversified Small to Mid Cap Equity Portfolio	Not Rated
FMIvT International Equity Portfolio	Not Rated
FMIvT Core Real Estate Portfolio	Not Rated

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Concentration of Credit Risk

Safety of investment principal is the foremost objective of the City's investment program. Diversification of investments is practiced to reduce the chances of losses from individual securities exceeding gains from the entire portfolio. The following table reflects the portfolio's underlying funds, level of investment in each financial instrument and investment by issuer as a percentage of total investment:

	Firefighters Pension Plan	
	Portfolio Allocation	Amount in Trust as of September 30, 2023
Cash and cash equivalents:		
Money Market	1.40%	\$ 202,588
Investments, at fair value:		
Broad Market HQ Bond Fund	14.60%	2,112,705
Core Plus Fixed Income	13.60%	1,967,999
Diversified Large Cap	24.40%	3,530,822
Diversified Small to Mid Cap	13.90%	2,011,411
International Blend	19.30%	2,792,823
Core Real Estate	12.80%	1,852,235
Total		<u>\$ 14,470,583</u>

Interest Rate Risk

Through its investment policy and guidelines, the FMIvT manages its exposure to fair value losses arising from increasing interest rates by limiting the modified duration of certain bond funds as follows:

Fixed Income Fund	Fire Pension Investment Pool (FMIvT)	
	Modified Duration in Years	Weighted Average Maturity (WAM) in Years
FMIvT Broad Market High Quality Bond Fund	5.58	6.90
FMIvT Core Plus Fixed Income Fund	6.80	8.03

Fair Value Measurement

The City and the Firefighters' Pension Plan categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Investments are reported at fair value other than those using Net Asset Value (NAV) or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value determination, other than those measured using the NAV as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The City had the following recurring fair value measurements comprised of investments as of September 30, 2023:

		2023			
		Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Fair Value					
Investment by Fair Value Level					
U.S. Government Agency Securities	\$ 1,269,364	\$ -	\$ 1,269,364	\$ -	
Collateralized Mortgage Obligations	16,208,086	-	16,208,086	-	
Mortgage-backed Securities	11,636,633	-	11,636,633	-	
Total Investments Measured at Fair Value	<u>\$ 29,114,083</u>	<u>\$ -</u>	<u>\$ 29,114,083</u>	<u>\$ -</u>	
Investments Measured at					
Amortized Cost					
Certificates of Deposit - Non-negotiable	4,062				
SBA Florida PRIME	21,841,862				
Total Investments Measured at Cost	<u>\$ 21,845,924</u>				
Total Investments	<u>\$ 50,960,007</u>				

Debt securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

The Firefighters' Pension Plan had the following recurring fair value measurements comprised of investments as of September 30, 2023:

	2023			
		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investment by Fair Value Level				
External Investment Pool:				
FMIVT funds:				
Broad Market HQ Bond Fund	\$ 2,112,705	\$ -	\$ 2,112,705	\$ -
Core Plus Fixed Income	1,967,999	-	-	1,967,999
Diversified Large Cap	3,530,822	-	3,530,822	-
Diversified Small to Mid Cap	2,011,411	-	2,011,411	-
International Blend	2,792,823	-	2,792,823	-
Core Real Estate	1,852,235	-	-	1,852,235
Total Investments Measured at Fair Value	\$ 14,267,995	\$ -	\$ 10,447,761	\$ 3,820,234

FMIVT Broad Market High Quality Bond Fund

This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. The City reports these shares as Level 2 since the value is based on market-corroborated data.

FMIVT Core Plus Fixed Income Fund

This fund invests in a single underlying fund, the Amundi Institutional Multi-Sector Fixed Income Portfolio, LLC. Shares of the fund are not publicly quoted. The underlying fund invests in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, and litigation trusts for both U.S. and foreign companies and governments. The City reports shares of this fund as Level 3, since the value is based on unobservable inputs.

FMIVT Diversified Large Cap Equity Portfolio

This portfolio invests mainly in domestic stocks and in a single underlying fund, the Intech U.S. Broad Equity Plus Fund, LLC (Intech Fund), shares of which are not publicly quoted. Most of the underlying securities have observable Level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The value of the portfolio's shares of the Intech Fund investment is determined based on the net asset value provided by the Intech Fund, which was calculated in accordance with generally accepted accounting principles. While most of the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted. The City reports these shares as Level 2 since the value is based on market-corroborated data.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

FMIvT Diversified Small to Mid-Cap Equity Portfolio

This portfolio invests mainly in domestic stocks. The majority of the underlying securities have observable Level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted. The City reports these shares as Level 2 since the value is based on market-corroborated data.

FMIvT International Equity Portfolio

This portfolio invests in two underlying funds, the Ninety One International Dynamic Equity Fund, LLC (Ninety One Fund) and the Wells Capital Management Emerging Market Large/Mid Cap Fund, LLC (Wells Fund), shares of which are not publicly quoted. Both Funds invest in stocks sold on U.S. and international exchanges, all of which have observable Level 1 quoted pricing inputs. The value of the shares of the Ninety One Fund and the Wells Fund investment is determined based on the net asset value provided by the Funds, which was calculated in accordance with generally accepted accounting principles. The City reports these shares as Level 2 since the value is based on market-corroborated data.

FMIvT Core Real Estate Fund

This portfolio invests in a single underlying fund, the Morgan Stanley Prime Property Fund (Morgan Stanley Fund), shares of which are not publicly quoted. The Morgan Stanley Fund invests in core real estate in the U.S. The value of the Morgan Stanley Fund investments was determined based on quarterly real estate appraisals, which were calculated in accordance with generally accepted accounting principles. The City reports these shares as Level 3 since the value is based on unobservable inputs.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – RECEIVABLES:

Receivables on September 30, 2023, for the City's governmental and enterprise funds, including the applicable allowances for uncollectible accounts are as follows:

	Interest	Utility Taxes & Franchise Fees	Liens	Special Assessments	Accounts	Total Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
Governmental activities								
General fund	\$ 25,560	\$ 409,456	\$ 3,512,417	\$ -	\$ 241,834	\$ 4,189,267	\$ (3,451,658)	\$ 737,609
Community Redevelopment Agency	2,024	-	-	-	-	2,024	-	2,024
Capital Projects	5,390	-	-	-	-	5,390	-	5,390
Non-major governmental funds	4,068	-	-	18,424	17,879	40,371	-	40,371
Gross receivables	37,042	409,456	3,512,417	18,424	259,713	4,237,052	-	785,394
Less: allowance for uncollectibles	-	-	-	-	-	-	(3,451,658)	-
Net total receivables governmental activities	<u>\$ 37,042</u>	<u>\$ 409,456</u>	<u>\$ 3,512,417</u>	<u>\$ 18,424</u>	<u>\$ 259,713</u>	<u>\$ 4,237,052</u>	<u>\$ (3,451,658)</u>	<u>\$ 785,394</u>
Business-type activities								
Water and sewer utility	\$ 40,305	\$ -	\$ 306,341	\$ 24,213	\$ 1,131,938	\$ 1,502,797	\$ (184,304)	\$ 1,318,493
Solid waste utility	6,534	-	62,269	-	270,817	339,620	(56,961)	282,659
Stormwater utility	6,952	-	25,657	-	111,426	144,035	(23,312)	120,723
Gross receivables	53,791	-	394,267	24,213	1,514,181	1,986,452	-	1,721,875
Less: allowance for uncollectibles	-	-	-	-	-	-	(264,577)	-
Net total receivables business-type activities	<u>\$ 53,791</u>	<u>\$ -</u>	<u>\$ 394,267</u>	<u>\$ 24,213</u>	<u>\$ 1,514,181</u>	<u>\$ 1,986,452</u>	<u>\$ (264,577)</u>	<u>\$ 1,721,875</u>

Due from Other Governments

The following amounts were due from other governments as of September 30, 2023.

Fund	Name of Government	Revenue Source	Amount
Governmental Funds			
General	State of Florida	Half-Cent Sales Tax	\$ 216,946
General	State of Florida	Alcoholic Beverage Tax	12,717
General	State of Florida	Court Fines and Costs	636
General	Pinellas County	Pinellas County Sheriff's Office Refund	3,247
General	Pinellas County	Pinellas Reimbursement - Fire Marshall Vehicle	3,310
General	State of Florida	Firefighters' Supplemental Compensation	4,421
General	State of Florida	Communications Services Tax	143,138
General	State of Florida	Wage Reimbursement Training Event	1,736
General	State of Florida	Motor Fuel Tax Rebate	2,412
General	State of Florida	Mobile Home Licensing Fees	39
General	State of Florida	Pinellas County Fire Engine Reimbursement	41,313
General	State of Florida	Delinquent Homestead and Real Estate	3,776
Total General Fund			<u>433,691</u>
Capital Projects Fund	Pinellas County	Local Government Infrastructure Tax	425,534
Total Capital Projects Fund			<u>425,534</u>
Street Improvement	State of Florida	Local Option Gas Tax	38,153
Total Street Improvement Fund			<u>38,153</u>
Total governmental funds			<u>897,378</u>
Proprietary Funds			
Solid Waste	Pinellas County	Recycling Grant	12,238
Total proprietary funds			<u>\$ 12,238</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – CAPITAL ASSETS:

The following is a summary of changes in capital assets on September 30, 2023:

	Balance September 30, 2022	Additions	Disposals	Balance September 30, 2023
Governmental activities:				
Nondepreciable assets:				
Land	\$ 9,993,940	\$ 913,416	\$ 500	\$ 10,906,856
Construction in progress	656,737	1,306,822	8,100	1,955,459
Total Nondepreciable Assets	10,650,677	2,220,238	8,600	12,862,315
Depreciable assets:				
Buildings	6,082,044	52,133	45,862	6,088,315
Infrastructure	35,694,676	183,988	499,358	35,379,306
Equipment and Vehicles	7,842,660	1,471,253	758,679	8,555,234
Right-to-Use Leased Equipment	20,476	68,023	7,312	81,187
Total Depreciable Assets	49,639,856	1,775,397	1,311,211	50,104,042
Less, accumulated depreciation/amortization for:				
Buildings	4,005,097	158,122	35,160	4,128,059
Infrastructure	24,023,928	1,427,002	490,925	24,960,005
Equipment and Vehicles	5,338,090	793,003	758,679	5,372,414
Right-to-Use Leased Equipment	5,189	13,565	1,828	16,926
Total accumulated depreciation/amortization	33,372,304	2,391,692	1,286,592	34,477,404
Total Depreciable, Net of Accumulated Depreciation/Amortization	16,267,552	(616,295)	24,619	15,626,638
Governmental activities capital assets, net	<u>\$ 26,918,229</u>	<u>\$ 1,603,943</u>	<u>\$ 33,219</u>	<u>\$ 28,488,953</u>
Business-type activities:				
Nondepreciable assets:				
Land	606,548	-	-	606,548
Construction in progress	6,866,350	4,314,717	1,540,662	9,640,405
Total Nondepreciable Assets	7,472,898	4,314,717	1,540,662	10,246,953
Depreciable assets:				
Buildings	343,689	-	-	343,689
Infrastructure	52,922,567	1,789,993	-	54,712,560
Equipment and Vehicles	11,069,314	530,445	647,503	10,952,256
Right-to-Use Leased Equipment	13,164	23,307	-	36,471
SBITA	-	130,757	-	130,757
Total Depreciable Assets	64,348,734	2,474,502	647,503	66,175,733
Less, accumulated depreciation/amortization for:				
Buildings	326,292	12,891	-	339,183
Infrastructure	26,161,510	2,270,526	-	28,432,036
Equipment and Vehicles	7,882,592	1,027,752	647,503	8,262,841
Right-to-Use Leased Equipment	3,361	6,859	-	10,220
SBITA	-	33,760	-	33,760
Total accumulated depreciation/amortization	34,373,755	3,351,788	647,503	37,078,040
Total Depreciable, Net of Accumulated Depreciation/Amortization	29,974,979	(877,286)	-	29,097,693
Business-type activities Capital assets, net	<u>\$ 37,447,877</u>	<u>\$ 3,437,431</u>	<u>\$ 1,540,662</u>	<u>\$ 39,344,646</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – CAPITAL ASSETS (continued):

Depreciation and amortization expense was charged to governmental functions as follows:

	Amount
General government	\$ 265,237
Law enforcement	3,604
Fire protection	435,404
Building department	645
Physical environment	2,558
Transportation	498,879
Library	300,143
Parks and recreation	885,225
Total depreciation expense	<u>\$ 2,391,695</u>

Depreciation and amortization expense for the Water and Sewer Fund, Solid Waste Fund, and the Stormwater Fund is \$2,428,254, \$568,967, and \$354,565, respectively.

Construction projects actively underway as of September 30, 2023, were as follows:

Project	Spent to Date	Remaining Commitment
<u>Governmental Activities</u>		
City Hall Modular Furniture Replacement	\$ 17,399	\$ 30,965
Basin Decking Replacemnet	30,193	134,807
Channel Dredging - Construction	49,622	16,352
Replace Bucket Truck (Veh 169)	-	89,787
Replace Vehicle #803	15,351	656
Folly Nest Structual Improvements & Stair Repair	14,719	47,682
Outdoor Pickleball Courts	62,310	461,275
Replace Fishing Pier Shelter	125,059	58,306
Parks Equpment Replacement & Renewal	-	24,587
Total Governmental Activities	<u>\$ 314,652</u>	<u>\$ 864,416</u>
<u>Business-Type Activities</u>		
Replace 2000 GMC Kodiak Dump Truck (Veh 344)	\$ -	\$ 102,304
Replace Vehicle #275	-	72,577
Pipe Relining	-	160,000
Pinellas Avenue Water Main & Fire Protection	1,136,712	356,441
Seminole Park & Maple Way Water Line Replacement	166,499	185,145
North Bay Hills Water Main Replacement Phase III- Surv/Des	773,342	1,967,035
MLK, Cedar St, Pine St water main replacement	90,201	245,144
Master Lift Station Repair	83,790	967,272
Elm St., Pine St. Gravity Sewer replacement	43,800	279,413
Huntington Lift Station Rebuild-Design	17,567	62,434
Total Business-Type Activities	<u>\$ 2,311,911</u>	<u>\$ 4,397,764</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 – INTERFUND TRANSFERS AND BALANCES:

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

Transfers to funds:	
General Fund	\$ 255,740
Community Redevelopment Agency	640
Capital Projects Fund	625,000
Street Improvement Fund	1,630,000
Marina Fund	711,220
Debt Service	187,940
Street Lighting Fund	7,650
Stormwater Fund	1,512,919
Water and Sewer Fund	60,298
Solid Waste Fund	42,743
Total transfers to	<u>\$ 5,034,150</u>
Transfers from funds:	
General Fund	\$ 3,715,470
Community Redevelopment Agency	129,700
Capital Projects Fund	1,188,980
Total transfers from	<u>\$ 5,034,150</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs and capital projects accounted for in the funds in accordance with budgetary authorizations.

In addition to transfers, the General Fund has a long-term advance to the Redevelopment Fund with an outstanding balance of \$900,000 as of September 30, 2023. The principal amount is due starting in fiscal year 2024 based on a repayment plan that matures in fiscal year 2030. The purpose of this advance was to provide the necessary funding to the Redevelopment Fund in order to purchase land to be used for parking in the Community Redevelopment District. The interfund activity is eliminated in the basic Government-Wide financial statement.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES:

The following is a summary of changes in long-term liabilities for the year ended September 30, 2023:

				Amount Due		
	Balance Sep 30, 2022	Increases	Decreases	Balance Sep 30, 2023	Within One Year	Long Term Debt
Governmental Activities						
Direct borrowings:						
Revenue Note, Series 2018	\$ 888,300	\$ -	\$ 135,600	\$ 752,700	\$ 140,400	\$ 612,300
Refunding Capital Revenue Note, Series 2021	159,074	-	21,930	137,144	22,202	114,942
Total direct borrowings	1,047,374	-	157,530	889,844	162,602	727,242
Finance Purchase (Real Property)	200,000	-	5,000	195,000	5,000	190,000
Lease Payable	15,326	68,023	18,698	64,651	16,743	47,908
Compensated absences	1,007,305	98,106	6,828	1,098,583	164,787	933,796
Governmental activities total	2,270,005	166,129	188,056	2,248,078	349,132	1,898,946
Business-Type Activities						
Direct borrowings:						
Water and Sewer Revenue Note, Series 2018	7,261,200	-	541,060	6,720,140	551,960	6,168,180
Refunding Capital Revenue Note, Series 2021	3,642,126	-	502,671	3,139,455	508,398	2,631,057
Total direct borrowings	10,903,326	-	1,043,731	9,859,595	1,060,358	8,799,237
Lease Payable	9,774	23,308	6,790	26,292	8,080	18,212
SBITA Payable	-	130,757	32,568	98,189	36,098	62,091
Compensated absences	302,943	28,022	32,147	298,818	22,411	276,407
Business-type activities totals	11,216,043	182,087	1,115,236	10,282,894	1,126,947	9,155,947
Total all activities	\$ 13,486,048	\$ 348,216	\$ 1,303,292	\$ 12,530,972	\$ 1,476,080	\$ 11,054,892

Accrued compensated absences, pension and OPEB are liquidated in the funds that incur the respective liabilities, which are the General fund and Enterprise funds.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (continued):

DEBT SERVICE

2018 Revenue Note – On November 8, 2018, the City issued a \$1,395,500 Revenue Note, Series 2018, at a fixed interest rate of 3.430% with Capital One Public Funding, LLC, which matures on March 1, 2028. The note was issued for the acquisition of two parcels of land within the city to be used for parkland and a building maintenance facility. Debt service payments are made semi-annually. The note repayment is payable solely from and secured by pledged non-ad valorem revenues budgeted, appropriated, and deposited in the debt service fund for purposes of payment.

2018 Revenue Note

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2023
Non Ad Valorem Revenue Refunding Bond	3.43% 3/1; 9/1	3/1/2028	\$ 1,395,500	\$ 752,700

2018 Water and Sewer Infrastructure Improvements – On December 20, 2018, the City issued a \$8,663,200 Water and Sewer Revenue Note, Series 2018, at a fixed interest rate of 3.360% with Central State Bank, N.A., which matures on November 1, 2033. Upon original issuance, the note was initially a non-revolving line of credit allowing the city to draw up to \$8,663,200 at any one time, or through a series of draws through October 31, 2019. The city issued a series of draws through September 30, 2019, in the amount of \$2,093,422, with the final draw of \$6,569,778 on October 31, 2019. The note was issued to finance various infrastructure improvements for the City's water and sewer system. Debt service payments are made semi-annually. Payment of the loan is from pledged revenues of the net revenues of the water and sewer system. On September 13, 2021, the City reissued the 2018 Water and Sewer Note to lower the interest rate to 1.99% and thus create a net present value savings of \$606,153. There was no economic gain or loss on the transaction. There were no changes to the maturity date or any other terms.

2018 Water and Sewer Infrastructure Improvements

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2023
Non Ad Valorem Revenue Refunding Bond	1.99% 11/1; 5/11	11/1/2023	\$ 8,663,200	\$ 6,720,140

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (continued):

2021 Refunding Capital Improvement Revenue Note – On October 8, 2021, the city issued a \$4,296,700 refunding note at a fixed rate of 1.15% with Sterling National Bank, which matures on July 1, 2029. The note was issued to refund the 2006 Capital Improvement Revenue Note. Debt service payments are made semiannually. The note contains a provision that in the event of default, interest on the Note may be included in gross income for federal income tax purposes retroactively to the date of issuance. Acceleration of the payment of principal of and interest on the Note shall not be a remedy hereunder in the case of an Event of Default.

The Revenue Note consists of the following:

2021 Refunding Capital Improvement Revenue Note				
Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2023
Non Ad Valorem Revenue Refunding Bond	1.15% 1/1; 7/1	7/1/2029	<u>\$ 4,296,700</u>	<u>\$ 3,276,599</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (continued):

DEBT SERVICE

	Governmental Activities			Business - Type Activities				
	Land Purchase	Capital Improvements	Total	Water & Sewer Capital Improvements ⁽¹⁾	Stormwater Capital Improvements	Water & Sewer Capital Improvements	Solid Waste Capital Improvements	Total
Issue Date	2019	2021		2019	2021	2021	2021	
Retirement Date	2028	2029		2034	2029	2029	2029	
Debt at Issuance	\$ 1,395,500	\$ 385,198	\$ 9,967,698	\$ 8,663,200	\$ 1,425,296	\$ 6,393,426	\$ 796,080	\$ 18,778,002
Outstanding								
Principal	\$ 752,700	\$ 137,144	\$ 889,844	\$ 6,720,140	\$ 522,943	\$ 2,326,560	\$ 289,952	\$ 9,859,595
Interest Rate	3.4300%	1.1500%		1.9900%	1.1500%	1.1500%	1.1500%	
<u>Annual Debt Service</u>								
2024	\$ 163,810	\$ 23,779	\$ 187,589	\$ 680,199	\$ 90,698	\$ 403,515	\$ 50,289	\$ 1,224,701
2025	163,810	23,778	187,588	680,244	90,698	403,514	50,289	1,224,745
2026	163,839	23,780	187,619	680,186	90,702	403,533	50,291	1,224,713
2027	163,791	23,778	187,569	680,201	90,696	403,503	50,288	1,224,687
2028	163,761	23,778	187,539	680,165	90,693	403,492	50,286	1,224,636
2029-2033	-	23,822	23,822	2,740,761	90,704	403,541	50,292	3,285,299
2034	-	-	-	1,340,502	-	-	-	1,340,502
	<u>\$ 819,011</u>	<u>\$ 142,715</u>	<u>\$ 961,726</u>	<u>\$ 7,482,258</u>	<u>\$ 544,192</u>	<u>\$ 2,421,098</u>	<u>\$ 301,735</u>	<u>\$ 10,749,283</u>

DEBT SERVICE REQUIREMENTS

The annual debt service requirements for the governmental activities long-term debt as of September 30, 2023, are as follow:

Year Ending September 30,	Series 2021, Capital Improvement Revenue Note		
	Principal	Interest	Total
2024	\$ 22,202	\$ 1,577	\$ 23,779
2025	22,457	1,321	23,778
2026	22,717	1,063	23,780
2027	22,976	802	23,778
2028	23,240	538	23,778
2029 - 2033	23,552	270	23,822
Total debt service	<u>\$ 137,144</u>	<u>\$ 5,571</u>	<u>\$ 142,715</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (continued):

Year Ending September 30,	Series 2018, Revenue Note		
	Principal	Interest	Total
2024	\$ 140,400	\$ 23,410	\$ 163,810
2025	145,300	18,510	163,810
2026	150,400	13,439	163,839
2027	155,600	8,191	163,791
2028	161,000	2,761	163,761
Total debt service	<u>\$ 752,700</u>	<u>\$ 66,311</u>	<u>\$ 819,011</u>

The annual debt service requirements for the business-type activities long-term debt as of September 30, 2023, are as follow:

Year Ending September 30,	Series 2021, Capital Improvement Revenue Note		
	Principal	Interest	Total
2024	\$ 508,398	\$ 36,104	\$ 544,502
2025	514,243	30,258	544,501
2026	520,183	24,344	544,527
2027	526,124	18,362	544,486
2028	532,160	12,311	544,471
2029 - 2033	538,347	6,191	544,538
Total debt service	<u>\$ 3,139,455</u>	<u>\$ 127,570</u>	<u>\$ 3,267,025</u>

Year Ending September 30,	Series 2018, Water and Sewer Revenue Note		
	Principal	Interest	Total
2024	\$ 551,960	\$ 128,239	\$ 680,199
2025	563,100	117,144	680,244
2026	574,360	105,826	680,186
2027	585,920	94,281	680,201
2028	597,660	82,505	680,165
2029 - 2033	2,513,340	227,421	2,740,761
2034	1,333,800	6,702	1,340,502
Total debt service	<u>\$ 6,720,140</u>	<u>\$ 762,118</u>	<u>\$ 7,482,258</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (continued):

Finance Obligation

On February 1, 2013, the City entered into a financed-purchase agreement with the School Board of Pinellas County, Florida for property located at 0 Elm Street, Safety Harbor, which is the site of the former Secondary School that was demolished in 2009. The financed-purchase term is fifty (50) years for a purchase price of \$250,000 and requires annual installments of \$5,000 with no annual interest rate. The City may pay in full any time during the term of the finance-purchase the outstanding balance of the finance-purchase. The future minimum finance-purchase payments as of September 30, 2023, are \$195,000.

Lease Liability

The City leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028 and have no renewal options.

Total future minimum lease payments under lease agreements are as follows:

Governmental Activities

	<u>Principal</u>	<u>Interest</u>
2024	\$ 16,743	\$ 1,426
2025	16,244	1,003
2026	13,853	634
2027	14,203	283
2028	<u>3,608</u>	<u>15</u>
Total minimum lease payments	<u>\$ 64,651</u>	<u>\$ 3,361</u>

Business Type Activities

	<u>Principal</u>	<u>Interest</u>
2024	\$ 8,080	\$ 565
2025	7,362	363
2026	4,747	217
2027	4,867	97
2028	<u>1,236</u>	<u>5</u>
Total minimum lease payments	<u>\$ 26,292</u>	<u>\$ 1,247</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (continued):

Subscription-Based Information Technology Arrangements

The City has entered into subscription based-information technology arrangements (SBITAs) that expire at various dates through 2028.

As of September 30, 2023, SBITA assets and the related accumulated amortization totaled \$130,757 and \$33,760, respectively.

The future subscription payments under SBITA agreements are as follows:

	<u>Business Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 36,098	\$ 1,964
2025	34,835	1,055
2026	11,487	525
2027	11,777	235
2028	3,992	12
Total minimum SBITA payments	<u>\$ 98,189</u>	<u>\$ 3,791</u>

NOTE 7 – PENSION PLANS:

The City currently contributes to three defined benefit plans, two of which are no longer available to incoming employees. The Florida Retirement System Plan along with its Retiree Health Insurance Subsidy are both multiple employer cost sharing plans. These two plans are no longer offered to incoming full-time general employees. The Safety Harbor Firefighter's Pension Fund is a single employer defined benefit plan and is still offered to full-time firefighters employed with the City. The Florida Retirement System defined benefit plans were replaced with a defined contribution plan currently offered to all full-time general employees. Each of the City's pension plans are administered by a third party.

A. Florida Retirement System

Plan Description

The City contributes to the Florida Retirement System (FRS), a cost-sharing multiple employer Public Employees Retirement System (PERS) defined benefit pension plan controlled by the State Legislature and administered by the Florida Department of Administration and Division of Retirement and covers twenty-seven percent of all the City's full-time employees. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, health insurance subsidy, and survivor benefits to plan members and beneficiaries, respectively. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the law can be made only by an act of the Florida Legislature. Rules governing the operations and administration of the System may be found in Chapter 60S of the Florida Administrative Code. A comprehensive annual financial report of the Florida Retirement System, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website: www.dms.myflorida.com/workforce_operations/retirement/publications.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

There are over 1,000 participating employers served by the FRS and Retiree Health Insurance Subsidy (HIS) defined benefit plans. Since January of 1996, the FRS pension plan has been closed to new entrants. The number of years of creditable service required to vest for enrolled employees is determined by the employee's membership class. Employees vest after completing 10 years of creditable service apart from the senior management class which vests after completion of 7 years of creditable service. This plan includes an early retirement option which allows members who are vested but have not reached the normal retirement age or date to take a benefit reduction for each year the retirement date precedes the normal retirement age.

Deferred Retirement Option Program (DROP)

The FRS pension plan allows eligible members to participate in the Deferred Retirement Option Program (DROP). This program allows members to retire and continue working, drawing both salary and retirement benefits during participation in this program, up to 8 years.

Benefits Provided

The monthly benefit an employee receives is dependent upon the years of creditable service, percentage value of each year of creditable service and average final compensation. Average final compensation is the average of the five highest fiscal years of salary earned during covered employment. The total percentage value of the benefit received is determined by calculating the total value of all service, based on the retirement plan and/or class the employee belonged to when the service credit was earned.

Benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment each July which is based on the June benefit amount. The cost-of-living adjustment (COLA) for retirements or DROP participation effective prior to August 1, 2011, is 3 percent per year. The COLA calculation for retirements with effective retirement dates or DROP begin dates on or after August 1, 2011, is calculated by dividing pre-July 2011 service credit by total service credit at retirement and multiplying by 3 percent.

Contributions

Presently, the System requires a 3.00% contribution from covered members in the regular, special risk and senior management classes. The City is required to contribute an actuarially determined rate. The employer's contribution rates are based upon employees' gross earnings and are effective from July 1 thru June 30. The rates effective for July 1, 2023, thru June 30, 2024, are regular employees, 13.57%; special risk, 32.67%; senior management, 34.52%; and DROP, 21.13%. The rates effective for July 1, 2022, thru June 30, 2023, are: regular employees, 11.91%; special risk, 27.83%; senior management, 31.57%; and DROP, 18.60%. The contribution requirements of the City are established by and may be amended by the State Legislature. The City's contributions to the System for the fiscal year ending September 30, 2023, was \$118,539 equal to the required contribution for this year.

Pension Costs

On September 30, 2023, the City reported a liability of \$1,106,672 for its proportionate share of the FRS pension plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on contributions made by the city to FRS during the measurement period relative to the total employer contributions made to FRS by all participating employers. On June 30, 2023, the City's proportion was .002777267%, which was a decrease of 0.000736806% from the proportion measured as of June 30, 2022.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

The City recognized a pension expense of \$52,921 for its proportionate share on September 30, 2023. The proportionate share of deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 103,905	\$ -
Changes in Actuarial Assumptions	72,141	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	46,214	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	56,031	317,490
City Contributions Subsequent to the Measurement Date	23,602	-
Total	<u>\$ 301,893</u>	<u>\$ 317,490</u>

A total of \$23,602 was reported as deferred outflows of resources because of contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Amount
2024	\$ (90,162)
2025	(84,749)
2026	158,058
2027	(15,455)
2028	(6,891)
Thereafter	-

Investments

Investment management of assets contributed and held on behalf of the Florida Retirement System is provided by the State Board of Administration. Accounting and administration of benefits and contributions, commissions, actuarial studies and proposal rules and regulations for the administration of the FRS is provided by the Florida Division of Retirement. The State Legislature is responsible for setting contribution and benefit levels and providing the statutory guidance for the administration of the FRS. Plan target allocation as of September 30, 2023, was as follows:

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

Investment Category	Target Allocations	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Totals	100.0%			
Assumed Inflation - mean			2.4%	1.4%

Actuarial Methods and Assumptions: Total pension liability was determined by actuarial valuation as of July 1, 2023, using the following actuarial assumptions:

Florida Retirement System	
Valuation date	7/1/2023
Measurement date	6/30/2023
Inflation	2.40%
Salary increases (including inflation)	3.25%
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018
Actuarial cost method	Individual Entry Age
Investment rate of return	6.70%

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

*The municipal bond rate used to determine total pension liability did not change from the prior year.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the current discount rate of 6.70%, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (5.70 percent) and 1-percentage-point higher (7.70 percent).

	1% Decrease 5.70%	Current Rate 6.70%	1% Increase 7.70%
FRS Net Pension Liability	\$ 68,066,508,032	\$ 39,846,835,032	\$ 16,237,702,032
City's proportion of net pension liability	1,890,389	1,106,672	450,964

Amounts presented were determined as of June 30

B. Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program.

Plan Benefits

The Program provides a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45, and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Contributions

The HIS plan is funded by required contributions from FRS participating employers set by the Florida Legislature. Employer contributions are a percentage of gross compensation for active FRS members. The City is required to contribute an actuarially determined rate. The contribution requirements of the City are established by and may be amended by the State Legislature. Pursuant to Section 112.363, Florida Statutes, for the plan fiscal year ended June 30, 2023, the contribution rate was 2.00 percent of gross compensation. The City's contribution to the HIS plan for fiscal year ending September 30, 2023, was \$11,926, equal to the required contribution for this year.

Pension Costs

On September 30, 2023, the City reported a liability of \$319,285 for its proportionate share of the HIS pension plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, rolled forward to the measurement date. The City's proportion of the net pension liability was based on contributions made by the city during the measurement period relative to the total employer contributions made by all participating employers. On June 30, 2023, the City's proportion was .002010443%, which was a decrease of 0.000372741% from the same as the proportion measured as of June 30, 2022.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

The City recognized a pension expense in the amount of \$40,001 for its proportionate share on September 30, 2023. The proportionate share of deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 4,674	\$ 749
Changes in Actuarial Assumptions	8,394	27,667
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	165	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	1,937	136,739
City Contributions Subsequent to the Measurement Date	2,534	-
Total	<u>\$ 17,704</u>	<u>\$ 165,155</u>

A total of \$2,534 was reported as deferred outflows of resources as a result of contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Amount
2024	\$ (58,120)
2025	(39,313)
2026	(26,043)
2027	(14,973)
2028	(9,310)
Thereafter	(2,226)

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

Actuarial Assumptions

Valuations for the HIS program are performed biennially. Total pension liability was determined by actuarial valuation using the following assumptions:

	HIS Pension Plan Assumptions
Valuation date	7/1/2022
Measurement date	6/30/2023
Inflation	2.40%
Salary increases (including inflation)	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Individual Entry Age
Municipal Bond Rate*	3.65%

*The municipal bond rate used to determine total pension liability increased from 3.54% to 3.65%

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

The discount rate used to measure the total pension liability was 3.65% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the municipal bond index.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the current discount rate of 3.65 percent, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (2.65 percent) and 1-percentage-point higher (4.65 percent).

	1% Decrease 2.65%	Current Rate 3.65%	1% Increase 4.65%
HIS Net Pension Liability	\$ 18,118,123,208	\$ 15,881,333,755	\$ 14,027,185,514
City's proportion of net pension liability (asset)	364,255	319,285	282,009

Amounts presented were determined as of June 30

C. Defined Contribution Plan

The City contributes to one defined contribution plan for employees starting after January 1, 1996 (Opt-Out Plan). Plan provisions and contributions are established by City Resolution. The plan is administered by ICMA Retirement Corporation. Plan investments are recorded at fair value. The Opt-Out Plan is fully vested upon completion of five or more years of service. The City contributes 8% of participants' earnings to the 401(a) plan accounts for general employees. Employees are not permitted to contribute to this plan. Employer contributions are recognized in the period that the contributions are due. The City contribution to the 401(a) plan accounts for general employees was \$469,270 for the year ended September 30, 2023. For the City Manager, retirement participation is in a 401(a) plan with the ICMA with a 12.5% City contribution. The total plan contribution for fiscal year 2023 for the City Manager was \$21,542.

D. Firefighters' Pension Plan

Plan Description

Plan Administration. The City of Safety Harbor Firefighter Pension Fund (Firefighters Plan) has been established to conform to the Retirement Trust Fund provisions of Chapter 175 of Florida Statutes, as modified by local ordinance. The Firefighter's Plan is a single employer defined benefit plan, which is administered by the Board of Trustees, which was established by local ordinance and covers all firefighters employed by the City of Safety Harbor.

The Board of Trustees is composed of five members. Two members are appointed by City Commission, two are elected by plan members and one is elected by the Board of Trustees and appointed by the City Commission.

The Firefighters Plan issues a stand-alone financial report each year that contains information about the plan's fiduciary net position. The plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the fair value of assets calculated under the accrual basis of accounting. This report is available to the public at the plan's administrative office: Retirement Department, Florida League of Cities, Inc., P.O. Box 1757, Tallahassee, FL 32302 or calling (800) 342-8112.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

Plan Membership. On September 30, 2023, pension plan membership consists of the following:

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	27
	<u>32</u>

Benefits Provided. The Firefighters Plan provides retirement, disability, and pre-retirement death benefits. Retirement benefits for plan members are calculated as 3 percent of average earnings (highest 5 years of pensionable earnings out of last 10 years) times the members' years of service. Disability benefits are calculated as 42 percent of average earnings or result of retirement pension formula, whichever is largest. The minimum disability benefit is calculated as 2 percent of average earnings times the years of service. Pre-retirement death benefits are calculated as 50 percent of pensionable earnings. Normal retirement for plan members is 55 years of age with 10 years of service or any age with at least 25 years of service. Early retirement is available to plan members 50 years of age with at least 10 years of service. Early retirement pension is reduced by 3 percent for each year by which the early retirement date precedes the normal retirement date. Plan members become 100 percent vested after 10 years of service. Benefit terms provide for annual cost-of-living adjustments of 2 percent per annum.

Contributions. Plan members are required to contribute 1 percent of their annual covered salary. The City's contribution to the fund is determined by actuarial valuation. The City is required to contribute an amount equal to the minimum required contribution as a percentage of covered payroll. The employee contribution requirement may be amended by City ordinance, but the employer contribution requirement is subject to State minimums. The City's contribution of \$327,506 for 2023 is reflected in the departmental expenditures section of the General Fund. The state of Florida levies a tax on property, casualty and auto insurance premiums, the proceeds of which are distributed to the Plan.

Pension Expense and Deferred Outflows and Inflows of Resources. On September 30, 2023, the City reported a net pension asset of \$1,450,746. The net pension asset was measured as of September 30, 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2022. The City recognized pension expense of \$733,263 on September 30, 2023. Deferred outflows of resources and deferred inflows of resources were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 975,192	\$ -
Differences Between Expected and Actual Economic Experience	220,879	960,865
Changes in Actuarial Assumptions	713,581	220,905
Total	<u>\$ 1,909,652</u>	<u>\$ 1,181,770</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Amount
2024	\$ 247,009
2025	242,812
2026	520,039
2027	(40,824)
2028	(1,540)
Thereafter	(239,614)

Investment Policy. The Plan's policy regarding the allocation of invested assets is established and may be amended by the Florida League of Cities. The primary investment objective is long-term capital and income growth consistent with capital conservation. Consistent returns and avoiding extreme fair value volatility is emphasized. Plan target allocation as of September 30, 2023, was as follows:

Investment Category	Target Allocations
Core Bonds	15%
Core Plus	15%
U.S. Large Cap Equity	25%
U.S. Small Cap Equity	14%
Non U.S. Equity	21%
Core Real Estate	10%
Total or Weighted Arithmetic Average	<u>100%</u>

For the year ended September 30, 2023, the long-term investment rate of return assumption was 4.38%. The money-weighted rate of return, which expresses investment performance, net of investment expense, adjusted for the changing amounts invested, was 8.475% for the year ended September 30, 2023.

Net Pension Liability (Asset)

The components of the net pension liability (asset) on September 30, 2023, were as follows:

Total pension liability	\$ 11,978,714
Plan fiduciary net position	<u>(13,429,460)</u>
City's net pension liability (asset)	<u>\$ (1,450,746)</u>
Plan fiduciary net position as a percentage of total pension liability	-112.11%

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

Actuarial Methods and Assumptions: Total pension liability was determined by actuarial valuation as of October 1, 2022, using the following actuarial assumptions:

<u>Firefighters Pension Plan</u>	
Valuation date	10/1/2022
Measurement date	9/30/2023
Actuarial cost method	Aggregate Cost**
Asset valuation method	Fair value
Discount rate*	7.00% per annum
Salary increases	4.50% per annum
Cost of living increases	2.00% per annum

Mortality Basis: Selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.

*The discount rate of 7.00% was used to discount all future benefit payments (2.62% per annum is attributable to long-term inflation).

**Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funded progress is prepared using the entry age normal cost method and is intended to serve as a surrogate for the funded status of the plan.

Rate of Return: The long-term expected real rate of return on plan asset classes as of September 30, 2023, are as follows:

<u>Investment Category</u>	<u>Long-Term Expected Real Rate of Return</u>	
Core Bonds	1.60%	per annum
Core Plus	2.10%	per annum
US Large Cap Equity	4.60%	per annum
US Small Cap Equity	5.50%	per annum
Non-US Equity	6.70%	per annum
Core Real Estate	5.00%	per annum
Total or Weighted Arithmetic Average	4.38%	per annum

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

Changes in Net Pension Liability:

	Changes in Net Pension Liability		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2022	\$ 10,656,534	\$ (12,062,819)	\$ (1,406,285)
Changes due to:			
Service Cost	620,892	-	620,892
Expected Interest Growth	779,799	(855,235)	(75,436)
Unexpected Investment Income	-	(196,421)	(196,421)
Demographic Experience	21,237	-	21,237
Employer Contributions	-	(325,699)	(325,699)
Employee Contributions	-	(134,031)	(134,031)
State Contributions	-	(1,807)	(1,807)
Benefit Payments & Refunds	(99,748)	99,748	-
Administrative Expenses	-	46,804	46,804
Assumption Changes	-	-	-
Balance as of September 30, 2023	<u>\$ 11,978,714</u>	<u>\$ (13,429,460)</u>	<u>\$ (1,450,746)</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension asset calculated using the current discount rate of 7.00 percent, along with what the net pension liability would be if the discount rate used was 1-percentage-point lower (6.00 percent) and 1- percentage-point higher (8.00 percent).

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – PENSION PLANS (continued):

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 13,984,526	\$ 11,978,714	\$ 10,387,795
Fiduciary net position	(13,429,460)	(13,429,460)	(13,429,460)
Net pension liability (asset)	<u>\$ 555,066</u>	<u>\$ (1,450,746)</u>	<u>\$ (3,041,665)</u>

E. Summary

The aggregate amount of net pension asset, pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense for the City's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual funds in which the employee's costs are associated.

Description	Firefighters Plan	FRS Plan	HIS Plan	Total
Net Pension Asset	\$1,450,746	\$ -	\$ -	\$1,450,746
Net Pension Liability	-	1,106,672	319,285	1,425,957
Deferred Outflows of Resources Related to Pensions	1,909,652	301,893	17,704	2,229,249
Deferred Inflows of Resources Related to Pensions	1,181,770	317,490	165,155	1,664,415
Pension Expense	733,263	52,921	40,001	826,185

F. Firefighters' Pension Plan – Share Plan

Plan Description

In accordance with Chapter 175, Section 351(6) of Florida Statutes, the Firefighters Plan has a defined contribution plan component (Share Plan) which provides special benefits to firefighters enrolled in the defined benefit plan. This Share Plan is funded solely by State of Florida Chapter 175 premium tax monies allocated to the plan. There is no employer or employee contributions. Since 1999 annual premium tax proceeds have been set aside for extra benefits and in fiscal year 2014, City Commission adopted a resolution allowing firefighters enrolled in the Firefighters Plan a share of these proceeds based on years of service until retirement. Normal vesting in this plan occurs after 10 years of employment. The Share Plan balance as of September 30, 2023, is \$1,058,098. The Share Plan balance is reported in the City's fiduciary trust fund financial statements.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – DEFERRED COMPENSATION PLAN:

The City offers an optional deferred compensation plan, created in accordance with Internal Revenue Code Section 457, to all employees in addition to pension plans. Under the provisions of Internal Revenue Code Section 457, *Deferred Compensation Plans*, and GASB Statement No. 32, *Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans*, all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not reported within the City's financial statements on September 30, 2023.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB):

Plan Description

The City operates a single-employer retiree benefit plan (the "Plan") that provides certain healthcare related benefits to retirees and certain other employees. The City is required by section 112.0801, Florida Statutes, to allow retirees and certain other former employees to continue to participate in the City's fully insured plan.

Benefits Provided

Retirees are fully responsible for payment of their insurance premiums, and the City generally does not contribute toward this payment. However, retirees pay for the cost of this benefit at a single, blended premium rate that the City uses for both active employees and retirees. The difference between the amount the retiree is required to pay at the implicitly subsidized premium rates and the actual cost to the City meets the definition of OPEB.

Plan Membership. On September 30, 2022, pension plan membership consists of the following:

Membership Classification	Number of Plan Members
Inactive plan members or beneficiaries currently receiving benefits	17
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	220
	<u>237</u>

Contributions

The required contribution by the City is based on pay-as-you-go financing requirements. Retirees must contribute an amount equal to 100% of the applicable health insurance premium as determined by the carrier. The City has no legal or contractual obligation to make contributions to a qualified trust to fund OPEB.

Total OPEB Liability

The City's OPEB Liability was measured as of September 30, 2023, and was determined by an actuarial valuation as of September 30, 2023.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Actuarial Assumptions

Total OPEB liability was determined by actuarial valuation using the following actuarial assumptions:

Other Postemployment Benefit Plan

Discount rate 4.02% per annum (BOY)
 4.09% per annum (EOY)
 Source: Bond Buyer 20-Bond GO Index

Salary increases 3.00% per annum

Healthcare cost trend rates The health care cost trend assumptions are used to project the cost of healthcare in future years. The following annual trends are applied on a select and ultimate basis. Select trends are reduced 0.30% each year for ten years, and 0.10% thereafter until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Pre-Midicate Medical and Rx Benefits	7.75%	4.00%
Medicare Benefits	6.75%	4.00%
Stop Loss Fees	7.75%	4.00%
Administration Fees	4.00%	4.00%

Mortality PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

Changes The discount rate was updated from 4.02% to 4.09%.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined in the valuation are subject to constant revision as actual experience are compared with past expectations and new estimates are made about the future. The schedule of changes in the City's net OPEB liability, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information and shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Discount Rate Liability

The discount rate used to measure total OPEB Liability was 4.09%. This rate is based on the Bond Buyer 20-GO Index as of the measurement date.

Changes on Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of October 01, 2022	\$ 623,482
Changes due to:	
Service cost	12,549
Interest cost	22,871
Differences between expected and actual experience	1,548,482
Changes in assumptions or other inputs	557,342
Benefit payment	<u>(134,222)</u>
Net change in total OPEB Liability	<u>2,007,022</u>
Balance as of September 30, 2023	<u><u>\$ 2,630,504</u></u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability calculated using the current discount rate of 4.09%, along with what the total OPEB liability would be if the discount rate used was 1-percentage-point lower (3.09 percent) and 1-percentage-point higher (5.09 percent).

	1% Decrease 3.09%	Current Rate 4.09%	1% Increase 5.09%
Total OPEB liability	<u>\$ 2,368,000</u>	<u>\$ 2,630,504</u>	<u>\$ 2,946,000</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability calculated using the current healthcare cost trend rate of 7.75 percent graded down to 4.00 percent, along with what the total OPEB liability would be if the healthcare cost trend rate used was 1-percentage-point lower (6.75 percent graded down to 3.00 percent) and 1-percentage-point higher (8.75 percent graded down to 5.00 percent).

	1% Decrease 6.75% graded down to 3.00%	Trend Rate 7.75% graded down to 4.00%	1% Increase 8.75% graded down to 5.00%
Total OPEB liability	<u>\$ 2,321,000</u>	<u>\$ 2,630,504</u>	<u>\$ 3,015,000</u>

OPEB Costs – For the year ended September 30, 2023, the City recognized OPEB contra-expense of \$33,882. In addition, the City reported OPEB deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,515,115	\$ (337,502)
Changes of assumptions/inputs	635,601	(517,626)
Total	<u>\$ 2,150,716</u>	<u>\$ (855,128)</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 64,920
2025	64,920
2026	64,920
2027	64,920
2028	64,920
Thereafter	970,988

NOTE 10 – REDEVELOPMENT TRUST FUND:

Pursuant to Florida Statute 163.387, the schedule below provides a summary of the sources of deposits into, and the amount and purpose of withdrawals from, the Redevelopment Trust Fund (Community Redevelopment Agency Fund) for the fiscal year ended September 30, 2023.

	<u>Deposits</u>	<u>Withdrawals</u>
Sources of deposits:		
Ad valorem taxes	\$ 673,040	\$ -
Ad valorem taxes from Pinellas County	433,617	-
Interest and investment income	42,283	-
Transfers In	640	-
Advance from Primary Government	900,000	
Purpose of withdrawals:		
Personal services	-	52,870
District fees	-	1,295
Facade and partnership incentives	-	37,718
Creative Arts Pinellas Study	-	709
Conservator Review - Waterfront Public Art	-	7,084
Signage	-	3,733
Special Event Holiday Lighting	-	29,656
Streetscaping - benches, trash cans, planter, ballasts	-	25,243
CRA Banners	-	2,687
CRA Downtown Master Plan	-	19,965
2nd Street Land Purchase	-	913,418
Transfer to Series 2018 Debt for Baranoff Oak	-	129,700
Totals	<u>\$ 2,049,580</u>	<u>\$ 1,224,078</u>

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 11 – RISK MANAGEMENT:

The City is a member of Public Risk Management (PRM), a local government liability risk pool. PRM administers insurance activities relating to property, general, automobile, and public officials' liability, employees' health, and auto physical damage. PRM absorbs losses up to a specified amount annually and purchases excess and other specific coverages from third-party carriers. PRM assesses each member their pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. No additional assessments were levied by PRM to the City for the fiscal year ended September 30, 2023. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 2023. In addition, there have been no settlements that exceeded the City's insurance coverage in any of the past three fiscal years.

The City is a defendant in various legal actions that, in the opinion of management, will not have a significant effect on the financial position or results of operations of the City.

NOTE 12 – STATE AND FEDERAL GRANT CONTINGENCIES:

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowance, if any, would have a material effect on the financial position of the City.

NOTE 13 – LEASES – LESSOR

The City, acting as lessor, leases cell tower property under a long-term, non-cancelable lease agreement. The leases expires in 2061 and contain no renewal options. During the year ended September 30, 2023, the City recognized \$20,540 and \$0 in lease revenue and interest revenue, respectively, pursuant to this contract.

Since this lease was prepaid by the lessee, there is no total future minimum lease payments to be received under the lease agreement.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Property taxes	\$ 6,602,710	\$ 6,602,710	\$ 6,024,650	\$ (578,060)
Utility taxes	2,869,800	2,869,800	3,195,103	325,303
Local business tax	142,000	142,000	139,061	(2,939)
Franchise fees	1,655,100	1,655,100	1,576,515	(78,585)
Licenses and permits	108,960	108,960	29,632	(79,328)
Sales tax	1,393,230	1,393,230	1,448,441	55,211
Intergovernmental	2,302,580	2,346,255	2,409,636	63,381
Charges for services	1,091,780	1,091,780	1,386,582	294,802
Fines and forfeitures	21,500	21,500	100,340	78,840
Investment income	100,000	100,000	226,553	126,553
Other	605,090	605,090	604,820	(270)
Amounts available for appropriation	<u>16,892,750</u>	<u>16,936,425</u>	<u>17,141,333</u>	<u>204,908</u>
Charges to appropriations (outflows):				
General Government:				
City Commission	188,920	281,027	287,868	(6,841)
City Manager	285,190	285,190	282,144	3,046
City Clerk	198,540	198,645	188,279	10,366
Elections	31,000	31,000	1,465	29,535
Finance	335,670	346,139	324,811	21,328
Human Resources	326,750	362,261	395,835	(33,574)
Community Development	419,020	509,714	441,548	68,166
City Attorney	185,700	185,700	200,759	(15,059)
Nondepartmental	417,220	427,782	410,761	17,021
Maintenance	805,130	858,171	822,560	35,611
Nonoperating	523,480	523,480	523,478	2
Total general government	<u>3,716,620</u>	<u>4,009,109</u>	<u>3,879,508</u>	<u>129,601</u>
Public Safety:				
Law enforcement	1,609,250	1,609,252	1,609,248	4
Fire protection	4,406,180	4,396,607	4,161,690	234,917
Building department	384,660	336,647	293,361	43,286
Total public safety	<u>6,400,090</u>	<u>6,342,506</u>	<u>6,064,299</u>	<u>278,207</u>
Physical environment	509,170	508,770	474,193	34,577
Transportation	845,450	846,355	595,888	250,467

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Culture and recreation:				
Library	\$ 1,314,380	\$ 1,310,771	\$ 1,261,549	\$ 49,222
Parks and recreation	4,590,190	4,554,290	4,179,989	374,301
Total culture and recreation	5,904,570	5,865,061	5,441,538	423,523
Capital outlay	91,430	117,359	182,126	(64,767)
Debt Service:				
Principal Retirement	-	-	18,700	(18,700)
Interest and other charges	-	-	1,400	(1,400)
Total Debt Services	-	-	20,100	(20,100)
Other Financing Sources (Uses)				
Transfers in from other funds	255,740	255,740	255,740	-
Transfers out to other funds	3,715,470	4,615,471	3,715,470	900,001
Lease	-	-	68,023	68,023
Gain on the sale of capital assets	45,000	45,000	47,688	2,688
Insurance recoveries	19,000	19,000	11,858	(7,142)
Total Other Financing Sources (Uses)	4,035,210	4,935,211	4,098,779	963,570
Total charges to appropriations	21,182,800	22,304,631	20,373,122	1,931,509
Excess (deficiency) of resources over (under) charges to appropriations	(3,970,310)	(5,048,466)	(2,848,480)	2,199,986
Appropriated fund balance	3,970,310	5,048,466	-	(5,048,466)
Deficiency of resources under charges to appropriations	\$ -	\$ -	\$ (2,848,480)	\$ (2,848,480)

Notes:

1. The basis of budgeting for the general fund is on a GAAP basis.
2. For information relating to the City's budgeting process, refer to Note 1 - Summary of Significant Accounting Policies.

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Property taxes	\$ 1,118,280	\$ 1,118,280	\$ 1,106,657	\$ (11,623)
Investment income	7,500	7,500	42,283	34,783
Contributions and donations	615,140	615,140	-	(615,140)
Transfers In	640	900,640	640	(900,000)
Amounts available for appropriation	<u>1,741,560</u>	<u>2,641,560</u>	<u>1,149,580</u>	<u>(1,491,980)</u>
Charges to appropriations (outflows):				
General Government	328,930	333,985	180,960	153,025
Capital outlay	2,975,240	900,000	913,418	(13,418)
Transfers out to other funds	129,700	129,700	129,700	-
Total charges to appropriations	<u>3,433,870</u>	<u>1,363,685</u>	<u>1,224,078</u>	<u>139,607</u>
Excess (deficiency) of resources over (under) charges to appropriations	(1,692,310)	1,277,875	(74,498)	(1,352,373)
Appropriated fund balance	<u>1,692,310</u>	<u>(1,277,875)</u>	<u>-</u>	<u>1,277,875</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (74,498)</u>	<u>\$ (74,498)</u>

Notes:

Actual amounts (budgetary basis) available for
appropriations from the budgetary comparisons
schedule

\$ 1,149,580

Differences - budget to GAAP

Transfers from other funds are inflows of
budgetary resources but are not resources
for financial reporting purposed

640

Total revenues as reported on the statement
of revenues, expenditures and changes in
fund balances governmental funds

\$ 1,148,940

Explanation of differences between budgetary
outflows and expenditures determined in
accordance with GAAP:

Actual amounts (budgetary basis) charges to
appropriations per the budgetary comparisons
schedule

\$ 1,224,078

Differences - budget to GAAP

Transfers to other funds are outflows of
budgetary resources but are not expenditures
for financial reporting purposed

129,700

Total expenditures as reported on the statement
of revenues, expenditures and changes in
fund balances governmental funds

\$ 1,094,378

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.002777267%	0.003514073%	0.003243011%	0.003184306%	0.003993798%	0.005466957%	0.006937320%	0.010163558%	0.011264343%
City's proportionate share of the net pension liability	\$ 1,106,672	\$ 1,307,518	\$ 244,993	\$ 1,380,125	\$ 1,375,408	\$ 1,646,675	\$ 2,052,013	\$ 2,566,306	\$ 1,454,941
Plan fiduciary net position as a percentage of the total pension liability (asset)	83%	83%	96%	79%	83%	84%	84%	85%	92%
City's covered payroll	\$ 795,782	\$ 868,501	\$ 834,946	\$ 879,658	\$ 1,107,117	\$ 1,402,897	\$ 1,704,511	\$ 2,319,170	\$ 2,451,390
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	139%	151%	29%	157%	124%	117%	120%	111%	59%

* Amounts presented for each fiscal year were determined as of June 30

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF THE CITY'S CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 118,539	\$ 151,824	\$ 127,709	\$ 110,825	\$ 114,958	\$ 147,506	\$ 170,230	\$ 247,855	\$ 274,634
Contributions in relation to the statutorily required contribution	(118,539)	(151,824)	(127,709)	(110,825)	(114,958)	(147,506)	(170,230)	(247,855)	(274,634)
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 697,195	\$ 874,115	\$ 831,412	\$ 870,509	\$ 1,025,472	\$ 1,321,018	\$ 1,586,879	\$ 2,282,984	\$ 2,416,414
City's contributions as a percentage of covered payroll	17%	17%	15%	13%	11%	11%	11%	11%	11%

* Amounts presented for each fiscal year were determined as of September 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN¹
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.002010443%	0.002383184%	0.002358448%	0.002532575%	0.003291212%	0.004272498%	0.005347533%	0.007417542%	0.008084719%
City's proportionate share of the net pension liability	\$ 319,285	\$ 252,417	\$ 289,299	\$ 309,223	\$ 368,254	\$ 452,206	\$ 571,783	\$ 864,484	\$ 824,514
Plan fiduciary net position as a percentage of the total pension liability (asset)	4%	5%	4%	3%	3%	2%	2%	1%	1%
City's covered payroll	\$ 795,782	\$ 868,501	\$ 834,946	\$ 879,658	\$ 1,107,117	\$ 1,402,897	\$ 1,704,511	\$ 2,319,170	\$ 2,451,390
City's proportionate share of the net pension liability as a percentage of covered payroll	40%	29%	35%	35%	33%	32%	34%	37%	34%

* Amounts presented for each fiscal year were determined as of June 30.

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF THE CITY'S CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN¹
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 11,926	\$ 14,684	\$ 13,634	\$ 14,453	\$ 16,910	\$ 21,810	\$ 26,348	\$ 38,020	\$ 30,905
Contributions in relation to the statutorily required contribution	(11,926)	(14,684)	(13,634)	(14,453)	(16,910)	(21,810)	(26,348)	(38,020)	(30,905)
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 697,195	\$ 874,115	\$ 831,412	\$ 870,509	\$ 1,025,472	\$ 1,321,018	\$ 1,586,879	\$ 2,282,984	\$ 2,416,414
City's contributions as a percentage of covered payroll	2%	2%	2%	2%	2%	2%	2%	2%	1%

* Amounts presented were determined as of September 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
FIREFIGHTERS’ RETIREMENT FUND
LAST TEN FISCAL YEARS**

Year ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Changes due to:										
Service Cost	\$ 620,892	\$ 591,236	\$ 608,221	\$ 562,872	\$ 473,494	\$ 490,136	\$ 436,960	\$ 338,895	\$ 190,271	\$ 256,386
Expected Interest Growth	779,799	723,891	649,367	542,297	510,843	449,280	390,035	239,563	320,285	249,194
Demographic Experience	21,237	(414,593)	(14,154)	310,761	(577,812)	(20,193)	(307,493)	(5,117)	(201,410)	-
Benefit Payments & Refunds	(99,748)	(97,792)	(102,278)	(91,426)	(20,757)	(3,498)	-	(5,142)	-	-
Changes in Benefit Terms	-	-	-	182,301	-	-	-	-	-	-
Assumption Changes	-	-	(26,090)	-	-	-	273,806	1,484,984	(562,306)	-
Net Change in Total Pension Liability	1,322,180	802,742	1,115,066	1,506,805	385,768	915,725	793,308	2,053,183	(253,160)	505,580
Total Pension Liability-Beginning	\$ 10,656,534	\$ 9,853,792	\$ 8,738,726	\$ 7,231,921	\$ 6,846,153	\$ 5,930,428	\$ 5,137,120	\$ 3,083,937	\$ 3,337,097	\$ 2,831,517
Total Pension Liability-Ending	\$ 11,978,714	\$ 10,656,534	\$ 9,853,792	\$ 8,738,726	\$ 7,231,921	\$ 6,846,153	\$ 5,930,428	\$ 5,137,120	\$ 3,083,937	\$ 3,337,097
Fiduciary Net Position:										
Changes due to:										
Expected Interest Growth	\$ (855,235)	\$ (959,828)	\$ (777,786)	\$ (699,572)	\$ (634,095)	\$ (557,899)	\$ (461,895)	\$ (399,621)	\$ (491,498)	\$ (362,994)
Unexpected Investment Income	(196,421)	2,804,314	(1,386,148)	21,003	140,107	(43,156)	(426,077)	(64,282)	580,202	(96,582)
Employer Contributions	(325,699)	(301,752)	(442,796)	(482,530)	(530,342)	(512,791)	(497,252)	(389,600)	(403,688)	(395,359)
Employee Contributions	(134,031)	(118,722)	(77,463)	(42,044)	(16,657)	(15,181)	(14,270)	(12,244)	(10,861)	(10,486)
State Contributions	(1,807)	(112,568)	(111,899)	-	-	-	-	-	-	-
Benefit Payments & Refunds	99,748	97,792	102,278	91,426	20,757	3,498	-	5,142	-	-
Administrative Expenses	46,804	50,813	42,705	41,183	37,053	38,673	30,224	24,690	19,650	28,190
Net Change in Fiduciary Net Position	(1,366,641)	1,460,049	(2,651,109)	(1,070,534)	(983,177)	(1,086,856)	(1,369,270)	(835,915)	(306,195)	(837,231)
Plan Fiduciary Net Position-Beginning	(12,062,819)	(13,522,868)	(10,871,759)	(9,801,225)	(8,818,048)	(7,731,192)	(6,361,922)	(5,526,007)	(5,219,812)	(4,382,581)
Plan Fiduciary Net Position-Ending (b)	\$ (13,429,460)	\$ (12,062,819)	\$ (13,522,868)	\$ (10,871,759)	\$ (9,801,225)	\$ (8,818,048)	\$ (7,731,192)	\$ (6,361,922)	\$ (5,526,007)	\$ (5,219,812)
City's Net Pension Liability/(Asset)	(1,450,746)	(1,406,285)	(3,669,076)	(2,133,033)	(2,569,304)	(1,971,895)	(1,800,764)	(1,224,802)	(2,442,070)	(1,882,715)
Plan Fiduciary Net Position as a percentage of Total Pension Liability/(Asset)	-112%	-113%	-137%	-124%	-136%	-129%	-130%	-124%	-179%	-156%
Covered Payroll	\$ 1,803,394	\$ 1,733,508	\$ 1,720,479	\$ 1,584,365	\$ 1,488,212	\$ 1,541,067	\$ 1,367,798	\$ 1,133,154	\$ 1,062,547	\$ 1,076,940
City's Net Pension Liability/(Asset) as a percentage of Covered Payroll	-80%	-81%	-213%	-135%	-173%	-128%	-132%	-108%	-230%	-175%

*Amounts presented as of September 30

**State Contributions separated out from Employer Contributions starting with fiscal year 2021.

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
FIREFIGHTERS' RETIREMENT FUND
LAST TEN FISCAL YEARS

<u>Year Ended September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions Recognized By the Plan</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions Recognized as a % of Covered Payroll</u>
	(a)	(b)	(b-a)	(d)	(b/d)
2023	\$ 463,079	\$ 327,506	\$ (135,573)	\$ 1,803,394	18.16%
2022	426,014	414,320	(11,694)	1,733,508	23.90%
2021	548,552	554,695	6,143	1,720,479	32.24%
2020	490,099	482,530	(7,569)	1,584,365	30.46%
2019	544,685	530,342	(14,343)	1,488,212	35.64%
2018	510,920	512,791	1,871	1,541,067	33.28%
2017	393,136	497,252	104,116	1,367,798	36.35%
2016	337,319	389,600	52,281	1,133,154	34.38%
2015	235,025	403,688	168,663	1,062,547	37.99%
2014	253,234	395,359	142,125	1,076,940	13.20%

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF INVESTMENT RETURNS –
FIREFIGHTERS' RETIREMENT FUND
LAST TEN FISCAL YEARS

<u>Year Ended September 30,</u>	<u>Money-Weighted Rate of Return</u>
2023	8.475%
2022	13.37%
2021	19.20%
2020	6.67%
2019	5.98%
2018	8.20%
2017	4.39%
2016	7.91%
2015	-0.05%
2014	9.97%

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

Year ending September 30,	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Changes due to:						
Service Cost	\$ 12,549	\$ 17,186	\$ 105,885	\$ 103,667	\$ 82,391	\$ 77,955
Expected Interest Growth	22,871	16,791	31,255	28,064	47,770	46,189
Unexpected Investment Income	-	-	-	-	-	-
Demographic Experience	1,548,482	-	(334,629)	(91,102)	94,100	-
Employer Contributions	-	-	-	-	-	-
Employee Contributions	-	-	-	-	-	-
Benefit Payments & Refunds	(134,222)	(60,431)	(63,998)	(55,927)	(51,698)	(74,401)
Administrative Expenses	-	-	-	-	-	-
Changes in Benefit Terms	-	-	-	-	-	-
Assumption Changes	557,342	(106,063)	(369,153)	166,389	(214,592)	-
Net Change in Total OPEB Liability	2,007,022	(132,517)	(630,640)	151,091	(42,029)	49,743
Total OPEB Liability/(Asset)-Beginning	\$ 623,482	\$ 755,999	\$ 1,386,639	\$ 1,235,548	\$ 1,277,577	\$ 1,227,834
Total OPEB Liability/(Asset)-Ending	<u>\$ 2,630,504</u>	<u>\$ 623,482</u>	<u>\$ 755,999</u>	<u>\$ 1,386,639</u>	<u>\$ 1,235,548</u>	<u>\$ 1,277,577</u>
Net OPEB Liability/(Asset) (a) + (b)	2,630,504	623,482	755,999	1,386,639	1,235,548	1,277,577
Covered Employee Payroll	\$ 6,861,469	\$ 7,427,000	\$ 7,211,087	\$ 6,589,674	\$ 6,816,718	\$ 6,752,698
Total OPEB Liability/(Asset) as a percentage of Covered Employee	38%	8%	10%	21%	18%	19%

Note: Amounts presented as of September 30

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

Firefighters' Pension Plan

Actuarial assumptions and methods.

The amounts reported for the year ended September 30, 2023, are based on the October 1, 2022 actuarial valuation.

Discount rate: 7.00% per annum

Salary increases: 4.50% per annum

Cost-of-living increases: 2.00% per annum

Mortality basis: For non-retired participants, sex-distinct rate as set forth in the PUB-2010 Headcount-Weighted Employee 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 (pre-retirement mortality); 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.

Retirement: Retirement is assumed to occur at the most valuable retirement age.

Future Contributions: Contributions from the employer and employees are assumed to be made as legally required.

Changes: No assumptions were changed since the prior measurement date.

Other Postemployment Benefits Plan

Actuarial assumptions and methods.

The amounts reported for the year ended September 30, 2023, are based on the September 30, 2023 actuarial valuation.

Discount rate: 4.02% per annum (BOY)
4.09% per annum (EOY)
Source: Bond Buyer 20-Bond GO Index

Salary increases: 3.00% per annum

Mortality basis: PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

Changes in Experience: The valuation incorporates the following changes in experience from the prior valuation:

- Updated census information, and
- Current plan cost information, including retiree premiums and contributions.

See Independent Auditors' Report.

CITY OF SAFETY HARBOR, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

Other Postemployment Benefits Plan (continued)

The aggregate impact of experience changes to the total OPEB liability is an increase of \$1,548,000. Significantly, the impact of plan cost updates on the valuation increased the liability by \$1,301,000. Retiree per capita claim costs are about 10% higher than expected, and retiree contributions are over 14% lower than expected.

Changes of Actuarial Assumptions: The valuation incorporates the following assumption changes from the prior valuation:

- The trend rates were updated to an initial rate of 7.75% (6.75% for Post-65) grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- The marriage assumption was changed to 50% for future retirees.
- The retirement and termination rates were updated based on the Florida Retirement System (FRS) 2023 Actuarial Valuation report.
- The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries' recent mortality study.
- The discount rate was updated from 4.02% to 4.09%.

The aggregate impact of assumption changes to the total OPEB liability is an increase of \$558,000.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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CITY OF SAFETY HARBOR, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds											Debt Service	Total Governmental Funds
	Public Safety Impact Fee	Street Improvement Fund	Street Assessment	Marina Boat Basin	City Tree Bank	Multimodal Impact Fees	Library Impact Fee	Law Enforcement Trust Fd	Street Lighting Fund	Parkland Fund	Total Special Revenue Funds		
Assets													
Pooled cash and investments	\$ 56,689	\$ 2,793,835	\$ 35,939	\$ 352,667	\$ 138,082	\$ 490,897	\$ 98,284	\$ 280	\$ 74,836	\$ 82,583	\$ 4,124,092	\$ 132,306	\$ 4,256,398
Receivables, net:													
Accounts receivable	131	1,686	1,105	18,506	220	866	169	-	17,491	197	40,371	-	40,371
Due from other governments	-	38,153	-	-	-	-	-	-	-	-	38,153	-	38,153
Total assets	<u>\$ 56,820</u>	<u>\$ 2,833,674</u>	<u>\$ 37,044</u>	<u>\$ 371,173</u>	<u>\$ 138,302</u>	<u>\$ 491,763</u>	<u>\$ 98,453</u>	<u>\$ 280</u>	<u>\$ 92,327</u>	<u>\$ 82,780</u>	<u>\$ 4,202,616</u>	<u>\$ 132,306</u>	<u>\$ 4,334,922</u>
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ -	\$ 390	\$ -	\$ 37,847	\$ 494	\$ 996	\$ -	\$ -	\$ 21,495	\$ 3,692	\$ 64,914	\$ -	\$ 64,914
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	8,484	-	-	-	-	-	-	8,484	-	8,484
Unearned revenue	-	-	153	716	-	-	-	-	-	-	869	-	869
Total liabilities	<u>-</u>	<u>390</u>	<u>153</u>	<u>47,047</u>	<u>494</u>	<u>996</u>	<u>-</u>	<u>-</u>	<u>21,495</u>	<u>3,692</u>	<u>74,267</u>	<u>-</u>	<u>74,267</u>
Fund Balances:													
Restricted for:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire protection	49,623	-	-	-	-	-	-	-	-	-	49,623	-	49,623
Transportation	-	204,876	36,891	-	-	-	-	-	5,498	-	247,265	-	247,265
Library	-	-	-	-	-	-	95,751	-	-	-	95,751	-	95,751
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	132,306	132,306
Committed to:													
Physical environment	-	-	-	266,467	-	-	-	-	-	-	266,467	-	266,467
Public safety	-	-	-	-	134,854	-	-	-	-	-	134,854	-	134,854
Assigned to:													
Fire protection	7,197	-	-	-	-	-	-	-	-	-	7,197	-	7,197
Library	-	-	-	-	-	-	2,702	-	-	-	2,702	-	2,702
Parks and recreation	-	-	-	-	-	-	-	-	-	79,088	79,088	-	79,088
Public safety	-	-	-	-	2,954	-	-	280	-	-	3,234	-	3,234
Physical environment	-	-	-	57,659	-	-	-	-	-	-	57,659	-	57,659
Transportation	-	2,628,408	-	-	-	490,767	-	-	65,334	-	3,184,509	-	3,184,509
Unassigned:	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>56,820</u>	<u>2,833,284</u>	<u>36,891</u>	<u>324,126</u>	<u>137,808</u>	<u>490,767</u>	<u>98,453</u>	<u>280</u>	<u>70,832</u>	<u>79,088</u>	<u>4,128,349</u>	<u>132,306</u>	<u>4,260,655</u>
Total liabilities and fund balances	<u>\$ 56,820</u>	<u>\$ 2,833,674</u>	<u>\$ 37,044</u>	<u>\$ 371,173</u>	<u>\$ 138,302</u>	<u>\$ 491,763</u>	<u>\$ 98,453</u>	<u>\$ 280</u>	<u>\$ 92,327</u>	<u>\$ 82,780</u>	<u>\$ 4,202,616</u>	<u>\$ 132,306</u>	<u>\$ 4,334,922</u>

CITY OF SAFETY HARBOR, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds										Total Special Revenue Funds	Debt Service	Total Governmental Funds
	Public Safety Impact Fee	Street Improvement Fund	Street Assessment	Marina Boat Basin	City Tree Bank	Multimodal Impact Fees	Library Impact Fee	Law Enforcement Trust Fd	Street Lighting Fund	Parkland Fund			
Revenues:													
Local option tax	\$ -	\$ 230,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,431	\$ -	\$ 230,431
Impact fees	351	-	-	-	-	1,074	383	-	-	315	2,123	-	2,123
Special assessments	-	-	37	-	-	-	-	-	222,219	-	222,256	-	222,256
Intergovernmental	-	-	-	-	8,500	-	-	-	-	-	8,500	-	8,500
Charges for services	-	1,900	-	73,483	35,558	-	-	-	-	-	110,941	-	110,941
Investment income	904	44,629	322	5,624	2,059	7,823	1,567	5	1,193	1,316	65,442	1,184	66,626
Contributions and donations	-	-	-	-	-	-	-	-	-	20,200	20,200	-	20,200
Total revenues	1,255	276,960	359	79,107	46,117	8,897	1,950	5	223,412	21,831	659,893	1,184	661,077
Expenditures:													
Current operating:													
Building department	-	-	-	-	36,908	-	-	-	-	-	36,908	-	36,908
Physical environment	-	-	-	25,110	-	-	-	-	-	-	25,110	-	25,110
Transportation	-	106,805	-	-	-	-	-	-	255,613	-	362,418	-	362,418
Parks and recreation	-	-	-	-	-	-	-	-	-	33,365	33,365	-	33,365
Capital outlay	19,536	27,651	-	833,414	-	-	-	-	-	-	880,601	-	880,601
Debt service:													
Principal retirement	-	-	-	-	-	-	-	-	-	5,000	5,000	157,528	162,528
Interest and other charges	-	-	-	-	-	-	-	-	-	-	-	29,970	29,970
Total expenditures	19,536	134,456	-	858,524	36,908	-	-	-	255,613	38,365	1,343,402	187,498	1,530,900
Excess (deficiency) of revenues over (under) expenditures	(18,281)	142,504	359	(779,417)	9,209	8,897	1,950	5	(32,201)	(16,534)	(683,509)	(186,314)	(869,823)
Other financing sources (uses):													
Transfers in	-	1,630,000	-	711,220	-	-	-	-	7,650	-	2,348,870	187,940	2,536,810
Total other financing sources (uses)	-	1,630,000	-	711,220	-	-	-	-	7,650	-	2,348,870	187,940	2,536,810
Net change in fund balances	(18,281)	1,772,504	359	(68,197)	9,209	8,897	1,950	5	(24,551)	(16,534)	1,665,361	1,626	1,666,987
Fund balances, beginning of year	75,101	1,060,780	36,532	392,323	128,599	481,870	96,503	275	95,383	95,622	2,462,988	130,680	2,593,668
Fund balances, end of year	\$ 56,820	\$ 2,833,284	\$ 36,891	\$ 324,126	\$ 137,808	\$ 490,767	\$ 98,453	\$ 280	\$ 70,832	\$ 79,088	\$ 4,128,349	\$ 132,306	\$ 4,260,655

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – PUBLIC SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Impact fees	\$ 3,750	\$ 3,750	\$ 351	\$ (3,399)
Investment income	<u>2,000</u>	<u>2,000</u>	<u>904</u>	<u>(1,096)</u>
Amounts available for appropriation	<u>5,750</u>	<u>5,750</u>	<u>1,255</u>	<u>(4,495)</u>
Charges to appropriations (outflows):				
Capital outlay	<u>19,670</u>	<u>19,670</u>	<u>19,536</u>	<u>134</u>
Total charges to appropriations	<u>19,670</u>	<u>19,670</u>	<u>19,536</u>	<u>134</u>
Excess (deficiency) of resources over (under) charges to appropriations	(13,920)	(13,920)	(18,281)	(4,361)
Appropriated fund balance	<u>13,920</u>	<u>13,920</u>	<u>-</u>	<u>(13,920)</u>
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,281)</u>	<u>\$ (18,281)</u>

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – STREET IMPROVEMENT FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Local option tax	\$ 241,800	\$ 241,800	\$ 230,431	\$ (11,369)
Charges for services	-	-	1,900	1,900
Investment income	10,000	10,000	44,629	34,629
Transfers in from other funds	<u>1,630,000</u>	<u>1,630,000</u>	<u>1,630,000</u>	<u>-</u>
Amounts available for appropriation	<u>1,881,800</u>	<u>1,881,800</u>	<u>1,906,960</u>	<u>25,160</u>
Charges to appropriations (outflows):				
Transportation	148,450	164,447	106,805	57,642
Capital outlay	<u>2,365,000</u>	<u>6,598</u>	<u>27,651</u>	<u>(21,053)</u>
Total charges to appropriations	<u>2,513,450</u>	<u>171,045</u>	<u>134,456</u>	<u>36,589</u>
Excess (deficiency) of resources over (under) charges to appropriations	(631,650)	1,710,755	1,772,504	61,749
Appropriated fund balance	<u>631,650</u>	<u>(1,710,755)</u>	<u>-</u>	<u>1,710,755</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,772,504</u>	<u>\$ 1,772,504</u>

Notes:

Explanation of differences between budgetary
inflows and GAAP revenues:

Actual amounts (budgetary basis) available for
appropriations from the budgetary comparisons
schedule

\$ 1,906,960

Differences - budget to GAAP

Transfers from other funds are inflows of
budgetary resources but are not resources
for financial reporting purposed

1,630,000

Total revenues as reported on the statement
of revenues, expenditures and changes in
fund balances governmental funds

\$ 276,960

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – STREET ASSESSMENT FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Special Assessments	\$ -	\$ -	\$ 37	\$ 37
Investment income	-	-	322	322
	<u>-</u>	<u>-</u>	<u>359</u>	<u>359</u>
Amounts available for appropriation	\$ -	\$ -	\$ 359	\$ 359
Charges to appropriations (outflows):				
Total charges to appropriations	-	-	-	-
Excess (deficiency) of resources over (under) charges to appropriations	-	-	359	359
Appropriated fund balance	-	-	-	-
Deficiency of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 359</u>	<u>\$ 359</u>

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – MARINA BOAT BASIN FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Charges for services	\$ 61,530	\$ 61,530	\$ 73,483	\$ 11,953
Investment income	1,500	1,500	5,624	4,124
Transfers in from other funds	<u>36,220</u>	<u>711,220</u>	<u>711,220</u>	<u>-</u>
Amounts available for appropriation	<u>99,250</u>	<u>774,250</u>	<u>790,327</u>	<u>16,077</u>
Charges to appropriations (outflows):				
Physical environment	29,630	29,630	25,110	4,520
Capital outlay	<u>410,460</u>	<u>897,700</u>	<u>833,414</u>	<u>64,286</u>
Total charges to appropriations	<u>440,090</u>	<u>927,330</u>	<u>858,524</u>	<u>68,806</u>
Excess (deficiency) of resources over (under) charges to appropriations	(340,840)	(153,080)	(68,197)	84,883
Appropriated fund balance	<u>340,840</u>	<u>153,080</u>	<u>-</u>	<u>(153,080)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,197)</u>	<u>\$ (68,197)</u>
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriations from the budgetary comparisons schedule			\$ 790,327	
Differences - budget to GAAP				
Transfers from other funds are inflows of budgetary resources but are not resources for financial reporting purposed			<u>711,220</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			<u>\$ 79,107</u>	

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – CITY TREE BANK FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Intergovernmental	\$ -	\$ 8,500	\$ 8,500	\$ -
Charges for services	25,000	25,000	35,558	10,558
Investment income	2,000	2,000	2,059	59
	<u>27,000</u>	<u>35,500</u>	<u>46,117</u>	<u>10,617</u>
Amounts available for appropriation				
Charges to appropriations (outflows):				
Building Department	21,000	46,906	36,908	9,998
	<u>21,000</u>	<u>46,906</u>	<u>36,908</u>	<u>9,998</u>
Total charges to appropriations				
	<u>21,000</u>	<u>46,906</u>	<u>36,908</u>	<u>9,998</u>
Excess (deficiency) of resources over (under) charges to appropriations	6,000	(11,406)	9,209	20,615
Appropriated fund balance	<u>(6,000)</u>	<u>11,406</u>	<u>-</u>	<u>(11,406)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,209</u>	<u>\$ 9,209</u>

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – MULTIMODAL IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Impact fees	\$ 19,000	\$ 19,000	\$ 1,074	\$ (17,926)
Investment income	6,000	6,000	7,823	1,823
Amounts available for appropriation	<u>25,000</u>	<u>25,000</u>	<u>8,897</u>	<u>(16,103)</u>
Charges to appropriations (outflows):				
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total charges to appropriations	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Excess (deficiency) of resources over (under) charges to appropriations	(175,000)	(175,000)	8,897	183,897
Appropriated fund balance	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>(175,000)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,897</u>	<u>\$ 8,897</u>

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – LIBRARY IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Impact fees	\$ 3,050	\$ 3,050	\$ 383	\$ (2,667)
Investment income	1,000	1,000	1,567	567
Amounts available for appropriation	<u>4,050</u>	<u>4,050</u>	<u>1,950</u>	<u>(2,100)</u>
Charges to appropriations (outflows):				
Capital outlay	<u>105,980</u>	<u>105,980</u>	<u>-</u>	<u>105,980</u>
Total charges to appropriations	<u>105,980</u>	<u>105,980</u>	<u>-</u>	<u>105,980</u>
Excess (deficiency) of resources over (under) charges to appropriations	(101,930)	(101,930)	1,950	103,880
Appropriated fund balance	<u>101,930</u>	<u>101,930</u>	<u>-</u>	<u>(101,930)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,950</u>	<u>\$ 1,950</u>

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Investment income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>
Amounts available for appropriation	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Charges to appropriations (outflows):				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – STREET LIGHTING FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Special Assessments	\$ 225,000	\$ 225,000	\$ 222,219	\$ (2,781)
Investment income	1,500	1,500	1,193	(307)
Transfers in from other funds	7,650	7,650	7,650	-
Amounts available for appropriation	<u>234,150</u>	<u>234,150</u>	<u>231,062</u>	<u>(3,088)</u>
Charges to appropriations (outflows):				
Transportation	<u>260,400</u>	<u>260,400</u>	<u>255,613</u>	<u>4,787</u>
Total charges to appropriations	<u>260,400</u>	<u>260,400</u>	<u>255,613</u>	<u>4,787</u>
Excess (deficiency) of resources over (under) charges to appropriations	(26,250)	(26,250)	(24,551)	1,699
Appropriated fund balance	<u>26,250</u>	<u>26,250</u>	<u>-</u>	<u>(26,250)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,551)</u>	<u>\$ (24,551)</u>

Notes:

Explanation of differences between budgetary
inflows and GAAP Revenues:

Actual amounts (budgetary basis) available for
appropriations from the budgetary comparisons
schedule

\$ 231,062

Differences - budget to GAAP

Transfers to other funds are inflows of
budgetary resources but are not resources
for financial reporting purposed

7,650

Total revenues as reported on the statement
of revenues, expenditures and changes in
fund balances governmental funds

\$ 223,412

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – PARKLAND FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Impact fees	\$ 55,000	\$ 55,000	\$ 315	\$ (54,685)
Investment income	2,000	2,000	1,316	(684)
Contributions and donations	-	-	20,200	20,200
Other	-	200,000	-	(200,000)
Amounts available for appropriation	<u>57,000</u>	<u>257,000</u>	<u>21,831</u>	<u>(235,169)</u>
Charges to appropriations (outflows):				
Parks and recreation	20,000	42,007	33,365	8,642
Capital outlay	60,000	112,000	-	112,000
Capital lease principal	5,000	205,000	5,000	200,000
Debt service finance obligation	-	-	-	-
Total charges to appropriations	<u>85,000</u>	<u>359,007</u>	<u>38,365</u>	<u>320,642</u>
Excess (deficiency) of resources over (under) charges to appropriations	(28,000)	(102,007)	(16,534)	85,473
Appropriated fund balance	<u>28,000</u>	<u>102,007</u>	<u>-</u>	<u>(102,007)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,534)</u>	<u>\$ (16,534)</u>

There were no differences between budgetary inflows (outflows) and GAAP revenues (expenditures).

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS – DEBT SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Investment income	\$ -	\$ -	\$ 1,184	\$ 1,184
Transfers in from other funds	<u>187,940</u>	<u>187,940</u>	<u>187,940</u>	<u>-</u>
Amounts available for appropriation	<u>187,940</u>	<u>187,940</u>	<u>189,124</u>	<u>1,184</u>
Charges to appropriations (outflows):				
Principal retirement	155,260	155,263	157,528	(2,265)
Interest and other charges	<u>34,350</u>	<u>34,350</u>	<u>29,970</u>	<u>4,380</u>
Total charges to appropriations	<u>189,610</u>	<u>189,613</u>	<u>187,498</u>	<u>2,115</u>
Excess (deficiency) of resources over (under) charges to appropriations	(1,670)	(1,673)	1,626	3,299
Appropriated fund balance	<u>1,670</u>	<u>1,673</u>	<u>-</u>	<u>(1,673)</u>
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,626</u>	<u>\$ 1,626</u>
Notes:				
Explanation of differences between budgetary inflows and GAAP Revenues:				
Actual amounts (budgetary basis) available for appropriations from the budgetary comparisons schedule			\$ 189,124	
Differences - budget to GAAP				
Transfers to other funds are inflows of budgetary resources but are not resources for financial reporting purposes			<u>187,940</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			<u>\$ 1,184</u>	

CITY OF SAFETY HARBOR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND – CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Local option tax	\$ 2,274,830	\$ 2,274,830	\$ 2,592,265	\$ 317,435
Intergovernmental	5,680	28,030	22,356	(5,674)
Investment income	10,000	10,000	63,493	53,493
Transfers in from other funds	625,000	625,000	625,000	-
Insurance recoveries	-	-	1,000	1,000
Amounts available for appropriation	<u>2,915,510</u>	<u>2,937,860</u>	<u>3,304,114</u>	<u>366,254</u>
Charges to appropriations (outflows):				
Transportation	25,000	27,500	10,000	17,500
Capital outlay	3,854,370	2,600,510	2,011,394	589,116
Transfers out to other funds	<u>513,980</u>	<u>1,188,980</u>	<u>1,188,980</u>	-
Total charges to appropriations	<u>4,393,350</u>	<u>3,816,990</u>	<u>3,210,374</u>	<u>606,616</u>
Excess (deficiency) of resources over (under) charges to appropriations	(1,477,840)	(879,130)	93,740	972,870
Appropriated fund balance	<u>1,477,840</u>	<u>879,130</u>	-	(879,130)
Excess of resources under charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,740</u>	<u>\$ 93,740</u>
Explanation of differences between budgetary inflows and GAAP revenues:				
Actual amounts (budgetary basis) available for appropriation from the budgetary comparisons schedule			\$ 3,304,114	
Differences - budget to GAAP				
Transfers to other funds are inflows of budgetary resources but are not resources for financial reporting purposes			<u>625,000</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances governmental funds			<u>\$ 2,679,114</u>	
Explanation of differences between budgetary outflows and GAAP revenues:				
Actual amounts (budgetary basis) charges to appropriations per the budgetary comparisons schedule			\$ 3,210,374	
Differences - budget to GAAP				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposed			<u>1,188,980</u>	
Total expenditures as reported on the statement of revenues expenditures and changes in fund balances governmental funds			<u>\$ 2,021,394</u>	

OTHER SUPPLEMENTAL SCHEDULES

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CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET
FIRE DISTRICT AND EMERGENCY MEDICAL SERVICES SUB-FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Fire Budget	Actual Amounts			Total Amounts	Variance Favorable (Unfavorable)
		City Amounts	Fire District Amounts	EMS Amounts		
Revenue:						
Municipality - City of						
Safety Harbor	\$ 3,097,349	\$ 2,977,090	\$ -	\$ -	\$ 2,977,090	\$ (120,259)
EMS District funds	1,050,449	-	-	1,050,449	1,050,449	-
EMS District funds ^a	10,504	(10,182)	-	10,182	-	(10,504)
Safety Harbor Fire District	156,905	-	155,019	-	155,019	(1,886)
State Excise Pass Thru	104,900	126,342	-	-	126,342	21,442
Total revenues	<u>4,420,107</u>	<u>3,093,250</u>	<u>155,019</u>	<u>1,060,631</u>	<u>4,308,900</u>	<u>(111,207)</u>
Expenditures:						
Personnel services	3,825,540	2,597,854	155,019	933,650	3,686,523	139,017
Contractual/other services	310,933	222,068	-	81,555	303,623	7,310
State Excise Passing Thru	104,900	126,342	-	-	126,342	(21,442)
Station/Overhead allowable costs ^a	-	(10,182)	-	10,182	-	-
Materials and supplies	155,126	65,870	-	103,623	169,493	(14,367)
Capital outlay	23,608	22,919	-	-	22,919	689
Total expenditures	<u>4,420,107</u>	<u>3,024,871</u>	<u>155,019</u>	<u>1,129,010</u>	<u>4,308,900</u>	<u>111,207</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 68,379</u>	<u>\$ -</u>	<u>\$ (68,379)</u>	<u>\$ -</u>	<u>\$ -</u>

^a Reference Emergency Medical Services ALS First Responder Agreement October 1, 2022, Article VII, Section 701(g)

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET
LIBRARY SUB-FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Actual Amounts			Variance
	Library Budget	City Amounts	Cooperative Amounts	Favorable (Unfavorable)
Revenue:				
Municipality - City of Safety Harbor	\$ 1,141,012	\$ 1,090,458	\$ -	\$ 1,090,458
Intergovernmental	262,280	-	262,275	262,275
Other	-	-	-	-
Total revenues	1,403,292	1,090,458	262,275	1,352,733
Expenditures:				
Personnel services	1,085,140	867,568	176,625	1,044,193
Contractual/other services	200,791	195,316	-	195,316
Materials and supplies	24,840	22,040	-	22,040
Capital outlay	92,521	5,534	85,650	91,184
Total expenditures	1,403,292	1,090,458	262,275	1,352,733
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACUTAL AND BUDGET
WATER AND SEWER FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES			
Charges for Services	\$ 12,746,000	\$ 12,788,981	\$ 42,981
Other	15,000	15,949	949
Total operating revenue	<u>12,761,000</u>	<u>12,804,930</u>	<u>43,930</u>
OPERATING EXPENSES			
Salaries, wages, and employee benefits	2,157,130	1,782,132	374,998
Materials and supplies	305,110	179,028	126,082
Contractual and other services	5,688,260	4,675,925	1,012,335
Capital outlay	<u>3,718,460</u>	<u>4,769,982</u>	<u>(1,051,522)</u>
Total operating expenses	<u>11,868,960</u>	<u>11,407,067</u>	<u>461,893</u>
Operating income (loss)	<u>892,040</u>	<u>1,397,863</u>	<u>505,823</u>
NONOPERATING INCOME (EXPENSES)			
Investment income	196,500	355,517	159,017
Interest and other charges	181,010	(167,431)	(348,441)
Insurance recoveries	-	973	973
Gain on the sale of capital assets	19,000	6,410	(12,590)
Debt service principal retirement	<u>1,043,740</u>	<u>-</u>	<u>(1,043,740)</u>
Total nonoperating income (expenses)	<u>1,440,250</u>	<u>195,469</u>	<u>(1,244,781)</u>
TRANSFERS			
Transfers in	<u>92,970</u>	<u>60,298</u>	<u>(32,672)</u>
TRANSFERS IN	<u>92,970</u>	<u>60,298</u>	<u>(32,672)</u>
Income (loss) before appropriated net position	2,425,260	1,653,630	(771,630)
Appropriated net position	<u>(2,425,260)</u>	<u>-</u>	<u>2,425,260</u>
Changes in net position	<u>\$ -</u>	1,653,630	<u>\$ 1,653,630</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(2,428,255)	
Capital outlay		<u>4,769,983</u>	
Change in net position GAAP basis		<u>\$ 3,995,358</u>	

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACUTAL AND BUDGET
SOLID WASTE FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES			
Charges for Services	\$ 3,690,030	\$ 3,798,670	\$ 108,640
Intergovernmental	10,000	12,238	2,238
Other	8,500	69,065	60,565
Total operating revenue	<u>3,708,530</u>	<u>3,879,973</u>	<u>171,443</u>
OPERATING EXPENSES			
Salaries, wages, and employee benefits	1,569,840	1,268,970	300,870
Materials and supplies	290,230	284,150	6,080
Contractual and other services	1,213,340	1,123,720	89,620
Capital outlay	868,000	211,146	656,854
Total operating expenses	<u>3,941,410</u>	<u>2,887,986</u>	<u>1,053,424</u>
Operating income (loss)	<u>(232,880)</u>	<u>991,987</u>	<u>1,224,867</u>
NONOPERATING INCOME (EXPENSES)			
Investment income	30,000	79,632	49,632
Interest and other charges	-	(3,751)	(3,751)
Insurance recoveries	-	10,872	10,872
Gain on the sale of capital assets	40,000	9,390	(30,610)
Total nonoperating income (expenses)	<u>70,000</u>	<u>96,143</u>	<u>26,143</u>
TRANSFERS			
Transfers in	42,740	42,740	-
TRANSFERS IN	<u>42,740</u>	<u>42,740</u>	<u>-</u>
Income (loss) before appropriated net position	(120,140)	1,130,870	1,251,010
Appropriated net position	<u>120,140</u>	<u>-</u>	<u>(120,140)</u>
Changes in net position	<u>\$ -</u>	1,130,870	<u>\$ 1,130,870</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(568,967)	
Capital outlay		<u>211,146</u>	
Change in net position GAAP basis		<u>\$ 773,049</u>	

CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF OPERATIONS – ACUTAL AND BUDGET
STORMWATER FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Budgetary Basis Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES			
Charges for Services	\$ 1,550,000	\$ 1,545,894	\$ (4,106)
Total operating revenue	<u>1,550,000</u>	<u>1,545,894</u>	<u>(4,106)</u>
OPERATING EXPENSES			
Salaries, wages, and employee benefits	439,290	358,394	80,896
Materials and supplies	91,520	45,072	46,448
Contractual and other services	265,270	199,448	65,822
Capital outlay	986,560	113,365	873,195
Total operating expenses	<u>1,782,640</u>	<u>716,279</u>	<u>1,066,361</u>
Operating income (loss)	<u>(232,640)</u>	<u>829,615</u>	<u>1,062,255</u>
NONOPERATING INCOME (EXPENSES)			
Investment income	25,000	100,006	75,006
Interest and other charges	<u>-</u>	<u>(6,750)</u>	<u>(6,750)</u>
Total nonoperating income (expenses)	<u>25,000</u>	<u>93,256</u>	<u>68,256</u>
TRANSFERS			
Transfers in	<u>1,480,249</u>	<u>1,512,919</u>	<u>32,670</u>
TRANSFERS IN	<u>1,480,249</u>	<u>1,512,919</u>	<u>32,670</u>
Income (loss) before appropriated net position	1,272,609	2,435,790	1,163,181
Appropriated net position	<u>(1,272,609)</u>	<u>-</u>	<u>1,272,609</u>
Changes in net position	<u>\$ -</u>	2,435,790	<u>\$ 2,435,790</u>
Adjustments to reconcile to combining statement of revenues, expenses, and changes in net position - proprietary funds			
Depreciation and amortization		(354,565)	
Capital outlay		<u>113,365</u>	
Change in net position GAAP basis		<u>\$ 2,194,590</u>	

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STATISTICAL SECTION

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CITY OF SAFETY HARBOR, FLORIDA
STATISTICAL SECTION

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

Contents

Financial Trends

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

- Schedule 1 Net Position by Component
- Schedule 2 Changes in Net Position
- Schedule 3 Program Revenues by Function/Program
- Schedule 4 Fund Balances of Governmental Funds
- Schedule 5 Changes in Fund Balances of Governmental Funds

Revenue Capacity

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

- Schedule 6 Assessed Value and Estimated Actual Value of Taxable Property
- Schedule 7 Direct and Overlapping Property Tax Rates
- Schedule 8 Principal Taxpayers - Real Property
- Schedule 9 Principal Taxpayers - Personal Property
- Schedule 10 Property Tax Levies and Collections

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 11 Ratios of Outstanding Debt by Type
- Schedule 12 Legal Debt Margin Information
- Schedule 13 Direct and Overlapping Governmental Activities Debt
- Schedule 14 Pledged Revenue Coverage - Governmental Activities
- Schedule 15 Pledged Revenue Coverage - Business-Type Activities

CITY OF SAFETY HARBOR, FLORIDA
STATISTICAL SECTION

Demographic and Economic 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 16 Demographic and Economic Statistics

Schedule 17 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 18 Full-time Equivalent City Government Employees by Function

Schedule 19 Operating Indicators by Function

Schedule 20 Capital Asset Statistics by Function

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 SAFETY HARBOR, FLORIDA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018*	2017	2016	2015	2014*
Governmental Activities										
Net investment in capital assets	\$ 27,339,458	\$ 25,655,529	\$ 26,175,658	\$ 25,839,181	\$ 24,716,131	\$ 22,559,405	\$ 22,503,388	\$ 20,413,796	\$ 18,705,536	\$ 18,038,191
Restricted	5,364,468	5,876,424	6,012,532	1,201,497	1,738,084	2,499,538	2,113,838	2,158,213	2,175,369	2,638,130
Unrestricted	18,673,459	19,776,765	9,418,244	11,950,569	10,160,392	8,957,190	8,562,317	9,981,724	10,212,509	8,559,267
Total governmental activities net position	<u>\$ 51,377,385</u>	<u>\$ 51,308,718</u>	<u>\$ 41,606,434</u>	<u>\$ 38,991,247</u>	<u>\$ 36,614,607</u>	<u>\$ 34,016,133</u>	<u>\$ 33,179,543</u>	<u>\$ 32,553,733</u>	<u>\$ 31,093,414</u>	<u>\$ 29,235,588</u>
Business-type Activities										
Net investment in capital assets	\$ 28,639,293	\$ 25,479,614	\$ 23,116,018	\$ 19,116,813	\$ 24,816,184	\$ 22,904,068	\$ 19,839,464	\$ 19,967,583	\$ 19,179,343	\$ 18,085,216
Restricted	4,871,621	4,652,292	4,606,106	16,232,120	11,332,008	10,321,373	10,568,422	10,231,976	10,538,939	8,685,536
Unrestricted	28,817,257	25,233,268	22,668,436	9,949,715	4,547,404	4,280,845	5,370,298	4,144,658	4,083,783	6,239,990
Total business-type activities net position	<u>\$ 62,328,171</u>	<u>\$ 55,365,174</u>	<u>\$ 50,390,560</u>	<u>\$ 45,298,648</u>	<u>\$ 40,695,596</u>	<u>\$ 37,506,286</u>	<u>\$ 35,778,184</u>	<u>\$ 34,344,217</u>	<u>\$ 33,802,065</u>	<u>\$ 33,010,742</u>
Primary Government										
Net investment in capital assets	\$ 55,978,751	\$ 51,135,143	\$ 49,291,676	\$ 44,955,994	\$ 49,532,315	\$ 45,463,473	\$ 42,342,852	\$ 40,381,379	\$ 37,884,879	\$ 36,123,407
Restricted	10,236,089	10,528,716	10,618,638	17,433,617	13,070,092	12,820,911	12,682,260	12,390,189	12,714,308	11,323,666
Unrestricted	47,490,716	45,010,033	32,086,680	21,900,284	14,707,796	13,238,035	13,932,615	14,126,382	14,296,292	14,799,257
Total primary government net position	<u>\$ 113,705,556</u>	<u>\$ 106,673,892</u>	<u>\$ 91,996,994</u>	<u>\$ 84,289,895</u>	<u>\$ 77,310,203</u>	<u>\$ 71,522,419</u>	<u>\$ 68,957,727</u>	<u>\$ 66,897,950</u>	<u>\$ 64,895,479</u>	<u>\$ 62,246,330</u>

*Restated

Note: The City implemented GASB 68 in 2015. Financial data restated in 2014 for comparative purposes.

The City implemented GASB 85 in 2018. Financial data restated in 2018 for comparative purposes.

SCHEDULE 2
CITY OF SAFETY HARBOR, FLORIDA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 4,315,128	\$ 3,617,239	\$ 3,506,083	\$ 3,283,817	\$ 3,454,214	\$ 3,180,590	\$ 3,257,408	\$ 2,965,594	\$ 2,808,975	\$ 2,922,955
Law enforcement	1,612,409	1,532,963	1,453,856	1,427,226	1,359,740	1,313,651	1,277,859	1,260,699	1,213,281	1,179,493
Fire protection	5,003,702	4,261,405	3,958,157	4,011,958	4,096,325	3,881,364	4,000,144	3,942,197	3,585,085	3,894,577
Building department	347,809	343,934	588,892	690,456	548,162	542,380	484,448	390,407	334,862	307,766
Physical environment	507,205	467,169	445,092	460,790	501,629	500,711	491,636	467,017	374,898	423,295
Transportation	1,467,894	1,351,413	1,415,505	1,318,193	1,306,846	1,318,998	1,594,249	1,614,526	1,851,031	1,520,855
Library	1,560,315	1,517,358	1,345,498	1,396,194	1,593,137	1,577,190	1,542,784	1,498,730	1,461,672	1,466,178
Parks and recreation	5,134,883	4,506,518	4,231,580	4,025,073	4,050,804	3,740,028	3,545,138	3,274,817	3,006,095	2,934,957
Interest and other charges on long-term debt	30,917	20,430	71,516	80,545	150,009	54,488	146,190	119,243	239,418	189,032
Total governmental activities expenses	<u>19,980,262</u>	<u>17,618,429</u>	<u>17,016,179</u>	<u>16,694,252</u>	<u>17,060,866</u>	<u>16,109,400</u>	<u>16,339,856</u>	<u>15,533,230</u>	<u>14,875,317</u>	<u>14,839,108</u>
Business-type activities:										
Water and wastewater	9,232,770	9,022,523	8,764,856	8,601,867	9,214,092	8,423,410	8,287,692	8,235,173	7,701,878	7,669,583
Solid waste	3,249,561	3,187,515	2,968,009	3,007,606	2,917,406	2,807,743	2,861,263	2,586,702	2,546,132	2,688,181
Stormwater	964,229	1,064,619	929,468	981,637	910,440	1,166,631	1,043,174	1,050,346	936,715	871,193
Total business-type activities expenses	<u>13,446,560</u>	<u>13,274,657</u>	<u>12,662,333</u>	<u>12,591,110</u>	<u>13,041,938</u>	<u>12,397,784</u>	<u>12,192,129</u>	<u>11,872,221</u>	<u>11,184,725</u>	<u>11,228,957</u>
Total primary government expenses	<u>\$ 33,426,822</u>	<u>\$ 30,893,086</u>	<u>\$ 29,678,512</u>	<u>\$ 29,285,362</u>	<u>\$ 30,102,804</u>	<u>\$ 28,507,184</u>	<u>\$ 28,531,985</u>	<u>\$ 27,405,451</u>	<u>\$ 26,060,042</u>	<u>\$ 26,068,065</u>
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 58,792	\$ 24,732	\$ 28,434	\$ 134,716	\$ 145,743	\$ 122,823	\$ 153,275	\$ 78,602	\$ 77,093	\$ 67,995
Law enforcement	8,052	11,970	6,854	10,441	17,052	15,384	17,262	13,442	11,412	10,381
Fire protection	12,250	13,600	17,375	12,820	54,650	85,787	31,425	31,567	9,450	16,794
Building department	261,200	163,561	487,883	483,373	811,984	532,923	322,968	250,257	222,337	215,144
Physical environment	-	-	-	-	215,135	53,485	252,343	39,435	46,166	46,550
Transportation	225,230	238,359	269,280	264,817	453,586	261,768	283,183	282,396	275,797	344,165
Library	12,203	15,048	23,600	22,423	47,934	41,169	55,144	51,460	42,663	49,311
Parks and recreation	1,274,145	1,172,589	856,380	964,841	802,000	885,164	813,304	798,929	895,477	854,196
Operating grants and contributions	1,581,555	1,501,049	1,629,871	1,648,240	1,740,458	1,419,324	1,296,499	1,287,503	1,255,345	1,481,182
Capital grants and contributions	42,556	3,574	56,173	39,200	163,842	73,297	335,104	868,643	693,263	62,633
Total governmental activities program revenues	<u>3,475,983</u>	<u>3,144,482</u>	<u>3,375,850</u>	<u>3,580,871</u>	<u>4,452,384</u>	<u>3,491,124</u>	<u>3,560,507</u>	<u>3,702,234</u>	<u>3,529,003</u>	<u>3,148,351</u>
Business-type activities:										
Charges for services:										
Water and wastewater	\$ 12,788,981	12,258,195	12,303,062	11,470,343	10,135,847	9,331,647	8,585,590	7,461,978	7,149,079	7,857,807
Solid waste	3,798,670	3,596,994	3,419,589	3,134,459	2,989,087	2,955,565	2,954,431	2,923,310	2,894,957	2,900,306
Stormwater	1,545,894	1,544,802	1,544,164	1,501,379	1,447,489	1,399,020	1,149,837	1,012,228	1,000,016	996,899
Operating grants and contributions	12,238	-	-	8,388	76,627	5,884	55,231	32,934	-	12,988
Capital grants and contributions	-	-	-	-	1,145	56,908	-	-	-	4,839
Total business-type activities program revenues	<u>18,145,783</u>	<u>17,399,991</u>	<u>17,266,815</u>	<u>16,114,569</u>	<u>14,650,195</u>	<u>13,749,024</u>	<u>12,745,089</u>	<u>11,430,450</u>	<u>11,044,052</u>	<u>11,772,839</u>
Total primary government program revenues	<u>\$ 21,621,766</u>	<u>\$ 20,544,473</u>	<u>\$ 20,642,665</u>	<u>\$ 19,695,440</u>	<u>\$ 19,102,579</u>	<u>\$ 17,240,148</u>	<u>\$ 16,305,596</u>	<u>\$ 15,132,684</u>	<u>\$ 14,573,055</u>	<u>\$ 14,921,190</u>

SCHEDULE 2
CITY OF SAFETY HARBOR, FLORIDA
CHANGES IN NET POSITION, CONTINUED
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue										
Governmental activities	\$ (16,504,279)	\$ (14,473,947)	\$ (13,640,329)	\$ (13,113,381)	\$ (12,608,482)	\$ (12,618,276)	\$ (12,779,349)	\$ (11,830,996)	\$ (11,346,314)	\$ (11,690,757)
Business-type activities	4,699,223	4,125,334	4,604,482	3,523,459	1,608,257	1,351,241	552,960	(441,771)	(140,673)	543,882
Total primary government net expense	<u>\$ (11,805,056)</u>	<u>\$ (10,348,613)</u>	<u>\$ (9,035,847)</u>	<u>\$ (9,589,922)</u>	<u>\$ (11,000,225)</u>	<u>\$ (11,267,035)</u>	<u>\$ (12,226,389)</u>	<u>\$ (12,272,767)</u>	<u>\$ (11,486,987)</u>	<u>\$ (11,146,875)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 7,131,307	\$ 6,784,259	\$ 6,345,780	\$ 5,723,956	\$ 5,257,349	\$ 4,913,710	\$ 4,571,161	\$ 4,390,452	\$ 4,193,398	\$ 3,722,248
Utility taxes	3,195,103	3,084,868	2,566,340	2,521,486	2,436,400	2,324,144	2,288,535	2,322,071	2,423,913	2,459,059
Local business tax	139,061	131,022	145,664	141,507	144,019	149,597	140,393	141,389	162,446	135,802
Local option tax	2,822,696	2,774,708	2,419,622	2,211,086	2,307,990	2,215,907	2,113,583	2,082,591	2,039,692	1,884,907
Franchise fees	1,576,515	1,568,699	1,474,949	1,473,793	1,502,259	1,416,403	1,315,493	1,347,753	1,462,318	1,473,646
Sales tax	1,448,441	1,428,874	1,288,238	1,090,262	1,150,183	1,125,671	1,078,525	1,151,421	1,018,441	980,143
Intergovernmental	836,581	10,049,319	793,692	595,815	628,185	611,561	593,293	568,087	554,343	529,971
Investment income	398,955	(1,078,788)	(7,195)	363,095	623,432	(58,532)	42,800	228,367	260,606	204,396
Other	579,701	1,232,910	1,228,426	1,369,021	1,157,139	1,273,426	1,261,376	1,059,184	968,183	898,056
Gain on sale of capital assets	47,688	-	-	-	-	-	-	-	-	-
Insurance recoveries	12,858	-	-	-	-	-	-	-	-	-
Transfers	(1,615,960)	(1,799,640)	-	-	-	-	-	-	120,800	120,800
Total governmental activities	<u>16,572,946</u>	<u>24,176,231</u>	<u>16,255,516</u>	<u>15,490,021</u>	<u>15,206,956</u>	<u>13,971,887</u>	<u>13,405,159</u>	<u>13,291,315</u>	<u>13,204,140</u>	<u>12,409,028</u>
Business-type activities:										
Intergovernmental	-	12,525	12,570	-	-	-	-	-	-	-
Investment income	535,155	(1,467,365)	(16,365)	611,328	830,015	(107,028)	62,990	289,499	322,693	247,524
Other	85,014	450,814	468,664	457,347	697,159	656,820	750,612	656,365	706,309	698,586
Proceeds from sale of capital assets	15,800	53,666	22,561	10,918	53,879	35,888	67,405	38,059	23,794	14,305
Insurance recoveries	11,845	-	-	-	-	-	-	-	-	-
Transfers	1,615,960	1,799,640	-	-	-	-	-	-	(120,800)	(120,800)
Total business-type activities	<u>2,263,774</u>	<u>849,280</u>	<u>487,430</u>	<u>1,079,593</u>	<u>1,581,053</u>	<u>585,680</u>	<u>881,007</u>	<u>983,923</u>	<u>931,996</u>	<u>839,615</u>
Total primary government	<u>\$ 18,836,720</u>	<u>\$ 25,025,511</u>	<u>\$ 16,742,946</u>	<u>\$ 16,569,614</u>	<u>\$ 16,788,009</u>	<u>\$ 14,557,567</u>	<u>\$ 14,286,166</u>	<u>\$ 14,275,238</u>	<u>\$ 14,136,136</u>	<u>\$ 13,248,643</u>
Change in Net Position										
Governmental activities	\$ 68,667	\$ 9,702,284	\$ 2,615,187	\$ 2,376,640	\$ 2,598,474	\$ 1,353,611	\$ 625,810	\$ 1,460,319	\$ 1,857,826	\$ 718,271
Business-type activities	6,962,997	4,974,614	5,091,912	4,603,052	3,189,310	1,936,921	1,433,967	542,152	791,323	1,383,497
Total primary government	<u>\$ 7,031,664</u>	<u>\$ 14,676,898</u>	<u>\$ 7,707,099</u>	<u>\$ 6,979,692</u>	<u>\$ 5,787,784</u>	<u>\$ 3,290,532</u>	<u>\$ 2,059,777</u>	<u>\$ 2,002,471</u>	<u>\$ 2,649,149</u>	<u>\$ 2,101,768</u>

SCHEDULE 3
CITY OF SAFETY HARBOR, FLORIDA
PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function/Program										
Governmental activities:										
General government	\$ 58,792	\$ 24,732	\$ 28,434	\$ 134,716	\$ 145,743	\$ 122,823	\$ 153,275	\$ 83,602	\$ 87,093	\$ 77,995
Law enforcement	8,052	11,970	6,854	10,441	17,052	15,384	19,535	13,442	11,412	12,492
Fire protection	1,339,018	1,241,108	1,405,910	1,397,706	1,521,128	1,280,284	1,181,764	1,103,427	1,099,660	1,286,708
Building department	261,200	163,561	487,883	483,373	811,984	536,239	322,968	250,257	222,337	215,144
Physical environment	8,500	-	-	-	215,135	53,485	252,343	39,435	46,166	46,550
Transportation	231,597	244,232	274,682	270,061	458,678	266,711	337,114	290,095	281,295	349,283
Library	274,479	262,716	257,534	263,708	319,602	252,737	216,339	257,791	251,109	287,149
Parks and recreation	1,294,345	1,196,163	914,553	1,020,866	963,062	963,461	1,077,169	1,664,185	1,529,931	873,030
Total governmental activities program revenues	<u>3,475,983</u>	<u>3,144,482</u>	<u>3,375,850</u>	<u>3,580,871</u>	<u>4,452,384</u>	<u>3,491,124</u>	<u>3,560,507</u>	<u>3,702,234</u>	<u>3,529,003</u>	<u>3,148,351</u>
Business-type activities:										
Water and wastewater	12,788,981	12,258,195	12,303,062	11,470,343	10,196,879	9,324,805	8,623,997	7,464,998	7,149,079	7,857,807
Solid waste	3,810,908	3,596,994	3,419,589	3,142,847	3,004,682	2,968,291	2,972,346	2,952,133	2,894,957	2,913,294
Stormwater	1,545,894	1,544,802	1,544,164	1,501,379	1,448,634	1,455,928	1,148,746	1,013,319	1,000,016	1,001,738
Total business-type activities program revenues	<u>18,145,783</u>	<u>17,399,991</u>	<u>17,266,815</u>	<u>16,114,569</u>	<u>14,650,195</u>	<u>13,749,024</u>	<u>12,745,089</u>	<u>11,430,450</u>	<u>11,044,052</u>	<u>11,772,839</u>
Total primary government program revenues	<u>\$ 21,621,766</u>	<u>\$ 20,544,473</u>	<u>\$ 20,642,665</u>	<u>\$ 19,695,440</u>	<u>\$ 19,102,579</u>	<u>\$ 17,240,148</u>	<u>\$ 16,305,596</u>	<u>\$ 15,132,684</u>	<u>\$ 14,573,055</u>	<u>\$ 14,921,190</u>

SCHEDULE 4
CITY OF SAFETY HARBOR, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 77,948	\$ 101,960	\$ 54,664	\$ 37,106	\$ 47,227	\$ 56,861	\$ 49,054	\$ 55,115	\$ 70,326	\$ 32,752
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	4,460,926	3,806,935	3,406,014	3,090,454	3,094,602	3,105,626	2,959,770	3,277,514	2,941,837	2,593,469
Assigned	-	-	-	-	-	-	-	-	-	1,626,050
Unassigned	9,060,790	13,439,249	6,706,315	6,950,539	5,572,409	4,121,377	4,686,532	5,043,036	4,835,512	4,539,230
Total general fund	<u>\$ 13,599,664</u>	<u>\$ 17,348,144</u>	<u>\$ 10,166,993</u>	<u>\$ 10,078,099</u>	<u>\$ 8,714,238</u>	<u>\$ 7,283,864</u>	<u>\$ 7,695,356</u>	<u>\$ 8,375,665</u>	<u>\$ 7,847,675</u>	<u>\$ 8,791,501</u>
All Other Governmental Funds										
Nonspendable	\$ 1,018	\$ 756,324	\$ 683,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,916,276	4,473,146	2,370,508	1,220,924	1,770,480	2,539,831	793,526	2,219,447	2,247,003	2,638,130
Committed	401,321	467,994	244,212	234,938	270,368	305,950	136,495	1,101,979	1,865,060	278,536
Assigned	5,868,414	2,803,336	2,271,070	2,367,665	1,810,263	2,092,446	1,178,449	1,158,634	1,181,291	907,201
Unassigned	-	-	-	-	-	-	(351,469)	-	-	-
Total all other governmental funds	<u>\$ 10,187,029</u>	<u>\$ 8,500,800</u>	<u>\$ 5,569,734</u>	<u>\$ 3,823,527</u>	<u>\$ 3,851,111</u>	<u>\$ 4,938,227</u>	<u>\$ 1,757,001</u>	<u>\$ 4,480,060</u>	<u>\$ 5,293,354</u>	<u>\$ 3,823,867</u>

SCHEDULE 5
CITY OF SAFETY HARBOR, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property taxes	\$ 7,131,307	\$ 6,784,259	\$ 6,345,780	\$ 5,723,956	\$ 5,257,349	\$ 4,913,710	\$ 4,571,161	\$ 4,390,452	\$ 4,193,398	\$ 3,722,248
Utility taxes	3,195,103	3,084,868	2,566,340	2,521,486	2,436,400	2,324,144	2,288,535	2,322,071	2,423,913	2,459,059
Local business tax	139,061	131,022	145,664	141,507	144,019	149,597	140,393	141,389	162,446	135,802
Local option tax	2,822,696	2,774,708	2,419,622	2,211,086	2,307,990	2,215,907	2,113,583	2,082,591	2,039,692	1,884,907
Franchise fees	1,576,515	1,568,699	1,474,949	1,473,793	1,502,259	1,416,403	1,315,493	1,347,753	1,462,318	1,473,646
Licenses and permits	29,632	39,542	350,358	456,010	546,706	356,505	313,308	244,417	219,997	215,144
Impact fees	2,123	19,184	42,116	231,593	434,211	98,772	282,018	66,932	42,030	44,430
Special assessments	222,256	223,008	246,751	248,548	246,398	246,527	246,399	246,523	247,516	317,863
Sales tax	1,448,441	1,428,874	1,288,238	1,090,262	1,150,183	1,125,671	1,078,525	1,151,421	1,018,441	980,143
Intergovernmental	2,440,492	11,530,367	2,421,563	2,201,862	2,435,214	2,005,369	2,087,631	1,938,918	1,844,722	1,982,488
Charges for services	1,497,523	1,250,771	973,115	893,524	1,394,621	1,403,501	1,124,691	947,888	1,021,620	995,188
Fines and forfeitures	100,340	107,355	77,466	64,109	17,052	15,384	84,544	40,328	49,232	31,911
Investment income	398,955	(1,078,788)	(7,195)	363,094	623,432	(58,527)	42,800	228,367	260,606	204,396
Contributions and donations	20,200	23,574	58,173	81,393	91,271	93,813	137,265	24,387	648,229	81,298
Other	604,820	1,232,910	1,228,428	1,369,021	1,072,235	1,156,235	1,139,320	1,064,184	978,183	908,056
Total revenues	21,629,464	29,120,353	19,631,368	19,071,244	19,659,340	17,463,011	16,965,666	16,237,621	16,612,343	15,436,579
Expenditures										
General government	4,060,468	3,307,055	3,210,402	2,964,213	3,175,775	2,937,077	3,019,755	2,683,451	2,505,098	2,591,242
Law enforcement	1,609,248	1,530,279	1,449,252	1,366,127	1,355,163	1,312,142	1,277,165	1,260,277	1,211,298	1,177,579
Fire protection	4,161,690	4,153,098	3,959,526	3,684,135	3,964,948	3,881,238	3,814,412	3,716,483	3,703,257	3,726,465
Building department	330,269	340,787	618,725	676,660	532,507	519,765	477,770	386,078	360,833	302,451
Physical environment	499,303	457,318	435,476	460,197	493,901	491,378	476,995	469,248	390,432	406,815
Transportation	968,306	877,917	988,027	928,641	934,366	973,410	1,093,147	1,096,530	1,324,730	972,351
Library	1,261,549	1,206,317	1,081,667	1,111,312	1,307,317	1,330,932	1,278,687	1,204,159	1,187,566	1,141,108
Parks and recreation	4,213,354	3,654,909	3,402,146	3,220,158	3,370,197	3,347,990	3,078,040	2,799,249	2,570,983	2,477,869
Capital outlay	3,987,539	1,161,635	1,594,462	2,265,258	4,476,774	1,357,742	2,605,597	2,025,945	2,058,101	1,098,447
Debt service										
Finance Obligation	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Principal retirement	181,228	476,963	987,693	959,752	937,728	303,141	1,254,309	746,860	722,400	702,982
Interest and other charges	31,370	44,475	63,891	93,514	157,906	65,287	156,332	129,645	167,784	189,032
Total expenditures	21,304,324	17,210,753	17,796,267	17,734,967	20,711,582	16,525,102	18,537,209	16,522,925	16,207,482	14,791,341
Excess (deficiency) of revenues over (under) expenditures	325,140	11,909,600	1,835,101	1,336,277	(1,052,242)	937,909	(1,571,543)	(285,304)	404,861	645,238
Other Financing Sources (Uses)										
Transfers in	3,418,190	1,668,851	2,302,460	2,016,250	\$ 2,206,153	1,743,553	1,610,096	1,158,780	2,662,020	1,018,770
Transfers out	(5,034,150)	(3,468,491)	(2,302,460)	(2,016,250)	(2,206,153)	(1,743,553)	(1,610,096)	(1,158,780)	(2,541,220)	(897,970)
Lease	68,023	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	47,688	-	-	-	-	-	-	-	-	-
Insurance recoveries	12,858	-	-	-	-	-	-	-	-	-
Issuance of Debt	-	179,786	-	-	1,395,500	-	-	-	-	-
Payments to refunded note escrow	-	(177,529)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,487,391)	(1,797,383)	-	-	1,395,500	-	-	-	120,800	120,800
Net change in fund balances	\$ (1,162,251)	\$ 10,112,217	\$ 1,835,101	\$ 1,336,277	\$ 343,258	\$ 937,909	\$ (1,571,543)	\$ (285,304)	\$ 525,661	\$ 766,038
Debt service as a percentage of noncapital expenditures	1.23%	3.25%	6.52%	6.84%	6.78%	8.89%	6.08%	6.33%	6.55%	6.20%

SCHEDULE 6
CITY OF SAFETY HARBOR, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Tax Year	Direct Rate	Estimated Actual Value			Exemptions ^a			Taxable Assessed Value			Total	Total Direct Tax Rate
			Real Property	Personal Property	Centrally Assessed Property	Real Property	Personal Property	Centrally Assessed Property	Real Property	Personal Property	Centrally Assessed Property		
2023	2021	3.9500	\$ 2,467,116,079	\$ 131,736,988	\$ 863,391	\$ 603,792,906	\$ 72,685,609	\$ 68,882	\$ 1,863,323,173	\$ 59,051,379	\$ 794,509	\$ 1,923,169,061	3.9500
2022	2021	3.9500	\$ 2,272,699,370	\$ 117,318,675	\$ 881,875	\$ 567,597,390	\$ 63,675,345	\$ 79,521	\$ 1,705,101,980	\$ 53,643,330	\$ 802,354	\$ 1,759,547,663	3.9500
2021	2020	3.9500	\$ 2,068,085,614	\$ 102,791,337	\$ 795,702	\$ 542,349,271	\$ 54,790,783	\$ 77,548	\$ 1,525,736,343	\$ 48,000,554	\$ 718,154	\$ 1,574,455,051	3.9500
2020	2019	3.9500	1,951,334,197	93,439,896	792,601	522,055,998	46,721,064	81,585	1,429,278,199	46,718,832	711,016	1,476,708,047	3.9500
2019	2018	3.9500	1,808,313,627	92,176,036	716,344	490,208,700	45,892,913	78,633	1,318,104,927	46,283,123	637,711	1,365,025,761	3.9500
2018	2017	3.9500	1,717,274,331	89,681,666	745,210	465,654,538	45,625,521	95,548	1,251,619,793	44,056,145	649,662	1,296,325,600	3.9500
2017	2016	3.9500	1,617,262,554	80,152,457	718,032	453,337,192	35,535,741	90,822	1,163,925,362	44,616,716	627,210	1,209,169,288	3.9500
2016	2015	4.0479	1,470,927,244	77,370,817	677,057	445,683,442	35,182,791	82,188	1,025,243,802	42,188,026	594,869	1,068,026,697	4.0479
2015	2014	4.0479	1,416,453,116	80,194,102	660,616	440,330,500	37,192,041	76,876	976,122,616	43,002,061	583,740	1,019,708,417	4.0479
2014	2013	3.7343	1,350,918,291	87,330,535	322,856	430,748,290	41,114,325	36,904	920,170,001	46,216,210	285,952	966,672,163	3.7343

Source: Pinellas County Property Appraiser Revised Recapitulation of the Ad Valorem Assessment Rolls of Safety Harbor, Form DR-403V 2023 Roll (dated 3/06/24)

^a Exemptions are provided for agricultural government and institutional property. Exemptions available solely to residential property include, but are not limited to, widows/widowers, disabled/blind, \$25,000 homestead and homestead differential (capped values).

SCHEDULE 7
CITY OF SAFETY HARBOR, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years

Fiscal Year	Taxable Year	Direct Rate	Overlapping Rates					Total
		City of Safety Harbor Operating	Pinellas County	School District	Emergency Medical Services ^a	Transit District ^a	Other ^b	
2023	2022	3.9500	4.740	5.963	0.8780	0.7500	1.177	15.8296
2022	2021	3.9500	5.130	6.325	0.9160	0.7500	1.246	15.8296
2021	2020	3.9500	5.2760	6.4270	0.9160	0.7500	1.2640	18.5830
2020	2019	3.9500	5.2760	6.5840	0.9160	0.7500	1.2770	18.7530
2019	2018	3.9500	5.2760	6.7270	0.9160	0.7500	1.2930	18.9120
2018	2017	3.9500	5.2760	7.0090	0.9160	0.7500	1.3100	19.2110
2017	2016	3.9500	5.2760	7.3180	0.9160	0.7500	1.3070	19.5170
2016	2015	4.0479	5.2760	7.7700	0.9160	0.7310	1.3250	20.0659
2015	2014	4.0479	5.2760	7.8410	0.9160	0.7310	1.3420	20.1539
2014	2013	3.7343	5.2760	8.0600	0.9160	0.7310	1.3580	20.0753

Source: Pinellas County Tax Collector's Office

^a Emergency Medical Services and Transit District assessed on Real Property only.

^b Other includes:

- Juvenile Welfare Board
- Southwest Florida Water Management District
- Health Department
- Pinellas County Planning Council

SCHEDULE 8
CITY OF SAFETY HARBOR, FLORIDA
PRINCIPAL TAXPAYERS – REAL PROPERTY
Current Year and Ten Years Ago

Taxpayer	2023		2014	
	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Safety Harbor Property Holdings, LLC	\$ 22,150,000	1.19%	\$ -	0.00%
Preedom Land Trust	\$ 20,971,500	1.12%	\$ 12,957,600	1.41%
Adelphia 4 LLC	\$ 20,475,526	1.10%	\$ -	0.00%
E C A Elle Northwood Partners LLC	\$ 11,015,000	0.59%	\$ -	0.00%
Leisure Associates LTD Partnership	\$ 10,675,000	0.57%		0.00%
Baycare Properties, LLC	\$ 10,313,800	0.55%	\$ -	0.00%
Northwood Pinellas, LLC	\$ 9,300,000	0.50%	\$ -	0.00%
201 Main Street LLC	\$ 8,149,956	0.44%	\$ -	0.00%
Leverkusen Land LLC	\$ 8,104,931	0.43%	\$ -	0.00%
ARHC CSCLWFL01 LLC	\$ 6,700,000	0.36%	\$ 4,673,200	0.51%
Mease Hospital Inc	\$ -	0.00%	\$ 14,651,200	1.59%
SHS Resort LLC	\$ -	0.00%	\$ 14,372,491	1.56%
Northwood Oaks LLC	\$ -	0.00%	\$ 10,020,000	1.09%
Safety Harbor Multifamily Partners LLC	\$ -	0.00%	\$ 8,057,500	0.88%
GCCFC 2005-GG5 McMullen Booth LLC	\$ -	0.00%	\$ 6,785,000	0.74%
Leisure Associates Ltd Partnership	\$ -	0.00%	\$ 5,536,900	0.60%
Health Care Property Inv Inc	\$ -	0.00%	\$ 5,365,523	0.58%
Safety Harbo INV Properties	\$ -	0.00%	\$ 4,750,000	0.52%
	<u>\$ 127,855,713</u>	<u>6.85%</u>	<u>\$ 87,169,414</u>	<u>9.47%</u>
Total Taxable Assessed Value	<u>\$ 1,865,283,173</u>		<u>\$ 920,170,001</u>	

Source: Pinellas County Property Appraiser

Note: Pinellas County Property Apprasier 2023 Top Ten Taxpayers - Real Property (Final)

SCHEDULE 9
CITY OF SAFETY HARBOR, FLORIDA
PRINCIPAL TAXPAYERS – PERSONAL PROPERTY
Current Year and Ten Years Ago

Taxpayer	2023		2014	
	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of City Taxable Assessed Valuation
Duke Energy Florida	\$ 13,854,025	23.46%	\$ 8,533,258	18.46%
Mastercut Tool Corp	\$ 6,611,297	11.20%	\$ 5,171,040	11.19%
Florida Gas Transmission	\$ 3,415,921	5.78%	\$ 3,798,660	8.22%
SGP Capital Corporation	\$ 2,944,747	4.99%	\$ -	0.00%
Frontier Communications	\$ 2,286,602	3.87%	\$ -	0.00%
Spectrum Sunshine State LLC	\$ 2,163,348	3.66%	\$ -	0.00%
Countryside Cancer Center	\$ 1,943,357	3.29%	\$ -	0.00%
Safety Harbor Resort & Spa	\$ 1,363,559	2.31%	\$ -	0.00%
Safety Harbor Yard Waster Transfer LLC	\$ 1,346,924	2.28%		0.00%
Countryside Surgi-Center	\$ 1,093,063	1.85%	\$ 947,502	2.05%
Bright House Networks LLC	\$ -	0.00%	\$ 2,716,938	5.88%
Verizon Florida LLC	\$ -	0.00%	\$ 2,322,862	5.03%
Angelica Textile Services	\$ -	0.00%	\$ 1,584,202	3.43%
Safety Harbor Resort and Spa	\$ -	0.00%	\$ 1,083,308	2.34%
JP Morgan Chase Bank	\$ -	0.00%	\$ 886,597	1.92%
Diagnostic Clinic Medical Group	\$ -	0.00%	\$ 757,988	1.64%
	<u>\$ 37,022,843</u>	<u>62.70%</u>	<u>\$ 27,802,355</u>	<u>60.16%</u>
Total Taxable Assessed Value	<u>\$ 59,051,379</u>		<u>\$ 46,216,210</u>	

Source: Pinellas County Property Appraiser

Note: Pinellas County Property Appraiser 2023 Top Ten Taxpayers - Tangible Personal Property (Final)

SCHEDULE 10
CITY OF SAFETY HARBOR, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Taxable Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Delinquent Tax Collections ^b	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2023	2022	\$ 6,602,710	\$ 6,024,650	91.25%	\$ 9,528	\$ 6,034,178	91.39%
	2021	5,908,010	5,462,427	92.46%	75,139	5,537,566	93.73%
	2020	5,553,790	5,105,491	91.93%	5,608	5,111,099	92.03%
	2019	5,391,852	4,816,836	89.34%	4,523	4,821,360	89.42%
	2018	5,120,486	4,693,889	91.67%	639	4,694,528	91.68%
	2017	4,776,219	4,419,680	92.54%	21,524	4,441,204	92.99%
	2016	4,467,829	4,138,275	92.62%	13,386	4,151,661	92.92%
	2015	4,323,266	4,012,278	92.81%	8,072	4,020,350	92.99%
	2014	4,127,679	3,840,246	93.04%	15,908	3,856,154	93.42%
	2013	3,610,112	3,358,137	93.02%	70,048	3,428,185	94.96%

Sources: City of Safety Harbor Finance Department; Pinellas County Tax Collector's Office

^a 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. Payments must be made by March 31 to avoid becoming delinquent.

^b All delinquent tax collections received during the year are applied to the year prior to collection, regardless of the year in which the taxes were originally levied.

SCHEDULE 11
CITY OF SAFETY HARBOR, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Debt as a Ratio to Personal Income ^a	Debt per Capita ^a
	Public Improvement Revenue Bonds	Capital Improvement Revenue Note	Leases and Financed Purchases ^b	Water and Wastewater Refunding Bond	Capital Improvement Revenue Note	Leases, SBITA, and Financed Purchases ^b			
2023	\$ -	\$ 889,844	\$ 259,651	\$ 6,720,140	\$ 3,139,455	\$ 124,481	\$ 11,133,571	1.36%	\$ 618
2022	-	1,047,374	215,326	7,261,200	3,642,126	9,774	12,175,800	1.42%	665
2021	315,000	1,196,929	205,000	7,909,300	4,065,234	-	13,691,463	1.68%	759
2020	620,000	1,879,622	210,000	8,536,500	4,499,248	-	15,745,370	2.02%	874
2019	920,000	2,539,371	215,000	2,578,422	4,918,892	-	11,171,685	1.47%	620
2018	1,210,000	1,791,509	220,000	640,000	5,324,265	-	9,185,774	1.21%	509
2017	1,495,000	1,809,650	225,000	790,000	5,739,147	-	10,058,797	1.49%	571
2016	1,775,000	2,783,958	230,000	935,000	6,135,453	-	11,859,411	1.88%	679
2015	2,050,000	3,255,818	235,000	1,075,000	6,520,665	-	13,136,483	2.07%	753
2014	2,315,000	3,713,218	240,000	1,215,000	6,895,187	-	14,378,405	2.93%	839

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^a See Schedule 16 for personal income and population data.

^b The City implemented GASB Statement 87, Leases, in fiscal year 2022.

SCHEDULE 12
CITY OF SAFETY HARBOR, FLORIDA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

There are no limitations placed upon the amount of debt which the City of Safety Harbor may issue by either the City's Charter or Code of Ordinance or by State Statute; however, the City Commission has traditionally practiced conservative debt issuance.

SCHEDULE 13
CITY OF SAFETY HARBOR, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2023

Government Unit	Debt Outstanding	Applicable to City of Safety Harbor	
		Percent ^a	Amount
Bonded Debt:			
Pinellas County School Board ^b	\$ -	1.37%	\$ -
Pinellas County ^b	2,100,000	1.55%	32,631
Leases and Subscription Based Information Technology Arrangements:			
Pinellas County School Board ^b	5,093,401	1.37%	69,865
Pinellas County ^b	<u>35,486,000</u>	1.55%	<u>551,404</u>
Total Overlapping Debt	\$ 42,679,401		\$ 653,901
Total Direct Debt ^c			<u>1,084,844</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 1,738,745</u>
Total Direct and Overlapping Governmental Activities Debt Per Capita ^d			<u>\$ 96</u>

Source: Pinellas County, Florida

^a Applicable net debt percentage is based on ratio of City to County-wide taxable values for tax year 2023.

^b Obtained from the Pinellas County School Board and Pinellas County fiscal year 2023 ACFR.
The City of Safety Harbor is not responsible for the debt of the County or the School Board.

^c The City of Safety Harbor currently does not have any general obligation bonded debt.

^d 2023 permanent Safety Harbor population is estimated at 18,034.

SCHEDULE 14
CITY OF SAFETY HARBOR, FLORIDA
PLEDGED-REVENUE COVERAGE – GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years

Governmental Activities							
Fiscal Year	Gross Revenues ^a	Operating Expenses ^b	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2023	\$ 13,794,797	\$ 9,650,446	\$ 4,144,351	\$ 162,602	\$ 24,987	\$ 187,589	22.09
2022	\$ 21,948,928	\$ 8,866,643	\$ 13,082,285	\$ 157,551	\$ 29,972	\$ 187,523	69.76
2021	\$ 12,664,073	\$ 8,383,964	\$ 4,280,109	\$ 465,752	\$ 42,589	\$ 508,341	8.42
2020	\$ 12,503,587	\$ 7,903,774	\$ 4,599,813	\$ 987,691	\$ 63,892	\$ 1,051,583	4.37
2019	\$ 13,121,302	\$ 8,143,281	\$ 4,978,021	\$ 959,752	\$ 93,513	\$ 1,053,265	4.73
2018	\$ 11,791,319	\$ 7,925,975	\$ 3,865,344	\$ 810,735	\$ 76,688	\$ 887,423	4.36
2017	\$ 11,378,861	\$ 7,950,654	\$ 3,428,207	\$ 1,254,309	\$ 156,332	\$ 1,410,641	2.43
2016	\$ 11,190,207	\$ 7,521,407	\$ 3,668,800	\$ 746,860	\$ 129,645	\$ 876,505	4.19
2015	\$ 11,143,161	\$ 7,319,171	\$ 3,823,990	\$ 722,400	\$ 167,784	\$ 890,184	4.30
2014	\$ 11,005,175	\$ 7,347,963	\$ 3,657,212	\$ 702,982	\$ 187,865	\$ 890,847	4.11

Note: The City's bond coverage, per the bond covenants, is 1.50%.

^a Gross revenues include general fund and capital project revenues, less ad valorem.

^b Operating expenses include general government, law enforcement, and fire protection.

SCHEDULE 15
CITY OF SAFETY HARBOR, FLORIDA
PLEDGED-REVENUE COVERAGE – BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years

Business-type Activities								
Fiscal Year	Gross Revenues ^a	Operating Expenses Less Depreciation ^b	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	
				Principal	Interest	Total		
2023	\$ 20,381,519	\$ 9,916,842	\$ 10,464,677	\$ 1,060,358	\$ 164,343	\$ 1,224,701		8.54
2022	\$ 18,195,605	\$ 9,729,043	\$ 8,466,562	\$ 1,043,709	\$ 180,999	\$ 1,224,708		6.91
2021	\$ 17,731,684	\$ 9,404,165	\$ 8,327,519	\$ 1,097,459	\$ 236,175	\$ 1,333,634		6.24
2020	\$ 17,174,856	\$ 9,563,347	\$ 7,611,509	\$ 1,061,447	\$ 430,349	\$ 1,491,796		5.10
2019	\$ 16,099,597	\$ 10,597,306	\$ 5,502,291	\$ 1,031,344	\$ 464,134	\$ 1,495,478		3.68
2018	\$ 14,236,024	\$ 10,318,787	\$ 3,917,237	\$ 560,531	\$ 198,438	\$ 758,969		5.16
2017	\$ 13,503,460	\$ 10,058,446	\$ 3,445,014	\$ 541,326	\$ 194,822	\$ 736,148		4.68
2016	\$ 12,343,380	\$ 9,798,220	\$ 2,545,160	\$ 525,211	\$ 209,229	\$ 734,440		3.47
2015	\$ 11,750,361	\$ 9,205,579	\$ 2,544,782	\$ 514,522	\$ 223,980	\$ 738,502		3.45
2014	\$ 12,453,598	\$ 9,127,514	\$ 3,326,084	\$ 504,072	\$ 237,716	\$ 741,788		4.48

Note: The City's bond coverage, per the bond covenants, is 1.25%.

^a Gross revenues include charges for services, interest income, and other revenue.

^b Operating expenses include personnel services, material and supplies, and other operating expenses.

SCHEDULE 16
CITY OF SAFETY HARBOR, FLORIDA
DEMOGRAPHICS AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population ^a	Estimated Personal Income ^b	Per Capita Personal Income ^c	Median Age ^d	Public School Enrollment ^e	Unemployment Rate ^f
2023	18,304	\$ 793,826,176	\$ 43,369	47.7	1,631	3.8%
2022	18,304	\$ 860,471,040	\$ 47,010	47.7	1,724	2.6%
2021	18,028	\$ 816,686,428	\$ 45,301	48.0	1,827	3.9%
2020	18,016	\$ 781,335,904	\$ 43,369	48.0	1,881	6.0%
2019	18,031	\$ 758,762,511	\$ 42,081	47.5	1,882	2.6%
2018	17,844	\$ 702,429,060	\$ 39,365	49.3	2,073	3.0%
2017	17,606	\$ 674,521,072	\$ 38,312	51.4	2,073	3.4%
2016	17,454	\$ 632,498,052	\$ 36,238	50.8	2,073	4.7%
2015	17,454	\$ 635,744,496	\$ 36,424	48.6	2,073	6.4%
2014	17,139	\$ 490,723,848	\$ 28,632	49.6	2,073	6.2%

Sources:

^a World Population Review

^b Estimated personal income is calculated by multiplying population by per capita personal income.

^c World Population Review

^d World Population Review

^e U.S. News and World Report: Safety Harbor Elementary/Middle

^f U.S. Bureau of Labor Statistics, Tamp-St. Petersburg-Clearwater, FL; Labor Force Data

SCHEDULE 17
CITY OF SAFETY HARBOR, FLORIDA
PRINCIPAL EMPLOYERS

Employer ^a	Employees ^a	Percentage of Total City Employment
Mease Countryside Hospital	1,000	11.18%
Bay to Bay Properties LLC	200	2.24%
Jacobsen Homes	200	2.24%
Safety Harbor Resort & Spa	200	2.24%
Angelica Corporation	150	1.68%
Safety Harbor Middle School	143	1.60%
Medsource Travelers	121	1.35%
Consulate Health Care	131	1.46%
Master Cut Tool Corp	97	1.08%
Safety Harbor Elementary School	99	1.11%
Total Employed Population ^b	8,945	

^a Source: AtoZ Databases, current data.

^b Pinellas County Economic Development, Safety Harbor 2023.

SCHEDULE 19
CITY OF SAFETY HARBOR, FLORIDA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety										
Fire Control and EMS										
Inspections	-	-	-	-	-	715	715	715	715	715
Investigations	-	-	-	-	-	22	22	22	20	20
Fire responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EMS responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Department										
Building permits issued	375	330	2,082	3,039	3,268	3,054	2,762	1,903	1,924	1,935
Occupational licenses issued	960	1,125	963	1,125	1,177	1,177	1,166	1,212	1,246	1,110
Stormwater										
Storm drain/pipe cleaned (miles)	3.81	0.85	3.82	0.81	0.63	0.69	0.85	0.37	0.36	0.39
Ditches/creeks cleaned (miles)	20.50	26.50	26.50	26.29	5.34	7.11	7.83	15.00	13.81	18.03
Water										
Customer accounts	7,426	7,684	7,389	7,684	8,053	7,560	8,320	7,560	7,477	7,456
Average daily water consumption in millions of gallons	1.32	1.32	1.32	1.39	1.38	1.44	1.55	1.39	1.38	1.43
Wastewater										
Customer accounts	8,447	8,068	8,418	8,068	9,023	8,955	8,942	8,942	8,918	8,903
Average daily sewage flow in millions of gallons	1.52	1.52	1.52	1.53	1.47	1.52	1.61	1.53	1.52	1.11
Sanitation (solid waste)										
Refuse collected (tons)	12,250	11,000	11,637	11,249	11,077	11,361	11,493	12,544	11,309	10,923
Recyclables collected (tons)	3,990	3,990	3,284	3,499	3,636	3,606	3,835	3,484	3,396	3,299
Streets										
Streets swept (curb miles)	920	920	920	920	920	920	920	920	918	918
Curb/gutter/sidewalks replaced (cubic yds)	150	160	155	152	156	156	257	163	270	260
Pothole repairs (asphalt tons)	100	100	125	42	192	73	25	1299*	32	23
Culture and Recreation										
Recreation - Persons listed in programs										
Trips	1,200	1,200	703	1,037	1,943	2,087	1,919	2,324	2,400	2,666
Classes	29,817	25,978	27,041	22,493	31,237	31,363	31,505	30,362	34,100	29,680
Camps/After-school	21,326	18,013	19,344	15,596	17,606	29,158	30,166	25,989	27,397	28,452
Special events	8,240	4,329	7,474	3,749	2,423	1,336	1,740	3,201	3,558	6,252
Parks - Acres maintained	130.57	130.57	130.57	129.20	125.43	123.93	123.89	123.89	123.89	103.89
Library circulation	225,000	240,000	221,442	211,696	241,875	237,775	239,756	248,686	273,568	262,455
Library registered borrowers	18,200	18,200	18,139	16,753	19,275	16,053	15,156	14,140	14,844	10,082

* 1,285 tons of asphalt was used to repair Streets Department roadways resulting from damage caused by Hurricane Hermine.

Source: City of Safety Harbor Annual Budget, Fiscal Years 2014 - 2023

N/A - Information not available

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REGULATORY REPORTS

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

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, 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 Safety Harbor, 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 March 25, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Report on Compliance and Other Matters

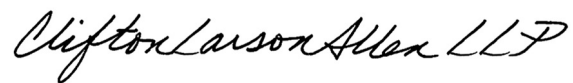
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

City of Safety Harbor, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Tampa, Florida
March 25, 2025



MANAGEMENT LETTER

Honorable Mayor and
Members of the City Commission
City of Safety Harbor, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Safety Harbor, Florida (City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 25, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Findings reported in the prior year's audit have been corrected except as noted in the Schedule of Findings and Responses.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 to the financial statements.

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 has 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.

Honorable Mayor and
Members of the City Commission
City of Safety Harbor Florida

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. 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.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Community Redevelopment Agency of the City of Safety Harbor, Florida reported their required information in their audit report.

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 which 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, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Tampa, Florida
March 25, 2025

**CITY OF SAFETY HARBOR, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2023**

CURRENT YEAR FINDINGS

2023-001 – Bank Reconciliations

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: The City's bank accounts were not completely reconciled to the general ledger in a timely manner.

Reported in Prior Year: This finding was reported in the prior year as 2022-001.

Criteria or Specified Requirement: The City's management is responsible for establishing and maintaining internal controls over cash transactions. Timely preparation of complete and accurate bank reconciliations is key to maintaining adequate control over receipts, disbursements, and other transactions.

Effect: Not completely and accurately reconciling pooled cash accounts could result in errors, including the misstatement of pooled cash or other general ledger accounts, and can provide an opportunity for fraud. Delays in reconciling accounts also results in inefficiency due to the additional time needed to research and resolve differences.

Cause: Due to staffing constraints throughout fiscal year 2023, the bank reconciliations were not completed in a timely manner.

Recommendation: Management should consider developing a checklist of internal controls and procedures which tracks the completion of key processes and reconciliations for monthly and fiscal year-end closing. That checklist should be monitored to identify any gaps or deficiencies in the control environment and take appropriate corrective actions.

Views of responsible officials and planned corrective actions: Management agrees with the finding. The continued deficiency is a result of the prior year, as bank reconciliations must be completed consecutively to ensure accuracy. Once staff identified the deficiency we put processes in place to ensure the bank reconciliations were being completed. Finance is currently down one full time employee and has hired a contracted employee to assist in this function.



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Members of the City Commission,
and the Florida Auditor General
City of Safety Harbor, Florida

We have examined the City of Safety Harbor, Florida (City)'s, compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds, for the year ended September 30, 2023.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
March 25, 2025



photo credit: Len Vivolo