



ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

For the Fiscal Year ended September 30, 2024
City of Largo, Florida

City of Largo, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

CITY COMMISSION

Dr. Woody Brown
Mayor

Eric Gerard
Vice Mayor

Chris Johnson

Curtis Holmes

Donna Holck

Jamie Robinson

Michael Smith

CITY ADMINISTRATION

John Curp
City Manager

Margaret Paluch
Assistant City Manager

Meridy M. Semones
Assistant City Manager

Alan S. Zimmet
City Attorney

Diane Bruner, CMC
City Clerk

Rebecca Spuhler
Finance Director

Prepared by: City of Largo Finance Department







TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	8
Distinguished Budget Presentation Award	9
List of Principal Officials	10
Organizational Chart	11

FINANCIAL SECTION

Independent Auditor's Report	15
Management's Discussion and Analysis Report	19
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	53
Statement of Activities	55
Fund Financial Statements	
Balance Sheet-Governmental Funds	56
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	59
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	60
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	62
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Major Funds	
General Fund	63
Local Option Sales Tax Fund	64
SHIP Fund	65
HOME Fund	66
CDBG Fund	67
ARPA Covid Relief Fund	68
Statement of Net Position-Proprietary Funds	69
Statement of Revenues, Expenditures and Changes in Fund Net Position-Proprietary Funds	70
Statement of Cash Flows-Proprietary Funds	71
Statement of Fiduciary Net Position	72
Statement of Changes in Fiduciary Net Position-Fiduciary Funds	73



TABLE OF CONTENTS

Notes to Financial Statements	75
Required Supplementary Information -- Police Officers and Firefighters Pension Plan	132
Required Supplementary Information -- Post Employment Benefit Plan	135
Community Redevelopment Agency	
Balance Sheet	139
Statement of Revenues, Expenditures and Changes in Fund Balance	140
Combining and Other Supplementary Information Schedules	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-	
General Fund	143
Combining and Individual Fund Statements	
Non Major Special Revenue Funds	144
Combining Balance Sheet -- Nonmajor Governmental Funds	146
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-	
Nonmajor Governmental Funds	147
Combining Balance Sheet -- Nonmajor Special Revenue Funds	148
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-	
Nonmajor Special Revenue Funds	150
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-	
Nonmajor Special Revenue Funds	
County Gas Tax Fund	152
Transportation Impact Fee Fund	153
Multimodal Impact Fee Fund	154
Construction Services Fund	155
Stormwater Fund	156
Community Redevelopment Agency Fund	157
Pinellas County Housing Authority Fund	158
Neighborhood Stabilization Program 2 Fund	159
Program Special Revenue Fund	160
Tree Fund	161
Parkland Dedication Fund	162
Combining Balance Sheet -- Nonmajor Capital Project Funds	163
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-	
Nonmajor Capital Project Funds	164
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-	
Capital Project Funds	
City Hall Capital Project	165
Transportation Capital Projects	166
Combining Balance Sheet -- Nonmajor Debt Service Fund	167
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-	
Nonmajor Debt Service Fund	168
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-	
Nonmajor Debt Service Fund	169



TABLE OF CONTENTS

Internal Service Funds	171
Combining Statement of Net Position–Internal Service Funds	174
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position– Internal Service Funds	175
Combining Statement of Cash Flows – Internal Service Funds	176
Supplemental Information to Financial Statements	
Notes to Schedule of Revenue and Expenditures and Changes in Reserves– Largo, Belleair Bluffs and High Point Fire Districts and Emergency Medical Services	179
Schedule of Revenue and Expenditures and Changes in Reserves– Largo Fire and Emergency Medical Services	180
Belleair Bluffs Fire and Emergency Medical Services	181
High Point Fire and Emergency Medical Services	182
STATISTICAL SECTION	
Net Position by Component, Last Ten Fiscal Years	187
Changes in Net Position, Last Ten Fiscal Years	188
Governmental Activities Tax Revenue by Source, Last Ten Fiscal Years	190
Fund Balances of Governmental Funds, Last Ten Fiscal Years	191
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	192
General Governmental Tax Revenues by Source, Last Ten Fiscal Years	193
Wastewater Charges, Last Ten Fiscal Years	194
Assessed Value, Taxable Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	195
Property Tax Rates Direct and Overlapping Governments, Last Ten Fiscal Years	196
Principal Property Taxpayers, Current Year and Nine Years Ago	197
Property Tax Levies and Collections, Last Ten Fiscal Years	198
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	199
Direct and Overlapping Governmental Activities Debt	200
Legal Debt Margin Information, Last Ten Fiscal Years	201
Pledged-Revenue Coverage, Last Ten Fiscal Years	202
Demographic and Economic Statistics, Last Ten Fiscal Years	204
Principal Employers, Current Year and Nine Years Ago	205
Full-time Equivalent City Governmental Employees by Function, Last Ten Fiscal Years	206
Operating Indicators by Function, Last Ten Fiscal Years	207
Capital Asset Statistics by Function, Last Ten Fiscal Years	208
Major Revenue Sources	209
General Information	212
Community Profile	213
Financial Management Policies	214

City of Largo
Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2024



TABLE OF CONTENTS

COMPLIANCE SECTION

Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	219
Auditor's Report on Compliance With Requirements Applicable to Each Major Federal Awards Program and State Financial Assistance Project on Internal Control over Compliance in Accordance with Uniform Guidance and Chapter 10.550, Rules of the Auditor General	221
Schedule of Expenditures of Federal Awards and State Financial Assistance	224
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	225
Schedule of Findings and Questioned Costs-Federal Awards Programs and State Projects	227
Management Letter	229
Attestation Report on Compliance with Secion 218.415, Florida Statutes, Local Government Investment Policies	231
Affidavit, F.S. Section 163.31801, Impact Fees	232

INTRODUCTORY SECTION

This page was intentionally left blank



PO Box 296
Largo, FL 33779
Largo.com

March 28, 2025

Letter of Transmittal

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

INTRODUCTION

The Finance Department respectfully transmits the City's FY24 Annual Comprehensive Financial Report(ACFR), which fulfills the annual financial reporting requirements for several stakeholder groups, including:

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

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

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

CITY OF LARGO PROFILE

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

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

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

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

INDEPENDENT AUDIT AND AUDIT COMMITTEE

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

The City Commission appoints an Audit Committee, which provides a public venue to discuss any audit matters. The Audit Committee monitors the audit through meetings with the auditors, which enhances the auditors' independence and objectivity. Audit Committee members are City Commissioners Chris Johnson, Curtis Holmes and Donna Holck. The Audit Committee was supported by the Performance & Budget Director, William Payne, and an independent financial expert, John Houser, CPA, of Wells, Houser and Schatzel, PA.

MANAGEMENT'S FINANCIAL REPORTING RESPONSIBILITY

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

The cost of a control should not exceed the benefit derived; therefore, the City's internal controls have been developed with the objective to provide reasonable assurance that the financial statements are free of any material misstatements. Management believes the information presented is accurate and complete in all material respects and fairly presents the City's financial position and results of operations for FY24 and as of year-end.

FINANCIAL MANAGEMENT POLICIES

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

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

BUDGETARY & INTERNAL ACCOUNTING CONTROLS

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

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

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

LONG-TERM FINANCIAL PLANNING

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

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

	Actual		Projected (FY25 millage rate is actual)				
General Fund	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Millage rate (10 mill maximum)	5.52	5.52	5.52	TBD	TBD	TBD	TBD
Property Tax Revenue Increase	11%	10%	6%	7%	7%	7%	7%
Unrestricted fund balance as % of the following year's budget	20%	21%	17%	17%	17%	17%	17%

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

Projected Increases	FY25	FY26	FY27	FY28	FY29
Solid Waste Collection (garbage)	20%	10%	5%	5%	5%
Stormwater (drainage)	20%	15%	15%	-	-
Wastewater (sewage)	15%	5%	5%	5%	5%

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

- Adequate reserves in most funds
- No general obligation debt
- All revenue-pledged debt is within conservative guidelines
- Sufficient provisions have been made for infrastructure repairs, maintenance and replacement
- Avoiding balancing current year expenditures at the expense of future years
- A relatively diversified revenue structure provides stability
- Focus on Sustainable practices

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

- Increased tariffs causing increased project costs
- Inflation rates staying higher for longer
- Previous budget cuts have reduced operating flexibility
- Public safety pension costs and health care costs
- Low or no growth in several major revenues
- Existing and proposed property tax exemptions and 'Save Our Homes' portability
- The Governor and Legislature have repeatedly introduced legislation eroding the City's Home Rule Authority

TAX ABATEMENTS

The City has the ability to enter into tax abatements with local businesses under Chapter 22, article VI of the City of Largo Code of Ordinances. The use of tax abatements allow the City to promote economic development and thereby create employment opportunities that will benefit the community. This fosters a community where opportunities exist for residents and businesses to realize their full potential, a primary initiative in our Strategic Plan. Due to the volume and amount, the budget process was unaffected by tax abatements. Below is an overview of the benefits created by tax abatements over the past 5 years.

	FY20	FY21	FY22	FY23	FY24
Employment Opportunities	2,133	2,029	1,724	1,724	1,718

AWARDS FOR FINANCIAL REPORTING & BUDGET PRESENTATION

The City participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program, which recognizes conformance with the highest standards for preparation of state and local government financial reports. To receive a Certificate, a government must publish a ACFR that must be: easy to read, organized, promotes consistency, contains full disclosure and meets all GAAP requirements. The City received the Certificate for FY 2023 and the FY2024 ACFR will be submitted to the Program for review.

The City also participates in the GFOA's Distinguished Budget Presentation Award Program. In order to receive this award, a government must publish a budget that meets Program criteria as a policy document, as an operations guide, and as a communication medium. The City received the award for the FY 2024 Budget and believes the FY 2025 budget will meet all Program requirements.

ACKNOWLEDGMENTS

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

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

Nancy Costa, Barbara SanSouci, Lisa Pasch and Noelle Sansom deserve special recognition for conducting the utility funds closing activities and assisting the auditors with testing. Jolanta Data and Nancy Costa are commended for their efforts in preparing several of the utility funds' financial statements, year end reconciliations and assisting in preparation of the Notes to the Financial Statements.

Jolanta Data, Steven Larson, and Diane DeBiase are commended for their extensive account analysis and preparation of year-end journal entries. Appreciation is also expressed to Patricia Stopa, Kerry Kellogg, Denise Martinez and Maria Encinosa who were responsible for coordinating the accurate recording of all cash transactions, year-end accounts payable, encumbrances, payroll accruals and other items.

Thank you to Arrow Woodard and Jodie White from our housing department for their dedicated work with our auditors in providing the necessary information for the Single Audit. Appreciation is also expressed to IT Assistant Director, Scott Semones, who assisted the auditors with their IT systems evaluation. Jared Campbell, Performance and Budget Manager, along with the Management Analyst team is commended for their contributions of fund and account analysis. Lauren Fatkin, Communications Manager, is commended for her professionalism in contributing

the photographs displayed throughout the ACFR.

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

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

Respectfully Submitted,



Brandon Bevan, CPA
Assistant Finance Director
City of Largo



Rebecca Spuhler
Finance Director
City of Largo



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Largo
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Largo
Florida**

For the Fiscal Year Beginning

October 01, 2023

Christopher P. Morill

Executive Director

**CITY OF LARGO, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2024**

City Commission

Dr. Woody Brown, Mayor
Eric Gerard, Vice Mayor
Chris Johnson
Curtis Holmes
Donna Holck
Jamie Robinson
Michael Smith

City Manager

John Curp

Assistant City Managers

Margaret Paluch
Meridy Semones

City Attorney

Alan S. Zimmet

City Clerk

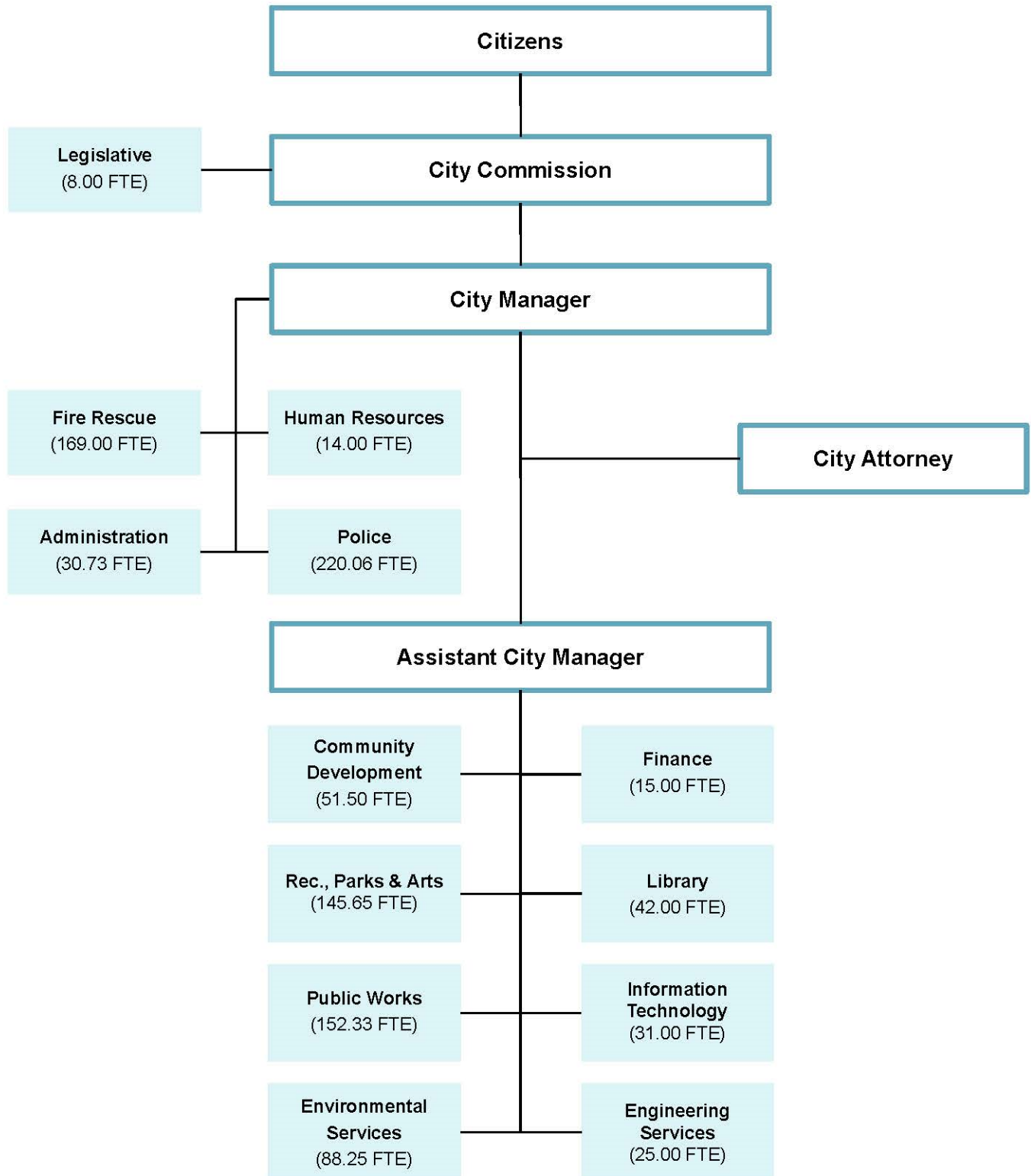
Diane Bruner

Executive Leadership Team

Community Development Director	Cheryl Reed
Communication & Engagement Director	Kate Oyer
Engineering Services Director	Jerald Woloszynski
Finance Director	Rebecca Spuhler
Fire Chief	Chad Pittman
Human Resources Director	Elissa Long
Information Technology Director	Daniel Panning
Library Director	Casey McPhee
Performance & Budget Director	William Payne
Police Chief	Michael Loux
Recreation, Parks & Arts Director	Krista Pincince
Utilities Director	Shelby Beauchemin

CITY OF LARGO

(992.52 FTE)



This page was intentionally left blank

FINANCIAL SECTION

This page was intentionally left blank



Carr, Riggs & Ingram, L.L.C.
600 Cleveland Street
Suite 1000
Clearwater, FL 33755

727.446.0504
727.461.7348 (fax)
CRLadv.com

INDEPENDENT AUDITOR'S REPORT

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

City of Largo, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Largo, Florida (the "City"), as of and for the year ended September 30, 2024, 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Largo, Florida, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Local Option Sales Tax Fund, SHIP Fund, HOME Fund, CDBG Fund, and ARPA Covid Relief Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police Officers' and Firefighters' Retirement Plan, which represent 65 percent, 43 percent, and 66 percent, respectively, of the assets, net position, and revenue of the aggregate remaining funds as of September 30, 2024. Those statements were audited by other auditors whose report have been furnished to us, and our opinion, insofar as they relate to the amounts included for the Police Officers' and Firefighters' Retirement Plan, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Largo, Florida 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards, and state financial assistance as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

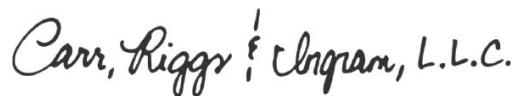
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 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 City's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

March 28, 2025

This page was intentionally left blank

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) INTRODUCTION

Thank you for your interest in the City of Largo. You're in the perfect place to learn about the City's financial condition, financial position, results of operations and multi-year financial trends as of the end of Fiscal Year 2024.

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

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



ANNUAL COMPREHENSIVE FINANCIAL REPORT OVERVIEW (ACFR)

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

The ACFR includes four main sections:

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

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



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

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

The General Fund's unassigned fund balance, which is available for appropriation, increased about \$0.8 million to \$20.1 million; however, total fund balance increased \$4.5 million. The increase was mostly due to higher property tax revenues, interfund revenues and interest earnings. Reduced capital outlay in FY24 over FY23 from lease financing and capital projects resulted in cost savings in

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

the fund. FY25's projected operating deficit was up from \$4.9 million in FY24 to \$9.0 million; therefore, a higher assignment of fund balance was needed.



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

The Police and Fire Pension Plan's unfunded liability of \$54.4 million according to GASB standards (\$51.6 million using the actuarial funding method calculation) and is an decrease of \$6.3 million from last year due to investment income and changes in assumptions. This liability increases the City's pension contribution about \$3.4 million annually. Little progress has been made to reduce the amount owed over the past ten years, although the pension plan's funded ratio has remained between 74% and 79% for the same period from a low of 59% in 2011.

An unfunded liability for Other Post-Employment Benefits (OPEB) of \$15.9 million also contributes to reducing the unrestricted fund balance in Governmental Activities. The OPEB liability reflects an *implicit subsidy* for retiree health insurance, which is discussed in the MDA's long-term debt section.



Debt: *The financial impacts of borrowing.*

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

The City issued taxable and non taxable bonds totaling \$62 million during FY22 to fund the land purchase, construction and design of a new city hall complex, titled Horizon. This is the largest governmental debt issuance in City history. The bonds are payable for 30 years from the Debt Service Fund. Non ad valorem revenues were pledged to secure this debt and they will be drawn from the CRA fund and General Fund. The City also borrowed \$2.5 million during FY20 to finance the implementation of the ERP system. This was a 5 year bank note payable through FY25. Governmental debt service costs in FY24 were \$3.6 million.

The Wastewater Fund is the only other fund reporting long-term loans, which is serviced by wastewater fees. During FY24 wastewater debt decreased \$7.8 million, due to payments made on outstanding loans.



Operating Results: *The degree to which revenue and expenditures/expenses met expectations.*

Sales tax increased and several revenues were over-budget as the result of the economic recovery, but most revenues were not significantly affected. All departments were under-budget in all funds.



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

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

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

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

The *Government-wide financial statements* present a "big-picture" view of the City's financial condition, position and operations, which communicates operational efficiency similar to private sector financial reporting. The

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

Government-wide statements do not present any individual fund information; instead, they present highly-aggregated information divided into two types of Activities:

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

GA *program revenue* (non-tax revenue like fees), increased to \$52.2 million from \$48.7 million in FY23 (7.2%), due partly to higher Fire/EMS fees that were generated by an increase in the City's budget (the budget is the base for determining fees) and a 20% increase in stormwater fees from FY23.

GA program revenue paid 41% of GA expenses (40% last year), which means 59% of expenses were paid with general revenue (primarily taxes), which is about normal. Most GA expenses are usually paid with general revenue, because charging for most governmental-type services is impractical.

Total BTA *program revenue* (mostly fees) was up \$4.2 million, primarily because of a 12% sewer rate increase (\$3.8 million) and Solid Waste revenue was up 3.5% (\$541,000). Enterprise funds comprise all BTA Activities and are discussed later in the Major Funds section.

BTA's total net position increased \$9.5 million, compared to \$8.0 million in FY23.



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

Answer: It depends.

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

Major Fund highlights

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

Major Governmental Funds (seven funds)

- The General Fund usually reports about half of the City's total revenues and expenditures.
- The General Fund's total fund balance increased \$4.5 million (14.3%) from the prior year.

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

- Total revenue was \$4.3 million higher than the prior year, due partly to the continued improved economy compared to FY 23. Another contributor to higher revenues was the increase in property tax and investment earning revenues.
- Property taxes increased \$2.9 million or 8.0% due to property value increases, and new construction/annexations. The millage rate was 5.52 mills which is the same as it was in FY23.
- Fire/EMS fees paid by the County and other jurisdictions increased \$900,000, due partly to an increase in the Fire/EMS budget and station positions, which increased the base that is used to calculate the fees.
- State shared revenue, primarily sales taxes, decreased \$270,000, due to the slowing down of spending from FY23, which had a 12% increase over the previous year.
- Expenditures were under-budget in total.
- The Local Option Sales Tax Fund (LOST) accounts for revenue received from the seventh-cent sales tax collected in Pinellas County referred to as The Penny for Pinellas.
 - LOST revenue was only \$58,000 million higher than FY23 (0.5%), which was only a slight increase from amounts received in FY23. Total LOST Fund revenue increased \$643,000 or 4.7% from FY23 mostly attributable to increased investment earnings.
- Loans receivable in the three major housing funds (SHIP, HOME and CDBG) totaled \$11.9 million, which was an increase from the prior year of 6.7%. This increase is due to new loans issued in FY23. These funds underwrite low interest loans for low income families to help maintain, renovate or purchase homes, sometimes with companion commercial loans.

Major Enterprise Funds (two funds)

- Wastewater rates increased 12%, so revenue was \$3.8 million higher than FY23. The fund reported an 11.5% change in operating income from FY23, because costs increases were more than the 12% revenue increase.
- Solid Waste (garbage) rates unchanged from FY23 and total operating revenue was \$683,000 higher than FY23, also due mostly to increases in charges for services. The fund reported higher operating income (loss) (\$593,000) vs. (\$924,000), due to associated maintenance expenditure increases.

FINANCIAL STATEMENTS OVERVIEW

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

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

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

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

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

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

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

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

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

- b. Proprietary funds.** The City reports both types of proprietary funds:

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

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

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

- Both internal service funds are combined into a single column and presented with enterprise funds in the proprietary fund financial statements. Individual internal service fund data is provided in the Combining Financial Statements located after the Notes.
- Internal service fund balance sheets are combined with Governmental Activities in the government-wide financial statements, and current year activity is split between Governmental and Business Type statements since they serve both functions.

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

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

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

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

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

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

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

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

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

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

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

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

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

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

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

Government-wide Statement of Net Position.

- Similar to a Balance Sheet, this statement reports assets, liabilities and net position ("*equity*").
- Deferred outflows and inflows represent "timing differences" and are not assets or liabilities.

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

	Governmental		Business-type		Total Activities	
	2024	2023	2024	2023	2024	2023
Assets						
Current	\$ 156,356	\$ 169,160	\$ 57,879	\$ 58,159	\$ 214,235	\$ 227,319
Capital (net)	218,110	178,704	229,352	227,576	447,462	406,280
Total assets (a)	374,466	347,864	287,231	285,735	661,697	633,599
Deferred Outflows (b)	24,764	34,487	1,131	981	25,895	35,468
Liabilities						
Current	29,735	25,265	10,834	11,292	40,569	36,557
Non-current	141,108	146,789	118,914	126,122	260,022	272,911
Total liabilities (c)	170,843	172,054	129,748	137,414	300,591	309,468
Deferred Inflows (d)	7,043	8,215	1,449	1,683	8,492	9,898
Net Position						
Invested in cap. assets	152,775	128,298	105,066	95,967	257,841	224,265
Restricted	81,790	66,280	11,038	9,793	92,828	76,073
Unrestricted	(13,221)	7,504	41,062	41,859	27,841	49,363
Total NP (a+b-c-d)	\$ 221,344	\$ 202,082	\$ 157,166	\$ 147,619	\$ 378,510	\$ 349,701

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

- The largest changes for *Governmental Activities* was in construction in progress including the Horizon City Hall complex, deferred outflows related to the police and fire pension plan, and non-current liabilities reflecting the decrease in the net pension liability, which will be discussed later.

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

Cash decreased (within current assets), primarily due to increased spending of the Bond funds received in FY22 for the City Hall Capital Project Fund and delayed spending of LOST funds on capital projects.

- Restricted Net position increased primarily due to an increased fund balance in the Local Option Sales Tax and Stormwater funds due to delays in capital projects.

The Police and Fire Pension Plan's unfunded liability of \$54.4 million was a decrease of \$6.2 million, primarily because of positive actuarial experience and investment returns during the preceding fiscal year



GA Unrestricted Net Position is a deficit The deficit was created by the unfunded pension liability and the OPEB liability as well as debt not yet secured by capital assets.

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

The largest changes for *Business-type Activities* was a decrease noncurrent liabilities for payments on outstanding debt.

- Total debt held by the Sewer fund decreased by \$7.8 million during FY24.
- The City received \$9.4 million in proceeds from a tax exempt bank loan near the end of FY23. The cash proceeds of this loan are being used for several flood plain mitigation and inflow and infiltration capital projects for the wastewater system which is still an ongoing project.
- Capital assets and related debt are discussed in more detail later in the Fund section.

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

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

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

	Governmental Activities (GA)		Business-type Activities (BTA)		Total Activities	
	2024	2023	2024	2023	2024	2023
Program revenue						
Charges for services	\$ 42,938	\$ 39,353	\$ 52,063	\$ 47,969	\$ 95,001	\$ 87,322
Operating grants/contrib.	5,762	8,556	81	173	5,843	8,729
Capital grants/contrib.	3,496	798	750	460	4,246	1,258
Total program revenue	52,196	48,707	52,894	48,602	105,090	97,309
General revenue	-	-	-	-		
Property taxes	39,971	36,061	-	-	39,971	36,061
Other taxes	34,968	35,273	-	-	34,968	35,273
Shared revenue	11,410	11,781	-	-	11,410	11,781
Other (net)	8,601	5,952	2,994	3,021	11,595	8,973
Total general revenue	94,950	89,067	2,994	3,021	97,944	92,088
Total revenue	147,146	137,774	55,888	51,623	203,034	189,397
Expenses						
General government	12,316	12,259	-	-	12,316	12,259
Public safety	65,695	61,108	-	-	65,695	61,108
Public works	15,831	14,562	-	-	15,831	14,562
Economic development	9,672	9,233	-	-	9,672	9,233
Culture and recreation	20,819	20,425	-	-	20,819	20,425
Interest and fees	3,551	3,551	-	-	3,551	3,551
Wastewater	-	-	28,496	26,132	28,496	26,132
Solid waste	-	-	16,494	16,122	16,494	16,122
Golf course	-	-	1,351	1,324	1,351	1,324
Total expenses	127,884	121,138	46,341	43,578	174,225	164,716
Change in net position	19,262	16,636	9,547	8,045	28,809	24,681
Net position - Oct 1	202,082	185,446	147,619	139,574	349,701	325,020
Net position - Sept 30	\$ 221,344	\$ 202,082	\$ 157,166	\$ 147,619	\$ 378,510	\$ 349,701

Revenue Summary

GA *program revenue* increased \$3.5 million or 7.2% due mostly to a 20% increase in Stormwater charges and EMS/Fire funding received in FY24.

GA *general revenue* increased \$5.9 million or 6.6%, due mostly to investment earnings as well as property taxes based on higher property valuations and new construction/annexations. The property tax rate remained at 5.52 mills, however, valuation of property values increased by around 7% in FY24.

BTA *program revenue* increased about \$4.3 million or 8.8%, due mostly to a 12% sewer rate increase (\$3.8 million) and an increase in solid waste charges for services revenues (\$541,000). The golf course revenues remained consistent with FY23.

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

- Grant and Contribution revenue was up by about 338% from last year, most of which provides housing assistance. American Rescue Plan Act recognized revenues for culture and recreation projects are also included in this amount.

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

- Of the \$52.2 million of program revenue in FY24, 61.2% came from the following sources:
 - Fire/EMS service charges, \$15.1 million
 - Stormwater fees, \$9.7 million
 - Recreation, Parks and Arts fees, \$4.3 million
 - Construction Services fees, \$2.6 million
 - Library County-wide Cooperative fees, \$1.0 million

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

- Total GA Charges for Services increased 9.1%, due mostly to the continued recovery from reduced services provided during the pandemic.
- Public Safety fees increased for Fire/EMS services as the City's expenditures increased, because fees are based on a percentage of the Fire/EMS budget.
- Most of the Economic Development increase is related to higher construction services fees (permits and inspections) because FY24 continues to see increases in redevelopment.
- The Library County-wide Cooperative fees are related to associated expenses reported for operation of the Library.

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

Major Functions	FY24	FY23	Increase (Decrease)	
			\$	%
General Government	\$ 5,461	\$ 5,080	\$ 381	7.5%
Public Safety	16,984	16,503	481	2.9%
Public Works	9,680	7,933	1,747	22.0%
Economic Development	5,443	4,505	938	20.8%
Culture & Recreation	5,371	5,332	39	0.7%
Total	<u>\$ 42,939</u>	<u>\$ 39,353</u>	<u>\$ 3,586</u>	9.1%

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

GA - Major General Revenue (\$ millions)	FY24	FY23	Increase (Decrease)	
			\$	%
Property Tax	\$ 40.0	\$ 36.1	\$ 3.9	10.8%
Utility and Franchise Tax (mostly electric)	18.5	18.9	(0.4)	(2.1)%
Local Option Sales Tax ("Penny for Pinellas")	12.3	12.2	0.1	0.8%
Communications Services Tax	3.1	3.1	-	-%
State Shared Revenue (mostly sales tax)	11.4	11.8	(0.4)	(3.4)%
	<u>\$ 85.3</u>	<u>\$ 82.1</u>	<u>\$ 3.2</u>	3.9%

CITY OF LARGO, FLORIDA

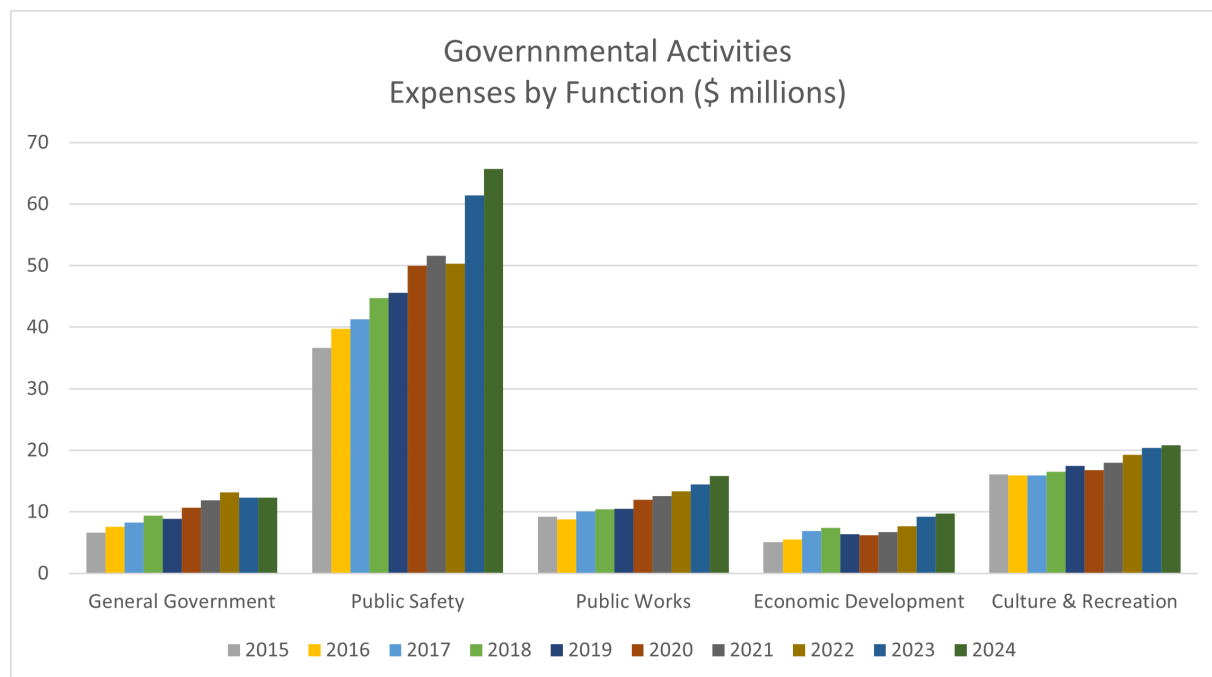
Management's Discussion and Analysis

September 30, 2024

GA General Revenue (continued)

- GA General Revenue paid approximately 59.2% of total GA Expenses, compared to 59.8 % in FY23.
- Total GA General Revenue increased 7%, due mostly to additional property taxes, sales taxes and investment earnings.
- The millage rate remained the same as in FY23 at to 5.52 mills, but property tax revenue increased \$4.9 million (13.6%), due to a stronger economy that increased values and due to annexations/new construction.
- A ten-year history of assessments, millage rates and revenues is in the Statistical Section (Sch. H).
- GA Charges for Services exceeded Property Tax revenue in the last two years, which has been true for several years. Many people are surprised that property taxes are not the City's largest revenue.
- Local Option Sales Tax ("Penny for Pinellas") increased 0.5% and State Shared revenue (mostly sales tax) decreased 2.5%. The increase in FY23 was significant from the previous year and spending in FY24 has slowed down.
- CST revenue increased 1.5% or \$47,000, due to industry-wide customer changes as well as slight population growth in the City.

GA Expenses - As presented above, Total GA Expenses grew \$6.7 million from \$121.1 million to \$127.8 million, or 5.6%. The following graph presents GA Expenses by Function for ten years, which helps identify trends.



CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

- A "Function" is a grouping of similar activities, e.g., the Public Safety Function includes police and fire rescue activities and the Culture & Recreation Function includes library and recreation/parks/arts.
- Most expense growth relates to salary and benefit costs, which comprise 75-80% of GA expenses.
- As shown above, most Functions experienced modest growth, except for Public Safety and Public Works.
 - Public safety increased about 7.0%, largely because of increased staffing costs and expenditures related to the net pension liability in 2024. About 51.4% of total GA expenses relate to Public Safety.
 - Public Works increased approximately 9.0% due to increases in transportation projects and personnel related expenditures.

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

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

The table below presents GA Net Expenses, which shows that 58 % of GA expenses were paid for with general revenue, which means 42 % were paid for with program revenue, mostly charges for services.

Governmental Activities (\$ in millions)				
Function	Total Expense	Program Revenue	Net Expense	
General Government	\$ 12.3	\$ 6.5	\$ 5.8	47%
Public Safety	65.7	19.5	46.2	70%
Public Works	15.8	9.7	6.1	39%
Economic Development	9.7	8.1	1.6	16%
Culture & Recreation	20.8	8.4	12.4	60%
Total	\$ 124.3	\$ 52.2	\$ 72.1	58%

- It's normal to pay most GA expenses with General Revenue, because user charges are impractical to charge and collect for many services such as, police, fire/rescue, and library services.
- Economic Development reported the lowest net expense, primarily because of program revenue generated by construction permits, construction inspections and housing grants.
- Public Works reported the second-lowest net expense, primarily because increases in Stormwater rates against expenditures.
- Culture and Recreation (library, recreation, parks and arts) reported the second highest net expense, because most recreation, parks and library services are provided free of charge or at nominal charges. Most program revenue is generated by recreation fees.
- Public Safety (police and fire rescue) reported the highest net expense, because fees are difficult to assess for most public safety services. The majority of Program Revenue (\$15.1 million) is from Fire/EMS fees for providing fire services outside the City and for county-wide EMS.

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

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

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

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

Key financial BTA metrics include:

- Charges for services revenue increased because wastewater rates were increased.
- Wastewater and Solid Waste revenues are not growing significantly without rate increases, because the City is virtually at build-out and re-development is insignificant relative to the existing customer base.
- Wastewater revenue declines 20% if properties are annexed, because the surcharge is removed.

BTA expenses increased 6.3%, mostly due to normal personnel cost increases.

- All BTA expenses are normally paid with program revenue (mostly user charges).
- Golf Course operating revenue was flat compared to the prior year.

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

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

The City reported seven major funds (largest funds) in the past two years: General, Local Option Sales Tax, SHIP, HOME, CDBG, ARPA Covid Recovery fund and City Hall Capital Project fund. These seven funds comprise the majority of Governmental Activities.

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

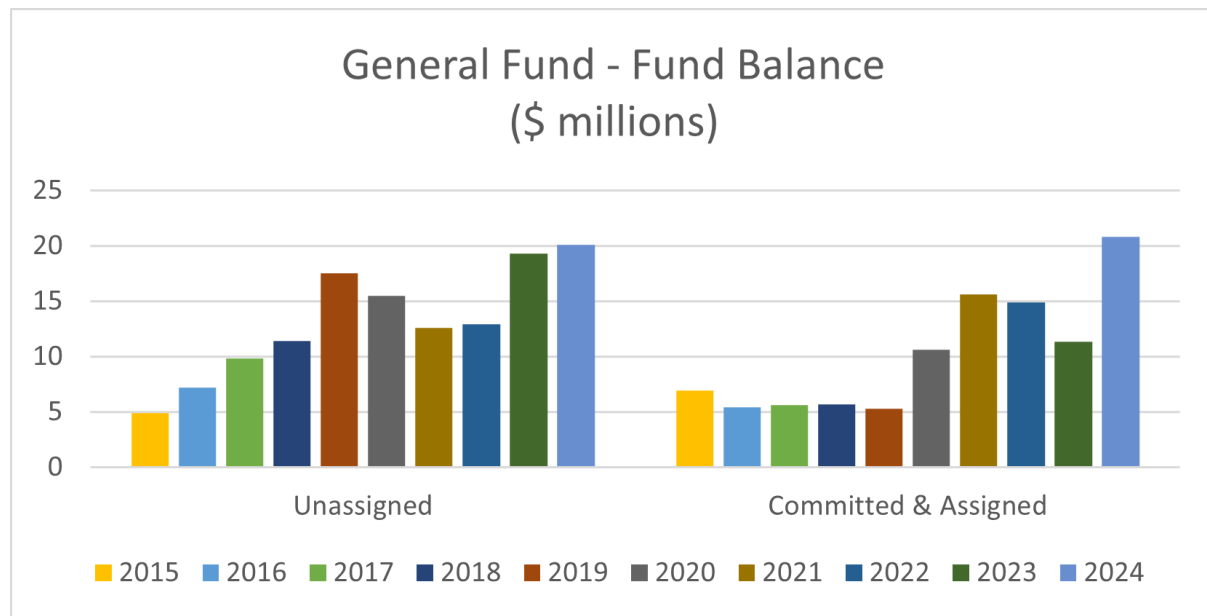
CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

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

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



- Fund balance is "left over" unexpended revenue from prior years and is similar to "equity".
- *The Unassigned Fund Balance* is available for appropriation and is often called a rainy-day or emergency reserve, because it can be used when revenues or expenses do not meet projections.
- Additional revenue from economic improvements and continued fiscal discipline lead to growth of the unassigned fund balance beginning in FY16.
- Rebuilding the Unassigned Fund Balance from FY20 to FY22 was hampered due to the pandemic which began improving in FY23.

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

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

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

- The assignment for outstanding purchase orders (POs) was \$3.2 million in FY24 and \$3.6 in FY23 and represent a claim against the current year's budget, similar to an expenditure.
- \$9.0 million was assigned for the FY25 budget compared to \$4.9 million for the FY24 budget, which represented 7.5% and 7.1% of appropriations, respectively.



The \$4.9 million assignment for the FY24 budget was lower than the previous year. The \$9.0 million for FY25 is based on total appropriations of \$120.1 million and indicates that the imbalance of expenditures over revenues is less than in the previous year due mostly to property value growth.

- \$2.6 million was assigned for unused vacation leave in FY24 compared to \$2.9 million in FY23. Unused vacation leave cannot be recorded as a liability in governmental funds; therefore, these assignments reflect the same impact on fund balance as if a liability had been recorded. This amount could be used for additional appropriations if needed in the short-term.

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

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

Common methods of determining a target fund balance are:

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

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

- The local economy and major revenue sources are relatively stable and diversified
- The Property Tax rate could be increased, because it is about half of the legal limit
- Many expenditures are variable or semi-variable and could be reduced
- Elected officials have demonstrated a willingness to increase revenues or reduce expenditures

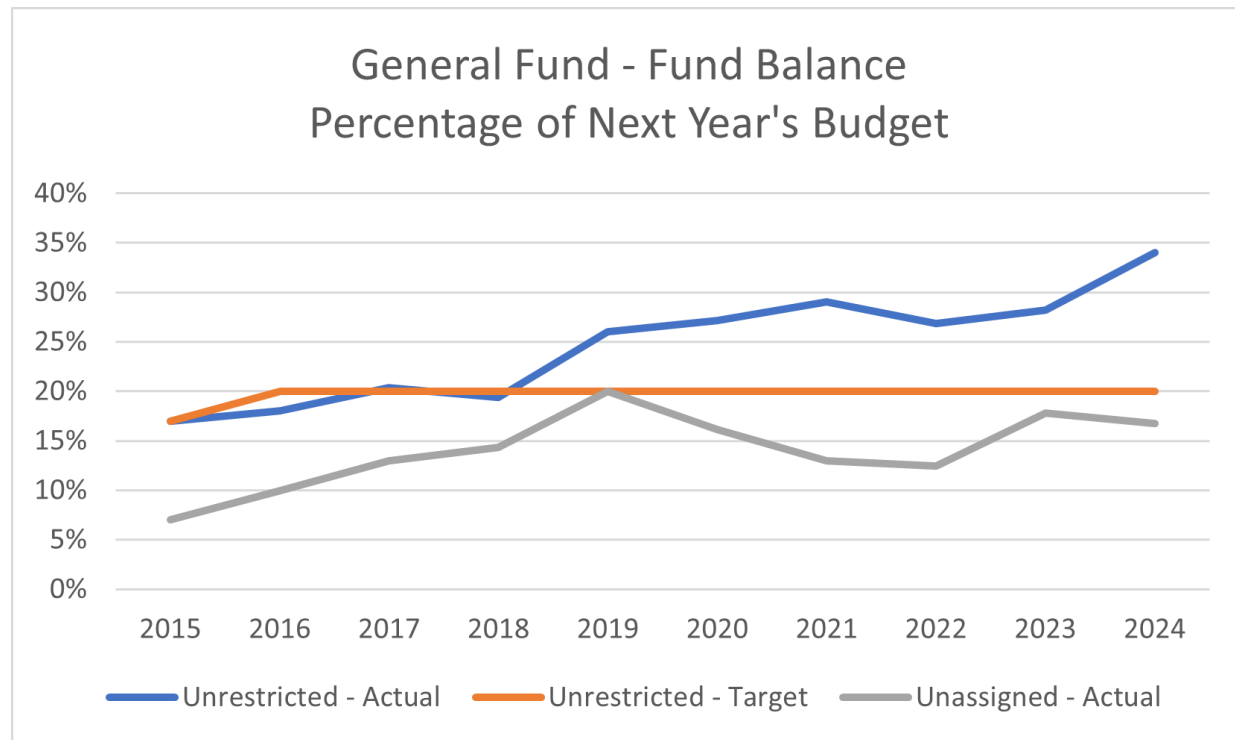
CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

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

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



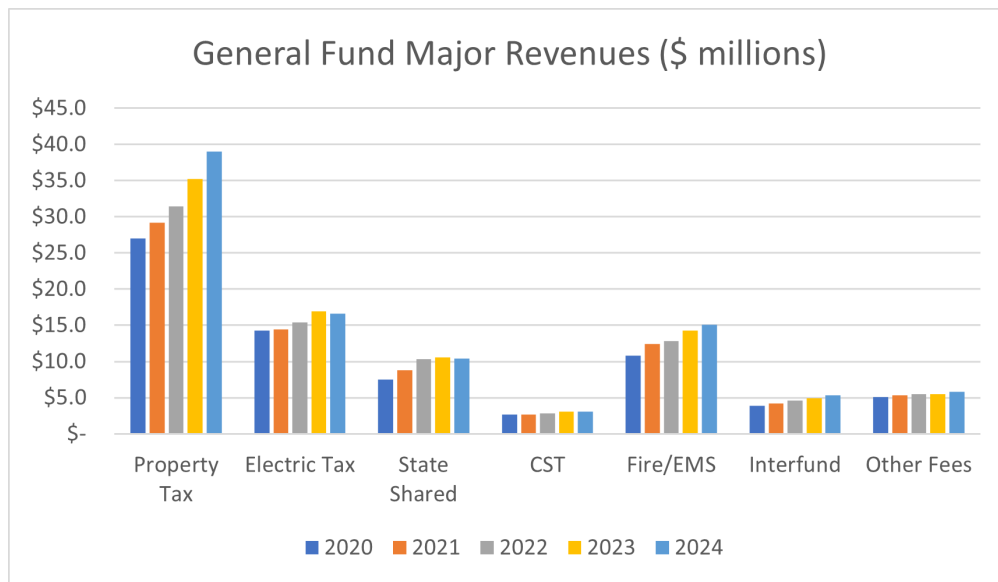
- A higher percentage in the graph above represents a greater ability to make additional appropriations
- Fund balances were relatively low in FY15 to FY16, due to the Great Recession and slow recovery, which required spending a portion of fund balance (these years represented "rainy days")
- State Statutes set no fund balance guidelines, except that the total fund balance cannot be negative
- Most of the unrestricted fund balance is unavailable to appropriate, because of the assignments; therefore, the unassigned fund balance is a better measure of an emergency reserve.
- The unassigned fund balance amount increased over the past year, due to growth in several revenues including investment income and property taxes.

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

General Fund Revenue. The following graph presents the General Fund's Major Revenues for the past five years. Major revenues typically comprise 89% of total General Fund revenue.



- The above graph depicts slow or no growth in CST, and Other Fees. Electric tax and franchise fees have declined from FY23.
- If a revenue declines or grows slowly, more reliance is placed on other revenues.
- Property tax revenue grew 10.8%, due mostly to taxable value increases from a strong housing and commercial market throughout the Tampa Bay area. The millage rate remained at 5.52 from FY23 to FY24. Annexations & new construction comprised about 1 percentage point of the increase.



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

- Communications Services Tax (CST) has remained flat. CST growth has been low due to increased competition, bundling of services, and customers moving to other services ("cutting the cord"), which reduces the tax base. Five-year projections are flat; however, the state legislature has targeted the CST for reduction as part of so called "tax reform".
- The Electric Tax base has only decreased slightly, due mostly to greater consumer conservation efforts, including solar installations and replacements of less efficient electronic equipment, especially HVAC systems. Other factors that can affect the tax base include weather variations (milder or harsher winters and summers). The City cannot increase the tax rate or expend this tax base.

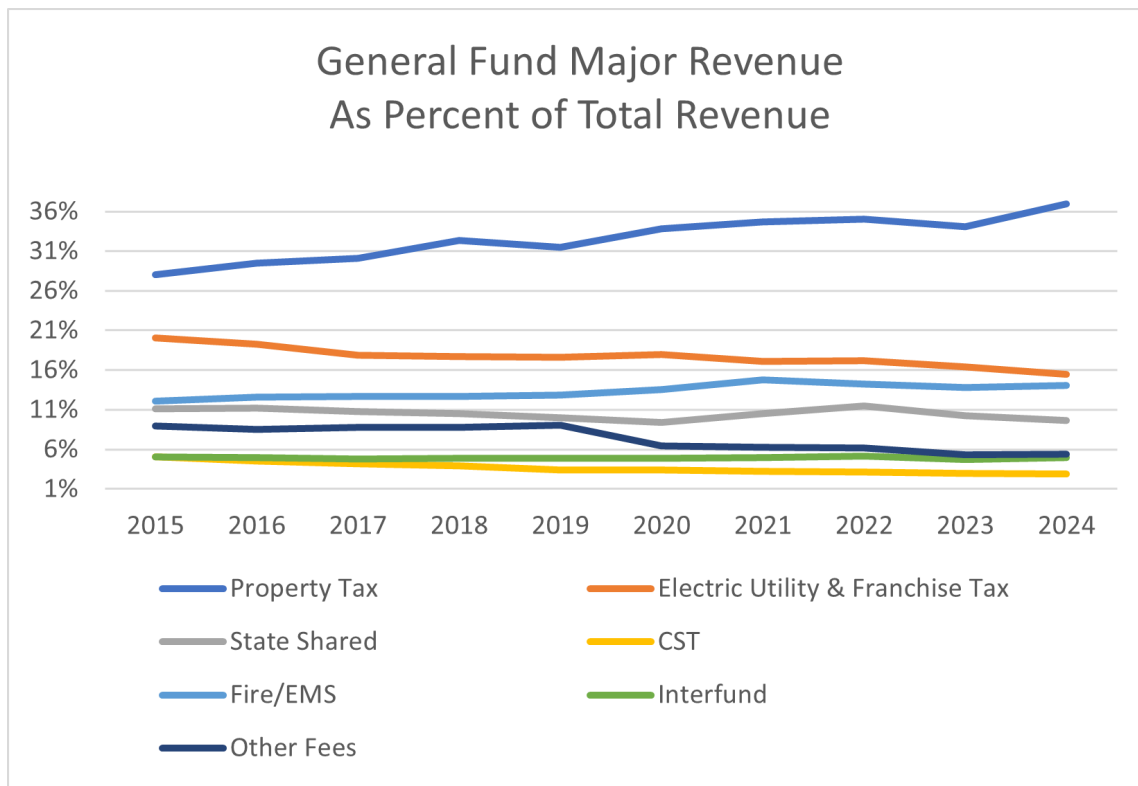
CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

- State Shared revenues decreased (mostly sales tax), due to slowed consumer spending.

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



- Most major revenues cannot be controlled, so greater reliance has been placed on property taxes.
- Property tax reliance has increased from 28% in FY15 to 37% in FY24, mostly due to the affects of the Great Recession on major revenues despite significant expenditure cuts.
- The property tax millage rate increased from 5.1943 in FY15, peaked at 5.7413 in FY18 and FY19 and is now 5.52 in FY24. With a ten mill cap and new state restrictions, there is less flexibility to increase the millage rate.
- Placing greater reliance on any revenue means there is a greater impact if a revenue declines. For example, a 20% decline in a revenue that generates 10% of total revenue results in a 2% loss, but a 10% decline in a revenue generating 40% of revenue results in a 4% loss.
- The General Fund's reliance on CST revenue has declined roughly a 40% decrease over the past ten years and projections indicate no growth in CST over the next five years, so reliance should decline.

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

- Electric Utility and Franchise Tax reliance has declined about 5% while State Shared Revenue has remained at about 10%. These revenues are not controllable by the City and growth is dependent mainly on consumer behavior and the weather.
- Reliance on Fire/EMS revenue has remained relatively flat, due to growth in the City's total budget.
- Interfund Fees are for administrative services provided by the General Fund (purchasing, HR, IT and Finance) and have only increased relative to the cost of providing those services, because services and the calculation method have been stable.
- Other Fees remained flat from the previous year.

General Fund Expenditures and Encumbrances.

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

General Fund - FY 2024								
Expenditures & Encumbrances - Actual to Budget (in thousands)								
Department	Exp.	Enc.	Total Expended & Encumbered	Final Budget	Variance Under (Over) \$	Variance Under (Over) %	Rebudget in FY24	
Police	\$ 33,969	\$ 162	\$ 34,131	\$ 34,556	\$ 424	1.2%	\$ -	
Fire Rescue	25,457	174	25,631	26,295	663	2.5%	-	
Rec., Parks & Arts	13,824	1,636	15,460	16,405	945	5.8%	500	
Public Works	6,140	359	6,500	6,840	340	5.0%	-	
Information Tech.	5,323	404	5,727	6,361	634	10.0%	-	
Library	4,621	57	4,678	5,002	324	6.5%	-	
Administration	4,277	149	4,426	4,521	94	2.1%	-	
Community Devel.	2,724	116	2,840	3,307	467	14.1%	87	
Finance	1,205	7	1,212	1,256	44	3.5%	-	
Human Res.	1,234	2	1,237	1,285	49	3.8%	-	
Engineering	1,206	52	1,258	1,277	19	1.5%	-	
General Operating	138	92	230	300	70	23.4%	-	
Legislative	442	6	447	488	41	8.4%	-	
Total	\$ 100,560	\$ 3,216	\$ 103,777	\$ 107,893	\$ 4,114	3.8%	\$ 587	

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

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

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

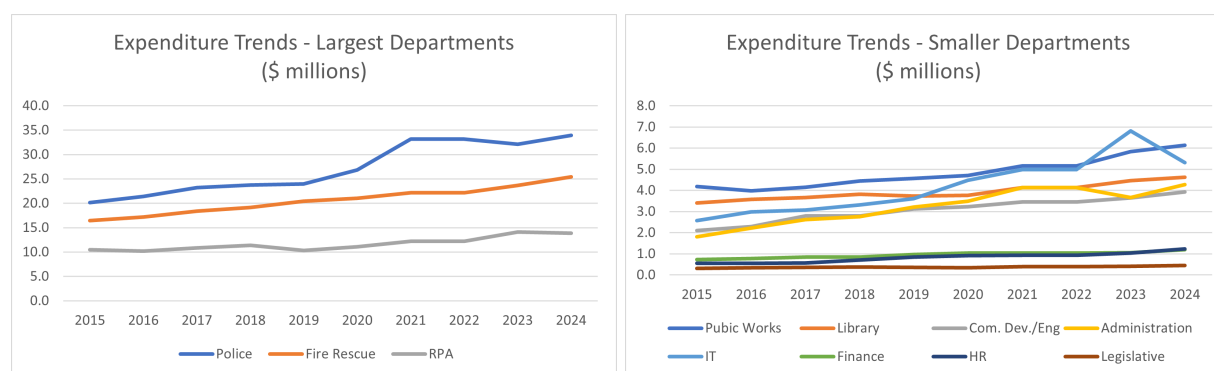
September 30, 2024

- **General Operating:** The FY2024 budget included additional amounts for transfers to the debt service fund for the additional debt on the Horizon City Hall complex. The additional funds were not needed yet as the debt has not been issued until FY25.
- **Information Technology:** The FY2024 budget included additional amounts for upgrading fiber connections that were not needed.
- **Community Development:** Several capital improvement projects were not started in FY2024. The department also saw salary savings due to positions being vacant during the year.

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

Departments are divided into the largest group and smallest group to better display information, because of the scale. The Community Development and Engineering departments are combined for all years, because separate data is unavailable for years prior to their separation into two departments in FY18.

- Fire Rescue expenditures increased over the past five years mainly related to the costs of new positions added based on the five-year Public Safety Staffing Plan.
- Police spending was up slightly in FY2024 from the previous year due to personnel and pension cost increases.
- Administration expenditures have increased due to new positions, debt issuance costs and increasing legal expenses.
- IT expenditures increased over several years as more business processes were automated and cyber-security was augmented, including new related positions. In recent years the City implemented a new ERP system and moved to a Microsoft Office Environment, which increased annual licensing costs. The decrease in FY2024 from FY2023 is due to implementation of GASB Statement No. 96 for Subscription Based Information Technology Arrangements (SBITAs) in FY2023 which included \$1.5 million in expenditures being recorded that year.



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

This graph presents LOST revenue.

- FY24 revenue was the highest ever recorded of \$12.3 million.
- LOST revenue was \$900,000 below budget estimates (6.8%) and only \$60,000 above the prior year (0.5%). The growth was not as high as anticipated due to collections slowing near the end of the fiscal

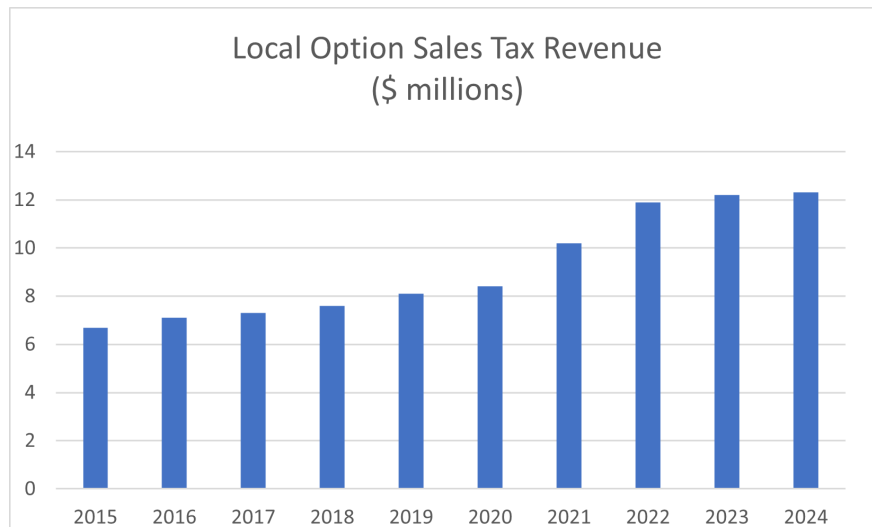
CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

year.

- A portion of the increase is due to a 10% increase in the allocation formula, which is based on population, effective Jan. 1, 2020.
- The remaining increase over time has been due to an improved statewide economy, as the pandemic subsided.



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

LOST Fund - FY24 Expenditure Summary

Public safety vehicles (fire and police)	\$ 3,879,000
Transportation Improvements and construction	3,661,000
Fire Station 39 floor plan remodel	3,674,000
Stormwater Improvements	1,342,000
Other expenditures	87,000
Total expenditures and transfers	<u>\$ 12,643,000</u>

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

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

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

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

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

Combined Housing Assistance Funds (\$ in thousands)

	SHIP	HOME	CDBG	NSP2	PCH	Total 2024	Total 2023
Revenue & transfers in	\$ 1,076	\$ 593	\$ 775	\$ -	\$ 8	\$ 2,452	\$ 3,224
Expenditures & transfers out	1,295	593	775	-	1	2,664	3,931
Net revenue (expenditures)	(219)	-	-	-	7	(212)	(707)
Beginning fund balance	\$ 1,174	\$ -	\$ -	\$ -	\$ 85	\$ 1,259	\$ 1,966
Ending fund balance	\$ 955	\$ -	\$ -	\$ -	\$ 92	\$ 1,047	\$ 1,259
Loans outstanding at 9/30	\$ 6,691	\$ 3,592	\$ 1,657	\$ -	\$ 640	\$ 12,580	\$ 11,881

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

The SHIP Fund's main revenue was originally from a new state documentary stamp tax enacted specifically to provide additional low-income housing assistance; however, the State Legislature redirected all revenue to other state programs during the Great Recession and most of the recovery. The Legislature has restored some of the funding since then.

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

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

City Hall (Horizon) Capital Project Fund. The City established a capital project fund in 2022 to account for the new City Hall project titled "Horizon". Construction has been in progress since 2022 and is expected to be completed in 2025. Bonds were issued to fund the construction and the amount was held in the capital project fund. The Fund balance in this fund decreased from the prior year by 74.4% or \$27.7 million dollars to to the continued construction progress throughout the year.

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

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

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

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

The following table summarizes key Enterprise Fund activity.

	Enterprise Funds (\$ millions)					
	Wastewater		Solid Waste		Golf Course	
	2024	2023	2024	2023	2024	2023
Operating revenue	\$ 34.4	\$ 30.9	\$ 16.2	\$ 15.5	\$ 1.6	\$ 1.6
Operating expenses	28.0	25.6	17.1	16.1	1.4	1.3
Operating income (loss)	6.4	5.3	(0.9)	(0.6)	0.3	0.3
Change in net position	8.3	7.2	(0.3)	0.3	0.4	0.3
Ending total net position	138.1	129.9	14.7	15.0	2.9	2.5
Ending unrestricted net position	\$ 31.8	\$ 31.9	\$ 6.1	\$ 8.5	\$ 1.7	\$ 1.3



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

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

The Golf Course receives consistently high public reviews.

Wastewater Fund. An annual 12% rate increase was approved for FY24. This followed a 10% increase in FY21, FY22 and FY23. Rates had previously remained low, due to delayed construction of several large projects and collection system improvements that reduced inflows and infiltration and related costs. In recent years, with the addition of debt for major capital projects, the rate increases were imperative to maintaining the system.

As discussed in Note F, the Wastewater Fund continues to borrow from the State low interest loan program for capital improvements. Net debt decreased \$7.8 million due to payments on the outstanding loans. This is the only enterprise fund that reports long-term debt.

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

- Operating revenue increased by \$683,000 or 4.4% due to increased collections on sales of reclaimed materials in FY24.
- The County has indicated that annual tipping fee increases of at least a 6% will be required for the foreseeable future to fund renewal and replacement of the resource recovery facility.
- Tipping fees are approximately 25% of total operating costs, so a 6% increase results in a 1.5% cost increase.
- Tipping fees and other contractual services increased \$180,000 in FY23 or 4% from FY23, mostly due to additional tipping fees.

Golf Course Fund. The positive net position change of \$378,000 in FY24 was an increase of 15% over total FY23 fund balance. The golf course continues to do well as a competing local course closed and investment earnings grew in FY24.

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

- Total operating revenue decreased \$19,000 or 1% over the prior year, partly because of weather conditions throughout the year.
- Golf Course staff have remained keenly focused on attracting and retaining customers and controlling operating costs, which remained about the same as last year, despite normal increases in personnel related costs. Rates, promotions and other marketing efforts are continuously reviewed and adjusted to increase revenue, subject to market conditions.
- Rates, promotions and other marketing efforts are continuously reviewed and adjusted to increase revenue, subject to market conditions.
- The General Fund administrative charge to the Golf Course for HR, IT and Finance services is still being waived, due to lower projected revenue and upcoming capital improvements.

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



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

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

Capital Assets & Long Term Debt

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

- Governmental Activities include capital assets for governmental and internal service funds.
- Business-type Activities include capital assets related to the City's three enterprise funds.
- Capital assets are depreciated using the straight-line method over their estimated useful lives.
- At the end of FY24, total Governmental assets were 37% depreciated and Business-type assets were 32% depreciated, which means over half of the assets' useful lives remained.
- Provisions are made to replace capital assets in the City's five-year Capital Improvements Program, which spreads capital costs over multiple years and ensures continuity of services.

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

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

	Government-wide Activities (\$ millions)					
	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Capital Assets						
Land	\$ 29	\$ 28	\$ 3	\$ 3	\$ 32	\$ 31
Construction in progress	77	35	23	20	99	55
Buildings and improvements	80	82	16	16	96	98
Improvements other than buildings	95	95	204	203	299	299
Machinery and equipment	52	52	93	93	145	145
Intangibles	1	1	-	-	2	2
Right-to-use-assets	3	3	-	-	3	3
Subscription based IT arrangements	6	4	1	1	7	5
Total capital assets	343	300	340	336	683	638
Less accumulated depreciation	(125)	(122)	(111)	(108)	(236)	(230)
Net capital assets	\$ 218	\$ 178	\$ 229	\$ 228	\$ 447	\$ 406

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

	Activities (\$ millions)					
	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Long-term Debt						
ERP System loan	\$ 0.5	\$ 1.0	\$ -	\$ -	\$ 0.5	\$ 1.0
City Hall Bond Issuance	61.4	61.3	-	-	61.4	61.3
Wastewater Infrastructure loans	-	-	123.1	130.9	123.1	130.9
Total loans and bonds	61.9	62.3	123.1	130.9	184.9	193.2
Police & fire pension unfunded liability	54.4	60.7	-	-	54.4	60.7
Compensated absences (vacation)	3.0	3.2	0.5	0.6	3.5	3.8
Other post-employment benefits (health)	16.4	13.5	3.5	2.9	19.8	16.4
Other long-term liabilities (risk claims and leases)	5.4	7.1	0.4	0.2	5.8	7.3
Total long-term debt	\$ 141.1	\$ 146.8	\$ 127.5	\$ 134.6	\$ 268.6	\$ 281.4

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

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

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

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

Debt pros:

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

Debt cons:

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

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

- After issuing the debt during a time of inflation, final estimated costs to complete the complex came back higher than the amount borrowed. The City has plans to issue additional debt for the amount still needed to complete the complex. More information can be found in Note V. E.

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

- Business-type debt was issued in prior years for construction of wastewater projects. The Wastewater system is the only enterprise fund with long-term debt, excluding OPEB and compensated absences.
- The majority of wastewater debt was taken through the Florida Department of Environmental Protection (DEP) for projects that expanded and improved the collection system, disinfection system, head-works and all three treatment trains. Loan draws are taken after payments are made, which reduces interest. The final \$140 million cost of these projects will more than double the system's capital assets.
- The average interest rate on the State DEP wastewater loans is less than 1%, which will produce at least \$25 million of net interest savings over conventional borrowing.
- An additional \$9.4 million in a bank loan was issued during FY23 to fund wastewater capital projects to reduce inflow and infiltration into the wastewater system. This debt is payable over a 20 year period with an interest rate of 4.27%.

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

- The following table shows the percentages of capital assets that are financed.
- Less than 37% of current Governmental capital assets are financed, which increases debt capacity.

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

- Business-type capital assets financed (wastewater) is higher than Governmental type, but is still reasonable (less than 60% in both years) and is fully paid by wastewater user fees.

	Capital Assets (\$ millions)					
	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Net capital assets (NCA)	\$ 218.1	\$ 178.7	\$ 229.4	\$ 226.9	\$ 447.5	\$ 405.6
Less related debt	(65.3)	(50.4)	(124.3)	(130.9)	(189.6)	(181.3)
Net Investment in NCA	\$ 152.8	\$ 128.3	\$ 105.1	\$ 96.0	\$ 257.9	\$ 224.3
Portion of NCA financed	29.9%	28.2%	54%	58%	42%	45%

Other Long-term Liabilities

Compensated Absences.

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

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

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

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

The OPEB liability is not funded, because payments are not made into the health plan on behalf of retirees. Most governments only fund "explicit" OPEB liabilities where payments are being made. The OPEB liability increased in FY24, due the amortization of deferred inflows and outflows.

Risk Claims (Risk Fund).

Risk claim liabilities decreased \$1.3 million from the prior year, or almost 39% based on outstanding legal cases and workers compensation claims at year end. Claims liability activity is highly variable because it is based on specific and often unique incidents, which makes projecting liabilities difficult.

Pension Liabilities.

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

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

CITY OF LARGO, FLORIDA
Management's Discussion and Analysis
September 30, 2024

As shown in the table below, the funded ratio trend has been essentially flat over the past ten years, which means little progress has been made to reduce the under-funding since 2014.

Actuarial Report Date October 1	Actuarial Funding Method Funded Ratio	Surplus (Deficit) \$ millions	City's Annual Required Contribution	
			\$ millions	% of pay
1999 ¹	123%	\$ 10	\$ 0	0%
2011 ²	59%	\$ (53)	\$ 5.1	37%
Last Ten Years				
2013	74%	\$ (35)	\$ 3.8	29%
2014	78%	\$ (32)	\$ 3.5	27%
2015	74%	\$ (39)	\$ 4.1	30%
2016	71%	\$ (48)	\$ 5.0	32%
2017	75%	\$ (41)	\$ 4.8	29%
2018	79%	\$ (37)	\$ 4.9	28%
2019	77%	\$ (42)	\$ 5.3	30%
2020	77%	\$ (45)	\$ 5.6	31%
2021	78%	\$ (45)	\$ 6.0	29%
2022	77%	\$ (49)	\$ 6.3	30%
2023	77%	\$ (52)	\$ 7.9	34%

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

(2) Lowest Funded Ratio since 1992

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

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

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

Other changes that have increased pension costs include:

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

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024



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

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

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

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

Additional pension information is in Note V.C and in Required Supplementary Information after the Notes. Note that while the Unfunded Pension Liability increases or decreases annually, the Pension Liability moves consistently upward. A summary of the City's pension assets and pension liability follows.

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

Actuarial Valuation Date October 1	Pension Assets	Pension Liability	Unfunded Pension Liability
2023	\$ 173	\$ 225	\$ 52
2022	\$ 165	\$ 214	\$ 49
2021	\$ 159	\$ 204	\$ 45
2020	\$ 148	\$ 193	\$ 45
2019	\$ 141	\$ 183	\$ 42
2018	\$ 138	\$ 176	\$ 38
2017	\$ 127	\$ 168	\$ 41
2016	\$ 114	\$ 162	\$ 48

Pension funding levels.

According to the American Academy of Actuaries (AAA):

- No single funding level should be used as a line between financially healthy and unhealthy plans.
- A funded ratio's long-term trend is as important as the actual ratio, e.g., being at an 80% funded level and trending upward is better than being at 80% and trending downward.
- Most actuarial funding methods have a 100% long-term funding target.

CITY OF LARGO, FLORIDA

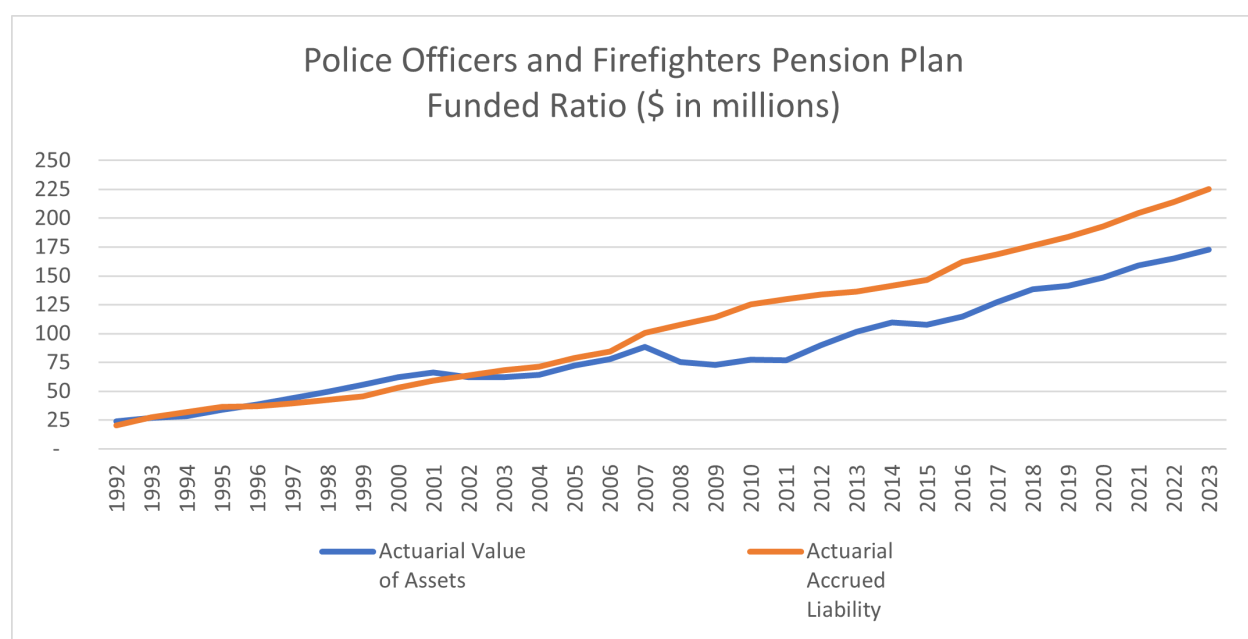
Management's Discussion and Analysis

September 30, 2024

- The financial health of pension plans depends on many factors, including how any pension under-funding compares to a plan sponsor's financial resources.
- An 80% funded ratio **should not** be used to determine a plan's financial health.

As depicted below, the Plan was well funded until 2002, including several years when the plan was over-funded (assets exceeded liabilities).

- The plan remained slightly underfunded from 2003 until 2007, (liabilities exceeded assets), largely because of lower investment earnings for pension plans nationwide.
- Since 2002, the Plan has never been fully funded for the reasons mentioned previously.



Unfunded Pension Liability Impact

- If the pension plan was 100% funded, the City's annual cost (called the normal cost) would be about \$4.6 million or 20.6% of pay instead of \$8.0 million or 34.4% of pay.
- An unfunded liability transfers pension costs for past services rendered by employees to future taxpayers who do not directly benefit from the services that were provided, which creates what is commonly called inter-generational inequity (dis-equity between taxpayers).

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

Economic Conditions. The City is cautiously optimistic about future conditions, excluding impacts from 3 major storms that impacted our area. The housing market remains strong and unemployment is relatively low.

Next Year's Budget and Rates. Factors above were considered in preparing the FY25 budget.

- The FY25 property tax rate (millage rate) was kept constant at 5.52 mills from FY24, which was above the "rolled-back" rate; therefore, the rate generated a "tax increase" according to state law.

CITY OF LARGO, FLORIDA

Management's Discussion and Analysis

September 30, 2024

- The FY25 millage rate, plus growth in taxable values including new construction and annexations, are projected to generate an additional \$2.5 million above FY24.
- The FY25 millage rate remains beneath the statutory cap of 10 mills, as well as being competitive.
- Rates for Sewer, Stormwater and Wastewater were all increased for FY25 to support capital project and operating cost increases.

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

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

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

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

ADDITIONAL INFORMATION

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

This page was intentionally left blank

BASIC FINANCIAL STATEMENTS

This page was intentionally left blank

CITY OF LARGO, FLORIDA
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 133,237,918	\$ 37,939,260	\$ 171,177,178
Receivables:			
Taxes	2,481,723	-	2,481,723
Interest	884,538	323,897	1,208,435
Accounts, net	2,274,466	8,322,245	10,596,711
Intergovernmental	2,863,461	54,464	2,917,925
Prepaid items and inventories	834,600	928,541	1,763,141
Restricted cash and investments	-	10,310,134	10,310,134
Other assets	1,152,071	-	1,152,071
Notes and loans receivable	12,626,973	-	12,626,973
Capital assets, net:			
Land	29,081,702	2,824,038	31,905,740
Building and improvements	42,854,742	12,176,086	55,030,828
Improvements other than building	46,138,171	120,965,495	167,103,666
Machinery and equipment	17,584,649	69,750,245	87,334,894
Intangible assets	165,573	130,345	295,918
Right-to-use lease assets	1,797,814	68,790	1,866,604
Right-to-use subscription assets	3,971,598	590,826	4,562,424
Construction in progress	76,515,793	22,846,596	99,362,389
Total assets	374,465,792	287,230,962	661,696,754
Deferred outflows of resources			
Pension contributions paid subsequent to the measurement date	8,007,262	-	8,007,262
Deferred outflows - pension plan	11,444,618	-	11,444,618
Deferred outflows - OPEB	5,312,163	1,131,063	6,443,226
Total deferred outflows of resources	24,764,043	1,131,063	25,895,106
Liabilities			
Accounts and accrued interest payable	13,135,823	1,799,619	14,935,442
Accrued payroll and vacation	3,637,954	361,806	3,999,760
Due to other governments	32,314	-	32,314
Unearned revenue and deposits	12,928,499	58,485	12,986,984
Noncurrent liabilities:			
Due within one year	6,627,223	8,614,133	15,241,356
Due in more than one year	64,177,667	115,537,296	179,714,963
Net pension liability	54,446,538	-	54,446,538
OPEB liability	15,856,255	3,376,108	19,232,363
Total liabilities	170,842,273	129,747,447	300,589,720
Deferred inflows of resources			
Business tax collected in advance	63,140	-	63,140
Deferred inflows - OPEB	6,804,909	1,448,898	8,253,807
Deferred inflows - lease	175,141	-	175,141
Total deferred inflows of resources	7,043,190	1,448,898	8,492,088
Net position			
Net investment in capital assets	152,775,372	105,065,474	257,840,846
Restricted for:			
Wastewater purposes	-	11,037,848	11,037,848
Capital funded by local sales tax	31,505,392	-	31,505,392
Economic development	19,463,436	-	19,463,436
City hall complex	9,540,382	-	9,540,382
Public works	13,961,781	-	13,961,781
Recreation, parks, arts, public safety	7,160,046	-	7,160,046
Debt service	159,157	-	159,157
Unrestricted	(13,221,194)	41,062,358	27,841,164
Total net position	\$ 221,344,372	\$ 157,165,680	\$ 378,510,052

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

This page was intentionally left blank

CITY OF LARGO, FLORIDA
Statement of Activities
Fiscal Year Ended September 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 12,316,389	\$ 5,461,061	\$ 1,054,592	\$ -	\$ (5,800,736)	\$ -	\$ (5,800,736)
Public safety	65,695,113	16,983,716	2,501,226	8,777	(46,201,394)	-	(46,201,394)
Public works	15,830,843	9,680,153	19,641	-	(6,131,049)	-	(6,131,049)
Economic development	9,672,481	5,442,662	1,702,474	917,496	(1,609,849)	-	(1,609,849)
Culture and recreation	20,818,497	5,370,403	484,297	2,569,665	(12,394,132)	-	(12,394,132)
Interest and fees	3,550,626	-	-	-	(3,550,626)	-	(3,550,626)
Total governmental activities	127,883,949	42,937,995	5,762,230	3,495,938	(75,687,786)	-	(75,687,786)
Business-Type Activities							
Wastewater	28,495,994	34,338,897	18,368	750,156	-	6,611,427	6,611,427
Solid Waste	16,493,776	16,099,261	54,658	-	-	(339,857)	(339,857)
Golf Course	1,351,167	1,625,063	7,489	-	-	281,385	281,385
Total Business-Type Activities	46,340,937	52,063,221	80,515	750,156	-	6,552,955	6,552,955
Total primary government	\$ 174,224,886	\$ 95,001,216	\$ 5,842,745	\$ 4,246,094	(75,687,786)	6,552,955	(69,134,831)
General revenues:							
Property tax					39,970,909	-	39,970,909
Utility tax					10,994,050	-	10,994,050
Sales tax					13,330,602	-	13,330,602
Communication services tax					3,108,946	-	3,108,946
Franchise taxes					7,535,325	-	7,535,325
State shared revenue					11,410,216	-	11,410,216
Investment earnings					7,011,841	2,554,438	9,566,279
Miscellaneous					1,588,672	439,157	2,027,829
Total general revenues					94,950,561	2,993,595	97,944,156
Change in net position					19,262,775	9,546,550	28,809,325
Net position - beginning					202,081,597	147,619,130	349,700,727
Net position - ending					\$ 221,344,372	\$ 157,165,680	\$ 378,510,052

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

CITY OF LARGO, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2024

	General	Local Option Sales Tax	SHIP
Assets			
Cash and investments	\$ 36,500,890	\$ 32,112,443	\$ 1,020,841
Accrued interest	267,469	230,279	7,701
Receivables:			
Taxes	2,481,723	-	-
Accounts, billed	274,712	105,214	17,603
Accounts, unbilled	-	-	-
Special assessments	-	-	-
Due from other governments	693,344	1,569,524	-
Grants	-	-	-
Other	166,658	-	-
Due from other funds	254,325	343,000	-
Property held for resale	-	-	-
Other assets	326,708	-	-
Notes and loans receivable	-	-	6,690,723
Inventories, at cost	2,852	-	-
Total assets	<u>\$ 40,968,681</u>	<u>\$ 34,360,460</u>	<u>\$ 7,736,868</u>
Liabilities, Deferred Inflows and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,186,714	\$ 2,855,068	\$ 90,961
Accrued payroll	3,480,855	-	-
Due to other governments	16,147	-	-
Due to other funds	-	-	-
Deposits	230,388	-	-
Unearned revenue	206,088	-	-
Total liabilities	<u>5,120,192</u>	<u>2,855,068</u>	<u>90,961</u>
Deferred inflows			
Business tax collected in advance	63,140	-	-
Unavailable revenue	-	-	6,690,723
Leases	175,141	-	-
Total deferred inflows	<u>238,281</u>	<u>-</u>	<u>6,690,723</u>
Fund balances:			
Nonspendable	770,929	-	-
Restricted	-	31,505,392	955,184
Assigned	14,770,459	-	-
Unassigned	20,068,820	-	-
Total fund balances	<u>35,610,208</u>	<u>31,505,392</u>	<u>955,184</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 40,968,681</u>	<u>\$ 34,360,460</u>	<u>\$ 7,736,868</u>

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

HOME	CDBG	ARPA COVID Relief	City Hall Capital Project	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 8,154,160	\$ 15,252,819	\$ 31,906,922	\$ 124,948,075
-	-	64,192	-	256,600	826,241
-	-	-	-	-	2,481,723
84,409	-	-	-	864,760	1,346,698
-	-	-	-	890,360	890,360
-	-	-	-	5,744	5,744
197,891	-	-	-	174,494	2,635,253
-	226,973	-	-	1,235	228,208
-	-	-	-	-	166,658
-	-	-	-	189,000	786,325
-	-	-	-	979,669	979,669
-	-	-	-	-	326,708
3,592,329	1,656,517	-	-	687,404	12,626,973
-	-	-	-	-	2,852
<u>\$ 3,874,629</u>	<u>\$ 1,883,490</u>	<u>\$ 8,218,352</u>	<u>\$ 15,252,819</u>	<u>\$ 35,956,188</u>	<u>\$ 148,251,487</u>
\$ 184,301	\$ 45,420	\$ 1,027,410	\$ 5,712,437	\$ 1,458,446	\$ 12,560,757
-	9,060	6,966	-	104,864	3,601,745
6,883	9,284	-	-	-	32,314
91,116	163,209	-	-	532,000	786,325
-	-	-	-	-	230,388
3,592,329	1,656,517	7,183,976	-	275,700	12,914,610
<u>3,874,629</u>	<u>1,883,490</u>	<u>8,218,352</u>	<u>5,712,437</u>	<u>2,371,010</u>	<u>30,126,139</u>
-	-	-	-	-	63,140
-	-	-	-	447,979	7,138,702
-	-	-	-	-	175,141
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>447,979</u>	<u>7,376,983</u>
-	-	-	-	979,669	1,750,598
-	-	-	9,540,382	32,082,573	74,083,531
-	-	-	-	74,957	14,845,416
-	-	-	-	-	20,068,820
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,540,382</u>	<u>33,137,199</u>	<u>110,748,365</u>
<u>\$ 3,874,629</u>	<u>\$ 1,883,490</u>	<u>\$ 8,218,352</u>	<u>\$ 15,252,819</u>	<u>\$ 35,956,188</u>	<u>\$ 148,251,487</u>

This page was intentionally left blank

CITY OF LARGO, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2024

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

Ending fund balance - governmental funds	\$ 110,748,365
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	217,474,722
Internal service funds are used by management to charge the costs of fleet activity and risk costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	6,732,687
Deferred outflows of resources from pension contributions subsequent to measurement date of net pension liability.	8,007,262
Net deferred outflows (inflows) of resources resulting from net pension liability	11,444,618
Net deferred outflows (inflows) of resources resulting from net OPEB liability	(1,456,390)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(65,413,983)
Long-term liabilities, including compensated absences, other post employment benefits (OPEB) and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.	(73,367,872)
Special assessment liens and associated interest receivable are not financial resources in the current period and therefore are reported as deferred revenues in the funds.	36,261
Unavailable revenue is not a financial resource in the current period and therefore is not reported as such in the funds.	7,138,702
Net position of governmental activities	<u><u>\$ 221,344,372</u></u>

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended September 30, 2024

	<u>General</u>	<u>Local Option Sales Tax</u>	<u>SHIP</u>
Revenues			
Taxes	\$ 53,736,296	\$ 12,280,610	\$ -
Licenses, permits and fees	7,537,655	-	-
Intergovernmental	14,061,054	212,451	709,267
Charges for services	22,572,616	-	-
Fines	433,760	-	-
Interfund charges	5,293,704	-	-
Contributions and donations	217,109	-	-
Investment earnings (losses)	3,030,807	1,759,593	65,348
Other	310,139	105,534	301,630
Total revenues	<u>107,193,140</u>	<u>14,358,188</u>	<u>1,076,245</u>
Expenditures			
Current:			
General government	11,002,869	-	-
Public safety	58,955,656	3,795	-
Public works	6,139,066	-	-
Economic development	4,765,942	-	1,295,774
Culture and recreation	17,722,189	-	-
Capital outlay	1,167,587	12,643,280	-
Debt service:			
Principal	731,014	136,340	-
Interest	74,685	20,079	-
Total expenditures	<u>100,559,008</u>	<u>12,803,494</u>	<u>1,295,774</u>
Excess (deficiency) of revenues over (under) expenditures	6,634,132	1,554,694	(219,529)
Other Financing Sources/(Uses)			
Transfers in	31,438	-	-
Transfers out	(2,574,200)	-	-
Lease financing	182,059	-	-
Sale of capital assets	181,433	62,714	-
Net other financing sources (uses)	<u>(2,179,270)</u>	<u>62,714</u>	<u>-</u>
Net change in fund balances	4,454,862	1,617,408	(219,529)
Fund balance - beginning	<u>31,155,346</u>	<u>29,887,984</u>	<u>1,174,713</u>
Fund balance - ending	<u>\$ 35,610,208</u>	<u>\$ 31,505,392</u>	<u>\$ 955,184</u>

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

HOME	CDBG	ARPA COVID Relief	City Hall Capital Project	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 975,442	\$ 66,992,348
-	-	-	-	4,080,409	11,618,064
593,412	557,255	3,347,589	-	1,995,496	21,476,524
-	-	-	-	9,787,921	32,360,537
-	-	-	-	341,318	775,078
-	-	-	-	-	5,293,704
-	-	-	-	79,854	296,963
-	6,090	-	1,629,328	1,675,637	8,166,803
-	211,630	-	-	28,217	957,150
<u>593,412</u>	<u>774,975</u>	<u>3,347,589</u>	<u>1,629,328</u>	<u>18,964,294</u>	<u>147,937,171</u>
-	-	763,678	185,879	180	11,952,606
-	-	138,087	-	64,521	59,162,059
-	-	-	-	6,034,258	12,173,324
593,412	754,789	112,554	-	2,835,643	10,358,114
-	-	-	-	131,360	17,853,549
-	20,186	2,333,270	29,188,676	6,100,842	51,453,841
-	-	-	-	1,571,576	2,438,930
-	-	-	-	2,042,184	2,136,948
<u>593,412</u>	<u>774,975</u>	<u>3,347,589</u>	<u>29,374,555</u>	<u>18,780,564</u>	<u>167,529,371</u>
-	-	-	(27,745,227)	183,730	(19,592,200)
-	-	-	-	3,550,700	3,582,138
-	-	-	-	(1,007,938)	(3,582,138)
-	-	-	-	546,177	728,236
-	-	-	-	522,512	766,659
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,611,451</u>	<u>1,494,895</u>
-	-	-	(27,745,227)	3,795,181	(18,097,305)
-	-	-	37,285,609	29,342,018	128,845,670
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,540,382</u>	<u>\$ 33,137,199</u>	<u>\$ 110,748,365</u>

CITY OF LARGO, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Fiscal Year Ended September 30, 2024

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

Net change in fund balances - total governmental funds	\$ (18,097,305)
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expense exceeds depreciation expense.	39,294,076
In the statement of Activities, only the loss/gain on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.	(118,971)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of revenue accruals may increase or decrease net position.	(1,787,663)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction is reported on the government-wide financial statements.	2,438,930
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, such as changes in accrued interest, changes in accrued vacation, other post-employment benefits and changes in net pension liability and any related deferred inflows/outflows.	(4,747,732)
Internal service funds are used by management to charge the costs of fleet management and risk activities to individual funds. The net revenues or loss of certain activities of the internal service funds are reported with governmental activities.	2,281,440
Change in net position of governmental activities (statement of activities)	<u>\$ 19,262,775</u>

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
Fiscal Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 54,090,300	\$ 54,090,300	\$ 53,736,296	\$ (354,004)
Licenses, permits and fees	7,720,500	7,720,500	7,537,655	(182,845)
Intergovernmental	14,109,300	14,109,300	14,061,054	(48,246)
Charges for services	21,537,600	21,537,600	22,572,616	1,035,016
Fines	445,000	445,000	433,760	(11,240)
Interfund charges	5,214,100	5,214,100	5,293,704	79,604
Contributions and donations	151,000	151,000	217,109	66,109
Investment earnings (losses)	250,000	250,000	3,030,807	2,780,807
Other	219,400	219,400	310,139	90,739
Total revenues	<u>103,737,200</u>	<u>103,737,200</u>	<u>107,193,140</u>	<u>3,455,940</u>
EXPENDITURES				
Current				
General government	12,251,000	12,600,469	11,002,869	1,597,600
Public safety	59,935,000	60,328,837	58,955,656	1,373,181
Public works	6,216,900	6,739,599	6,139,066	600,533
Economic development	4,962,600	5,098,993	4,765,942	333,051
Culture and recreation	18,770,400	19,320,739	17,722,189	1,598,550
Capital outlay	1,840,400	3,312,034	1,167,587	2,144,447
Debt service				
Principal	433,200	433,200	731,014	(297,814)
Interest	58,300	58,300	74,685	(16,385)
Total expenditures	<u>104,467,800</u>	<u>107,892,171</u>	<u>100,559,008</u>	<u>7,333,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(730,600)</u>	<u>(4,154,971)</u>	<u>6,634,132</u>	<u>10,789,103</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,400	34,100	31,438	(2,662)
Transfers out	(4,152,500)	(4,152,500)	(2,574,200)	1,578,300
Lease financing	-	-	182,059	182,059
Sale of capital assets	-	-	181,433	181,433
Total other financing uses	<u>(4,141,100)</u>	<u>(4,118,400)</u>	<u>(2,179,270)</u>	<u>1,939,130</u>
Net change in fund balance	<u>\$ (4,871,700)</u>	<u>\$ (8,273,371)</u>	<u>4,454,862</u>	<u>\$ 12,728,233</u>
Fund Balance - beginning			<u>31,155,346</u>	
Fund Balance - ending			<u>\$ 35,610,208</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Local Option Sales Tax Fund
Fiscal Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 13,183,000	\$ 13,183,000	\$ 12,280,610	\$ (902,390)
Intergovernmental	733,200	733,200	212,451	(520,749)
Investment earnings (losses)	50,000	50,000	1,759,593	1,709,593
Other	75,000	75,000	105,534	30,534
Total revenues	<u>14,041,200</u>	<u>14,041,200</u>	<u>14,358,188</u>	<u>316,988</u>
EXPENDITURES				
Public safety	-	-	3,795	(3,795)
Public works	-	1,320	-	1,320
Capital outlay	30,872,900	40,557,284	12,643,280	27,914,004
Debt service:				
Principal	119,000	119,000	136,340	(17,340)
Interest	16,100	16,100	20,079	(3,979)
Total expenditures	<u>31,008,000</u>	<u>40,693,704</u>	<u>12,803,494</u>	<u>27,890,210</u>
Excess (deficiency) of revenues over (under) expenditures	(16,966,800)	(26,652,504)	1,554,694	28,207,198
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	62,714	62,714
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>62,714</u>	<u>62,714</u>
Net change in fund balance	<u>\$ (16,966,800)</u>	<u>\$ (26,652,504)</u>	1,617,408	<u>\$ 28,269,912</u>
Fund Balance - beginning			<u>29,887,984</u>	
Fund Balance - ending			<u>\$ 31,505,392</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
SHIP Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 1,255,600	\$ 1,255,600	\$ 709,267	\$ (546,333)
Investment earnings (losses)	10,000	10,000	65,348	55,348
Other	400,000	400,000	301,630	(98,370)
Total revenues	<u>1,665,600</u>	<u>1,665,600</u>	<u>1,076,245</u>	<u>(589,355)</u>
EXPENDITURES				
Current:				
Economic development	<u>1,665,600</u>	<u>1,833,610</u>	<u>1,295,774</u>	<u>537,836</u>
Total expenditures	<u>1,665,600</u>	<u>1,833,610</u>	<u>1,295,774</u>	<u>537,836</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (168,010)</u>	<u>(219,529)</u>	<u>\$ (51,519)</u>
Fund Balance - beginning			<u>1,174,713</u>	
Fund Balance - ending			<u>\$ 955,184</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
HOME Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 1,290,800	\$ 1,290,800	\$ 593,412	\$ (697,388)
Total revenues	<u>1,290,800</u>	<u>1,290,800</u>	<u>593,412</u>	<u>(697,388)</u>
EXPENDITURES				
Current:				
Economic development	<u>1,290,800</u>	<u>1,434,780</u>	<u>593,412</u>	<u>841,368</u>
Total expenditures	<u>1,290,800</u>	<u>1,434,780</u>	<u>593,412</u>	<u>841,368</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (143,980)</u>	<u>-</u>	<u>\$ 143,980</u>
Fund Balance - beginning			<u>-</u>	
Fund Balance - ending			<u>\$ -</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
CDBG Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 862,800	\$ 862,800	\$ 557,255	\$ (305,545)
Investment earnings (losses)	-	-	6,090	6,090
Other	200,000	200,000	211,630	11,630
Total revenues	<u>1,062,800</u>	<u>1,062,800</u>	<u>774,975</u>	<u>(287,825)</u>
EXPENDITURES				
Current:				
Economic development	962,800	1,182,252	754,789	427,463
Capital outlay	100,000	140,717	20,186	120,531
Total expenditures	<u>1,062,800</u>	<u>1,322,969</u>	<u>774,975</u>	<u>547,994</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (260,169)</u>	-	<u>\$ 260,169</u>
Fund Balance - beginning			-	
Fund Balance - ending			<u>\$ -</u>	

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

CITY OF LARGO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
ARPA COVID Relief
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 9,255,400	\$ 9,255,400	\$ 3,347,589	\$ (5,907,811)
Investment earnings (losses)	40,000	40,000	-	(40,000)
Total revenues	<u>9,295,400</u>	<u>9,295,400</u>	<u>3,347,589</u>	<u>(5,947,811)</u>
EXPENDITURES				
General government	139,700	1,576,784	763,678	813,106
Public safety	104,000	163,500	138,087	25,413
Economic development	91,200	116,380	112,554	3,826
Capital outlay	7,316,000	8,125,177	2,333,270	5,791,907
Total expenditures	<u>7,650,900</u>	<u>9,981,841</u>	<u>3,347,589</u>	<u>6,634,252</u>
Net change in fund balance	<u>\$ 1,644,500</u>	<u>\$ (686,441)</u>	-	<u>\$ 686,441</u>
Fund Balance - beginning			-	
Fund Balance - ending			<u>\$ -</u>	

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

CITY OF LARGO, FLORIDA
Statement Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities-Enterprise Funds				Internal Service Funds
	Wastewater Utility	Solid Waste Utility	Nonmajor Golf Course	Total	
Assets					
Current assets					
Cash and investments	\$ 28,936,170	\$ 5,581,001	\$ 2,040,631	\$ 36,557,802	\$ 9,671,301
Restricted-Cash and investments	10,310,134	-	-	10,310,134	-
Accrued interest receivable	206,805	40,739	14,650	262,194	58,298
Restricted-Accrued interest receivable	61,703	-	-	61,703	-
Accounts receivable, billed, net	2,476,887	1,461,674	1,540	3,940,101	2,855
Accounts receivable, unbilled, net	3,285,713	1,096,431	-	4,382,144	-
Other receivables	-	54,464	-	54,464	34,553
Inventories, at cost	926,541	-	-	926,541	275,273
Other assets	-	-	2,000	2,000	229,766
Total current assets	46,203,953	8,234,309	2,058,821	56,497,083	10,272,046
Noncurrent assets					
Capital assets					
Land and improvements	1,573,206	375,000	875,832	2,824,038	-
Buildings and improvements	14,229,079	402,726	1,125,871	15,757,676	-
Improvements other than buildings	202,380,615	80,145	2,019,839	204,480,599	78,292
Machinery and equipment	76,974,110	15,346,346	579,248	92,899,704	621,466
Intangible assets	224,528	98,557	-	323,085	13,784
Right-to-use assets	-	-	123,823	123,823	-
Subscription based IT arrangements	486,372	475,441	-	961,813	-
Less accumulated depreciation	(96,209,936)	(11,191,382)	(3,463,595)	(110,864,913)	(456,592)
Construction in progress	19,476,544	3,168,590	201,462	22,846,596	378,370
Capital assets, net	219,134,518	8,755,423	1,462,480	229,352,421	635,320
Total noncurrent assets	219,134,518	8,755,423	1,462,480	229,352,421	635,320
Total assets	265,338,471	16,989,732	3,521,301	285,849,504	10,907,366
Deferred outflows of resources					
Deferred outflows - OPEB	663,525	404,438	63,100	1,131,063	129,381
Total deferred outflows of resources	663,525	404,438	63,100	1,131,063	129,381
Liabilities					
Current liabilities					
Accounts payable	935,311	416,898	254,308	1,606,517	216,047
Accrued payroll and vacation	215,793	126,498	19,515	361,806	36,209
Accrued interest payable	191,752	139	1,211	193,102	-
Long-term debt, current portion	7,971,112	82,335	48,802	8,102,249	12,382
Other	30,569	-	-	30,569	-
Total current liabilities	9,344,537	625,870	323,836	10,294,243	264,638
Noncurrent liabilities					
Unearned revenue	-	-	27,916	27,916	-
Estimated claims and contracts payable	-	-	-	-	2,040,000
Compensated absences	290,613	199,291	21,980	511,884	66,037
OPEB Liability	1,980,555	1,207,206	188,347	3,376,108	386,189
Long-term debt	115,401,872	98,166	37,258	115,537,296	-
Total noncurrent liabilities	117,673,040	1,504,663	275,501	119,453,204	2,492,226
Total liabilities	127,017,577	2,130,533	599,337	129,747,447	2,756,864
Deferred inflows of resources					
Deferred Inflows - OPEB	849,979	518,087	80,832	1,448,898	165,738
Total deferred inflows of resources	849,979	518,087	80,832	1,448,898	165,738
Net Position					
Net investment in capital assets	95,266,946	8,613,627	1,184,901	105,065,474	-
Restricted for wastewater connection purposes	11,037,848	-	-	11,037,848	-
Unrestricted	31,829,646	6,131,923	1,719,331	39,680,900	8,114,145
Total net position	\$ 138,134,440	\$ 14,745,550	\$ 2,904,232	155,784,222	\$ 8,114,145
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.				1,381,458	
NET POSITION BUSINESS-TYPE ACTIVITIES				\$ 157,165,680	

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

CITY OF LARGO, FLORIDA
Statement Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Wastewater Utility	Solid Waste Utility	Nonmajor Golf Course	Total	
Operating revenues					
Charges for services	\$ 32,586,819	\$ 16,099,261	\$ 1,625,063	\$ 50,311,143	\$ 24,338,711
Charges for effluent water	1,753,456	-	-	1,753,456	-
Sales of reclaimed materials	60,778	126,344	-	187,122	-
Total operating revenues	34,401,053	16,225,605	1,625,063	52,251,721	24,338,711
Operating expenses					
Personnel services	8,626,180	5,275,539	575,800	14,477,519	1,757,888
Cost of goods sold	-	-	101,865	101,865	1,191,529
Contractual services	566,855	5,033,975	96,271	5,697,101	284,175
Supplies	2,464,194	332,162	145,390	2,941,746	89,050
Repairs and maintenance	1,214,000	188,907	183,886	1,586,793	358,275
Utilities	2,887,578	51,988	97,876	3,037,442	17,755
Professional services	106,552	18,952	1,583	127,087	822,609
Fuel	119,825	615,009	7,544	742,378	14,982
Charges by the Fleet Services Fund	121,048	1,896,397	2,862	2,020,307	18,900
Charges by the General Fund	3,098,282	1,460,822	-	4,559,104	164,700
Charges by the Risk Management Fund	667,100	329,900	26,400	1,023,400	56,500
Depreciation and amortization	7,966,123	1,879,713	100,917	9,946,753	27,940
Claims	-	-	-	-	(300,042)
Insurance	-	-	-	-	16,820,787
Other	210,897	66,070	12,216	289,183	42,379
Total operating expenses	28,048,634	17,149,434	1,352,610	46,550,678	21,367,427
Operating income or (loss)	6,352,419	(923,829)	272,453	5,701,043	2,971,284
Nonoperating revenues (expenses)					
Investment earnings (losses)	2,027,853	413,897	111,310	2,553,060	428,811
Interest expense	(942,815)	(2,857)	(17,729)	(963,401)	-
Gain or loss on disposal of capital assets	47,866	156,669	-	204,535	-
Grants	18,368	54,658	-	73,026	3,278
Other	24,252	18,895	11,842	54,989	51,209
Net non-operating revenues (expenses)	1,175,524	641,262	105,423	1,922,209	483,298
Income or (loss) before transfers and contributions	7,527,943	(282,567)	377,876	7,623,252	3,454,582
Transfers and contributions					
Capital contributions - impact fees	750,156	-	-	750,156	-
Total transfers and contributions	750,156	-	-	750,156	-
Change in net position	8,278,099	(282,567)	377,876	8,373,408	3,454,582
Total net position - beginning	129,856,341	15,028,117	2,526,356	147,410,814	4,659,563
Total net position - ending	\$ 138,134,440	\$ 14,745,550	\$ 2,904,232	\$ 155,784,222	\$ 8,114,145
Change in Net Position of Proprietary Funds				\$ 8,373,408	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				1,173,142	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES				\$ 9,546,550	

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

CITY OF LARGO, FLORIDA
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2024

	Business-type Activities-Enterprise Funds				Internal Service Funds
	Wastewater Utility	Solid Waste Utility	Nonmajor Golf Course	Total	
Operating activities					
Cash received from customers	\$ 34,018,724	\$ 16,068,842	\$ 1,633,189	\$ 51,720,755	\$ 24,383,496
Cash paid to employees	(8,528,771)	(5,163,243)	(573,411)	(14,265,425)	(1,754,461)
Cash paid to vendors	(8,510,471)	(8,250,964)	(412,391)	(17,173,826)	(19,813,163)
Cash paid for internal services	(3,765,382)	(1,790,722)	(26,400)	(5,582,504)	(164,700)
Net cash provided by (used in) operating activities	13,214,100	863,913	620,987	14,699,000	2,651,172
Non-capital and related financing activities					
Cash received from granting agencies	18,368	54,658	-	73,026	3,278
Net cash provided by (used in) non-capital and related financing activities	18,368	54,658	-	73,026	3,278
Capital and related financing activities					
Contributed capital and grants	750,156	-	-	750,156	-
Sale of capital assets	47,866	156,669	-	204,535	-
Acquisition of capital assets	(7,506,926)	(3,790,555)	(245,158)	(11,542,639)	(439,424)
Principal repayment on long-term debt	(7,852,163)	(40,306)	(35,386)	(7,927,855)	-
Interest payments on long-term debt	(955,760)	(2,807)	(18,291)	(976,858)	-
Net cash provided by (used in) capital and related financing activities	(15,516,827)	(3,676,999)	(298,835)	(19,492,661)	(439,424)
Investing activities					
Investment earnings	1,976,129	398,685	101,913	2,476,727	389,607
Net cash provided by investing activities	1,976,129	398,685	101,913	2,476,727	389,607
Net increase (decrease) in cash and investments	(308,230)	(2,359,743)	424,065	(2,243,908)	2,604,633
Cash and investments					
Beginning of year	39,554,534	7,940,744	1,616,566	49,111,844	7,066,668
End of year	\$ 39,246,304	\$ 5,581,001	\$ 2,040,631	\$ 46,867,936	\$ 9,671,301
Reconciliation of operating income (loss) to net cash provided by/(used in) operating activities					
Operating income (loss)	\$ 6,352,419	\$ (923,829)	\$ 272,453	\$ 5,701,043	\$ 2,971,284
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Other non operating revenue/(expenses)	24,252	18,895	11,842	54,989	51,209
Depreciation and amortization	7,966,123	1,879,713	100,917	9,946,753	27,940
(Increase) decrease in assets and increase (decrease) in liabilities:					
Accounts receivable	(406,356)	(175,657)	(279)	(582,292)	(6,424)
Due from other funds	-	-	-	-	-
Inventories	(131,936)	-	-	(131,936)	33,232
Accrued interest	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	1,005,060
Accounts payable and accrued expenses	(687,586)	(36,068)	237,100	(486,554)	(127,214)
Accrued payroll and vacation	97,409	100,859	2,389	200,657	6,085
Deposits	(225)	-	-	(225)	-
Unearned revenue	-	-	(3,435)	(3,435)	-
Estimated claims payable	-	-	-	-	(1,310,000)
Total adjustments	6,861,681	1,787,742	348,534	8,997,957	(320,112)
Net cash provided by (used in) operating activities	\$ 13,214,100	\$ 863,913	\$ 620,987	\$ 14,699,000	\$ 2,651,172
Non-cash investing, capital and financing activities					
Purchase of capital assets on account	\$ 90,071	\$ 90,072	\$ -	\$ 180,143	\$ -

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

CITY OF LARGO, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2024

	Pension Trust Funds
Assets	
Cash and investments	\$ 14,390,221
Accrued interest receivable	256,827
Due from other funds	87,490
Investments, at fair value:	
Loans receivable	1,501,338
U.S. Treasury & U.S. Agency securities	5,210,743
Corporate bonds	8,932,522
Mutual funds	184,586,441
Common stock	<u>62,730,181</u>
Total assets	<u>277,695,763</u>
Liabilities	
Accounts payable	171,888
Due to employee investment accounts	87,490
Due to other funds	87,490
Unearned revenue	<u>236,583</u>
Total liabilities	<u>583,451</u>
Net position	
Restricted for:	
Pension benefits	<u>277,112,312</u>
Total net position	<u><u>\$ 277,112,312</u></u>

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

CITY OF LARGO, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2024

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 8,235,657
Plan members	3,521,455
State	1,959,410
Forfeitures added	149,294
Service purchase contributions	24,548
Rollover contributions	84,043
Interest on loans repaid	91,667
Total contributions	<u>14,066,074</u>
Investment earnings:	
Net increase in investment value	11,863,923
Interest and dividends	39,188,936
Total investment earnings	51,052,859
Less investment costs	<u>(943,442)</u>
Net investment earnings	<u>50,109,417</u>
Net additions	<u>64,175,491</u>
Deductions:	
Benefits	18,267,666
Refund of contributions	117,685
Loans transferred out	137,451
Administrative	300,313
Forfeitures	174,979
Insurance	101,361
Total deductions	<u>19,099,455</u>
Change in net position	45,076,036
Total net position - beginning	<u>232,036,276</u>
Total net position - ending	<u><u>\$ 277,112,312</u></u>

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

This page was intentionally left blank

NOTES TO THE FINANCIAL STATEMENTS

This page was intentionally left blank



NOTES TO THE FINANCIAL STATEMENTS TABLE OF CONTENTS

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies	
A. Reporting entity	78
B. Generally Accepted Accounting Principles	79
C. Government-wide and individual fund financial statements	79
D. Measurement focus, basis of accounting and financial statement presentation	80
E. Assets, liabilities, and net position (fund equity), deferred inflows and outflows	82
II. Reconciliation of Government-wide Financial Statements and Fund Financial Statements	
A. Explanation of certain differences between the governmental funds balance sheets and the government-wide statement of net position (governmental activities column)	88
B. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities	89
III. Stewardship, Compliance, and Accountability	91
IV. Detailed Notes on All Funds	
A. Deposits and Investments	93
B. Receivables	101
C. Capital Assets	102
D. Interfund receivables, payables, and transfers	104
E. Leases	105
F. Subscription-Based Information Technology Arrangements (SBITAs)	106
G. Non-current liabilities	108
H. Fund equity	111
I. Encumbrances	111
V. Other Disclosures	
A. Risk Management	112
B. Employee retirement systems and pension plans	114
C. Contingent liabilities	130
D. Tax abatements	131
E. Subsequent Events	131

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Largo (the "City") is a political subdivision of the State of Florida, located in Pinellas County on Florida's Suncoast, within the Tampa Bay metropolitan area. The City was first incorporated in 1905 and reestablished in 1925 as a municipal corporation by Chapter 10761, Special Laws of Florida, 1925, as amended. The City, approximately 18.6 square miles in area, is a full-service municipality that offers a variety of high-quality services to City residents and certain unincorporated county residents. Services offered include: general government, public safety, recreation, parks, library, cultural arts and public works. The City also operates a wastewater utility, solid waste utility and golf course and maintains various trust funds in a fiduciary capacity.

The reporting entity is considered the primary government and any component units for which the primary government is financially accountable. In defining the City's reporting entity, management considered all potential component units and determined that one component unit should be included in the reporting entity for FY 2024.

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

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

B. Generally Accepted Accounting Principles

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

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

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

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

C. Government-wide and individual fund financial statements

1. Government-wide financial statements

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

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

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

2. Fund financial statements

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

3. Reconciliation of Government-wide and governmental fund statements

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

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

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

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

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

2. Governmental fund financial statements

Separate governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (within 60 days of the end of the fiscal period or within 90 days of the end of the fiscal period for HOME and CDBG funds). Grant revenues and donations are recognized in the fiscal year in which all eligibility criteria have been satisfied. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures are recorded when payment is due.

Franchise taxes (fees), licenses, most intergovernmental revenues and interest income are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues are considered measurable and available only when cash is received, including property taxes (see note I. E. 15).

3. Major funds and fund types

The City reports the following major governmental funds:

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

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

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

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

The *City Hall Capital Project fund* accounts for expenditures associated with the new City Hall and parking garage. The complex will be titled Horizon and construction is expected to be completed during fiscal year 2025.

The City reports the following major enterprise funds:

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

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

The City also reports the following fund types:

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

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

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

1. Deposits and investments

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

The City maintains a buy and hold investment strategy, the objectives of which are safety of principal, liquidity and investment earnings, in that order of priority. The City utilizes a laddered maturity policy, whereby investment purchases are made throughout the year to avoid any form of market timing, and to provide a relatively consistent maturity of investments throughout the year. This policy is intended to enhance liquidity and mitigate volatility in valuation fluctuations. The policy limits interest rate risk by limiting the final maturity for any individual investment to no more than 120 months and by limiting the weighted average maturity for the portfolio to 48 months or less.

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

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

2. Accounts receivable

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

3. Lease Receivable

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

4. Due to/due from other funds

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

5. Inventories and prepaid items

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

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

6. Restricted assets

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

7. Capital assets

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Major outlays for constructed capital assets and improvements are capitalized as incurred. Interest incurred during the construction phase of capital assets related to business-type activities is no longer included as part of the capitalized value of the assets constructed as the City has implemented GASB Statement 89. Total construction period interest of \$2,992,536 was recorded during the current fiscal year.

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

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

Right-to-use lease and subscription assets are amortized using the straight-line method over the related lease or subscription term.

8. Unearned revenue

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

9. Compensated absences liability

City employees may accumulate earned, but unpaid, vacation and sick leave benefits. No liability is reported for accumulated sick leave, because the City does not pay any amounts when employees separate from service, except in cases of an employees' death and GASB Statement No. 101 has not yet been implemented. All accumulated vacation leave is accrued when earned in government-wide, proprietary, and fiduciary fund financial statements. An assignment of fund balance is recorded in governmental fund financial statements for the long-term portion of compensated absences if the fund balance is not restricted.

10. Long-term obligations

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

premiums or discounts.

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

11. Fund equity

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

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

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

The government-wide statement of net position reports \$92,828,042 of restricted net position, of which \$11,037,848 is restricted by enabling legislation.

12. Nature and purpose of classifications of fund balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation are classified as Restricted fund balances.

Committed fund balances can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority (City Commission), which is by Resolution or by an Ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of formal action. Amounts that are constrained by the City's intent to be used for specific purposes but are neither Restricted nor Committed are classified as Assigned fund balances. Assignments are made by the City Manager based on City Commission direction.

Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form such as inventory or (b) legally or contractually required to be maintained intact, such as an endowment. Unassigned fund balance represents the spendable fund balance that has not been Restricted, Committed, or Assigned to specific purposes within the General Fund only.

13. Fund balance reserve policy

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

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

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

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

14. Interfund transactions

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

15. Property taxes

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

16. Property held for resale

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

17. Deferred outflows of resources

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

18. Deferred inflows of resources

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

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

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

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Notes and loans payable	\$ 60,300,421
Leases payable	1,479,079
Subscription based IT arrangements payable	1,870,444
Accrued arbitrage payable	1,585,260
Accrued interest payable	178,779
Net adjustment to decrease Fund Balance - total governmental funds to arrive at Net Position - governmental activities	<u>\$ 65,413,983</u>

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

Net pension liability	\$ 54,446,538
Compensated absences excluding internal service funds	2,955,269
OPEB liability excluding internal service funds	15,966,065
Net adjustment to decrease Fund Balance - total governmental funds to arrive at Net Position - governmental activities	<u>\$ 73,367,872</u>

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

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

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

Capital outlay per fund statements	\$ 51,453,841
Less: Library books which are not capitalized and CIP disposed	(423,574)
Capital outlay capitalized	51,030,267
Less: Increases in accumulated depreciation	(11,736,191)
Adjustment to increase net changes in fund balances - total governmental	<u>\$ 39,294,076</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

Remaining undepreciated cost of capital assets sold/retired	\$ 299,115
Decreases in assets that result in reduced liability instead of gain/loss	<u>(180,144)</u>
Net adjustment to decrease Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 118,971</u>

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

Adjustment for deferred revenues	\$ 525,833
Arbitrage payable from interest earning revenue	(1,585,260)
Subscription-based IT arrangement financing received	<u>(728,236)</u>
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ (1,787,663)</u>

Another element of this reconciliation is the issuance of long-term debt (e.g., bonds, leases, etc.), provides current financial resources to governmental funds and the repayment of principal consumes current financial resources of governmental funds; however, neither transaction affects net position at the government-wide reporting level. Also, governmental funds report issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are, as follows:

Debt principal repayment	\$ 1,510,873
Lease principal payment	546,069
Subscription-based IT arrangement payment	<u>381,988</u>
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 2,438,930</u>

Another element of this reconciliation states that certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of these differences are, as follows:

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Adjustment for net pension liability and related deferrals	\$ (3,777,001)
Adjustment to long-term compensated absences	143,698
Change in lease assumptions	-
Change in accrued interest	2,937
Adjustment for OPEB liability	<u>(1,117,366)</u>
Net adjustment to increase Net Changes in Fund Balances - total governmental funds to arrive at Changes in Net Position of Governmental Activities	<u><u>\$ (4,747,732)</u></u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets. An annual budget is prepared for all governmental funds, with the exception of the Neighborhood Stabilization Program 2 fund and Transportation Capital Projects fund in FY 2024. Budgets are prepared on a basis consistent with GAAP. The City Manager is authorized to transfer budgeted amounts between line items within departments, but not between departments or funds. Any transfer that alters the total expenditures/expenses of any department or fund must be approved by the City Commission through a budget amendment. All budget amounts presented in the accompanying financial statements have been adjusted for amendments approved by the City Commission or transfers approved by the City Manager.

Supplemental appropriations were enacted during the year, as follows:

General Fund	\$ 47,200
Transportation Impact Fee	106,900
Multimodal Impact Fee	142,300
Construction Services	2,300
Stormwater	197,100
LOST - Local Option Sales Tax	2,357,200
ARP COVID Recovery Fund	59,500
Program Special Revenue	52,700
Wastewater Operations	120,400
Golf Course	82,500
Fleet Services	53,000
Total	<u><u>\$ 3,221,100</u></u>

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Deficit Balances. Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. At September 30, 2024 the City did not have any funds with deficit balances.

New Accounting Pronouncements. For fiscal year 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No.62." and Implementation Guide No. 2023-1, "Implementation Guidance Update - 2023"

GASB Statement No. 100, Accounting Changes and Error Corrections, defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transaction or other events that constitute those changes. The changes were incorporated into the City's 2024 financial statements; however, there was no effect on beginning net position.

Implementation Guide No. 2023-1, Implementation Guidance Update - 2023, provides guidance that clarifies, explains, or elaborates on GASB statements for leases as well as prior implementation guides. The changes were incorporated into the City's 2024 financial statements; however, there was no effect on beginning net position.

Future Accounting Pronouncements. The Governmental Accounting Board has issued statements that will become effective in FY 2025 and FY2026. The statements include:

- GASB Statement No. 101, Compensated Absences
- GASB Statement No. 102, Certain Risk Disclosures
- GASB Statement No. 103, Financial Reporting Model Improvements
- GASB Statement No. 104, Disclosure of Certain Capital Assets

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

City of Largo

As of September 30, 2024 the City of Largo held the following investments:

Investment Type	Fair Value (\$000) & Maturities				% Total	Fair Value Level
	Less Than 1 year	1-2 Years	2 -5 Years	Total		
US Treasuries	\$ 20,817	\$ 9,028	\$ 5,103	\$ 34,948	22.0%	1
US GSE (1)						
FHLB	6,923	11,128	15,603	33,654	21.2%	2
FFCB	10,822	4,974	12,084	27,880	17.5%	2
FAMC	1,999	1,926	-	3,925	2.5%	2
FHLMC	5,992	3,489	10,517	19,998	12.6%	2
FNMA	-	-	4,011	4,011	2.5%	2
Demand Deposits (2)	17,019	-	-	17,019	10.7%	N/A
Money Market Deposit	13,197	-	-	13,197	8.3%	N/A
FL Class (LGIP)	4,260	-	-	4,260	2.7%	2
Total pooled investments	<u>\$ 81,029</u>	<u>\$ 30,545</u>	<u>\$ 47,318</u>	<u>\$ 158,892</u>	<u>100.0%</u>	
% of Total	51.0%	19.2%	29.8%	100.0%		
Investments restricted by fund						
FL Class (LGIP) City Hall fund(4)	18,275	-	-	18,275	73.1%	2
FL Class (LGIP) Wastewater fund(4)	6,739	-	-	6,739	26.9%	2
Total investments restricted by fund	<u>25,014</u>	<u>-</u>	<u>-</u>	<u>25,014</u>	<u>100.0%</u>	
Total investments	<u>\$ 106,043</u>	<u>\$ 30,545</u>	<u>\$ 47,318</u>	<u>\$ 183,906</u>		

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

(2) Total balance reflects actual bank balances at September 30, 2024 including \$1,995,221 in bank to book reconciling items.

(3) The City also maintains petty cash and change balances in the amount of \$18,701 not included in the table above.

(4) Not governed by investment policy for operating funds

(5) Cash and investments in General Employees Disability fund totaling \$442,301 are include in the table above.

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

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

Level 3 inputs are unobservable inputs for an asset or liability which are typically based on the City's own assumptions. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The categorization of the investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Certificates of deposit and money market funds are valued using the quoted market prices. U.S. Treasury securities classified as Level 1 of the fair value hierarchy are valued using quoted prices at September 30 (or the most recent market close date if the market are closed on September 30) in active markets from the custodian bank's primary external pricing vendors. U.S. agencies and instrumentalities classified as Level 2 are evaluated prices from the custodian bank's external pricing vendors. The pricing methodology often involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The City investment policy addresses interest rate risk by limiting the final maturity for any individual investment to no more than 120 months. Generally, the City manages exposure to declines in fair value caused by rising interest rates by maintaining an investment portfolio with an average weighted maturity of four years or less and by maintaining a minimum of two months of anticipated recurring disbursements in liquid investments. Investment maturities are also ladder (staggered) throughout the year so that a portion of investments mature monthly, which further reduces exposure to declines in fair value. In addition, it is the City's practice to hold all investments until maturity; therefore, declines in fair value, if any, caused by rising interest rates are recognized for accounting purposes, but are never realized.

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

1. All securities purchased by the City under this section except public depository investments shall be properly designated as an asset of the City and held in safekeeping by a third party custodial institution, chartered by the United States Government or the State of Florida.
2. Certificates of deposit purchased under the authority of this policy shall be purchased only from Qualified Public Depositories of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the State Statutes.

As of September 30, 2024, the carrying amount of the City's deposits with financial institutions was \$57,495,545 and the total of the bank balances was \$59,490,766. A portion of the bank balance is covered by the FDIC. These funds were deposited with banks that are members of the Qualified Public Depository Program under which collateral is pledged with the State Chief Financial Officer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

Concentration of Credit Risk. The risk of loss attributed to the magnitude of an investment in a single issuer. Appropriate diversification is maintained between security types and issuers to reduce concentration of credit risk. The City updated the investment policy in FY 2024, which addresses the allocation of investments. The allocation of investments follow the guidelines of the updated investment policy. Broad categories of allowable and actual security concentrations are, as follows:

Security Type	Maximum Concentration Allowed	Actual Concentration at September 30, 2024
U.S. Treasury Obligations	100%	22.0%
U.S. Agencies and Instrumentalities	75%	56.3%
Time Deposits and Savings Accounts (Public Depositories)	40%	-
Checking Accounts (Public Depositories)	20%	10.7%
Government Investment Pools	20%	2.7%
SEC Registered Money Market Funds	20%	-
Qualified Public Deposit Money Market Funds	20%	8.3%
Commercial Paper	20%	-
Corporate Notes	20%	-
State and/or Local Governmental Debt	20%	-
% of Total		100%

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

At September 30, 2024, the General and Executive Management 401(a) Plans invested in the following cash and investments:

	Balance at 09/30/24	Credit Rating	General	Executive	Concentration Total	Fair Value Level
Investments Measured at Net Asset Value (NAV)						
Mutual Funds						
Domestic Common Stock Funds	\$ 22,212,211	Not Reported	35.8%	26.7%	35.1%	N/A
International Common Stock Funds	4,320,056	Not Reported	7.4%	0.4%	6.8%	N/A
Fixed Income Fund (Bonds)	3,984,524	Not Reported	6.6%	3.0%	6.3%	N/A
Asset Allocation (Stocks & Fixed Inc.)	25,984,121	Not Reported	38.7%	67.1%	41.0%	N/A
Other	587,324	Not Reported	1.0%	0.2%	0.9%	N/A
Total Investments Measured at NAV	<u>\$ 57,088,236</u>					
Investments at Amortized Cost						
Cash and Cash Equivalents	\$ 6,264,365	Not Reported	10.5%	2.6%	9.9%	N/A
Total Investments Measured at Amortized Cost	<u>6,264,365</u>					
Total Cash & Investments	<u>\$ 63,352,601</u>		100%	100%	100%	
Per Fiduciary Statement of Net Position:						
Executive Employees' Retirement	\$ 5,022,662					
General Employees' Retirement	58,329,939					
Total Cash & Investments	<u>\$ 63,352,601</u>					

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

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

allocation, meet risk/return objectives and/or maintain acceptable qualitative standards (e.g., stable organization, compliance guidelines, relative returns, etc.). A "score card" is prepared on each investment option every quarter and options that do not meet acceptable criteria are placed on a watch list for monitoring. One or two investment options are usually replaced every year by the Board based on sub-par performance of other factors.

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

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

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

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Police Officers' and Firefighters' Retirement

At September 30, 2024, the Police Officers' and Firefighter's Retirement System invested in the following cash and investments:

	<u>Balance at 09/30/24</u>	<u>Credit Rating (Moody's)</u>	<u>Weighted Average Maturity (Years)</u>	<u>Concentration</u>
Cash and Cash Equivalents				
Cash	\$ 3,086	N/A	N/A	0.00%
Total Cash and Cash Equivalents	<u>3,086</u>			
Investments				
U.S Government Obligations	3,118,092	Aaa	21.75	1.47%
U.S Government Agency Obligations	1,335,982	Aaa	12.90	0.63%
U.S Government Agency Obligations	89,072	A1		0.04%
U.S Government Agency Obligations	34,259	Baa2		0.02%
U.S Government Agency Obligations	633,338	N/A	8.90	0.30%
Corporate Bonds	302,376	Aa2		0.14%
Corporate Bonds	111,001	Aa3		0.05%
Corporate Bonds	1,302,495	A1		0.61%
Corporate Bonds	2,195,765	A2		1.04%
Corporate Bonds	1,667,665	A3		0.79%
Corporate Bonds	1,460,398	Baa1		0.69%
Corporate Bonds	1,550,363	Baa2		0.73%
Corporate Bonds	292,675	Baa3		0.14%
Corporate Bonds	49,784	WR		0.02%
Domestic Stocks	55,312,878	N/A		26.08%
International Stocks	7,417,303	N/A	N/A	3.50%
Fixed Income Investment Funds	28,113,905	N/A	N/A	13.26%
Domestic Equity Investment Funds	76,756,401	N/A	N/A	36.20%
Mortgage Backed Securities	7,680,469	N/A	27.25	3.62%
Real Estate Investment Funds	12,876,196	N/A	N/A	6.07%
Temporary Investments	9,751,703	N/A	N/A	4.60%
Total Investments	<u>212,052,120</u>			
Total Cash & Investments	<u>\$ 212,055,206</u>			<u>100.00%</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

The City has the following fair value and net asset value measurements as of September 30, 2024:

	Level 1	Level 2	Level 3	Total
Investments at Fair Value				
U.S Government Obligations	\$ 506,440	\$ 2,611,652	\$ -	\$ 3,118,092
U.S Government Agency Obligations	-	2,092,651	-	2,092,651
Corporate Bonds	-	8,932,522	-	8,932,522
Domestic Stocks	55,312,878	-	-	55,312,878
International Stocks	6,538,128	879,175	-	7,417,303
Domestic Equity Investment Funds	51,005,334	-	-	51,005,334
Mortgage Backed Securities	-	7,680,469	-	7,680,469
Temporary Investments	9,751,703	-	-	9,751,703
Total Investments	\$ 123,114,483	\$ 22,196,469	\$ -	145,310,952
Investments at Net Asset Value (NAV)				
Fixed Income Investment Funds				28,113,905
Domestic Equity Investment Funds				25,751,067
Real Estate Investment Funds				12,876,196
Total Investments at Net Asset Value (NAV)				66,741,168
Total Investments				\$ 212,052,120

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

The Plan manages investment maturities to anticipated cash-flow requirements so that all obligations are paid when due. The duration of the fixed income portfolio must also be less than 135% of the duration of the related market index, which is defined as the Barclay's Aggregate Bond Index. At September 30, 2024, the weighted average maturity in years for each investment type is included in the preceding table.

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

The policy further limits credit risk by limiting investments to the highest rated securities as rated by nationally recognized rating agencies, in accordance with the Plan's fixed income investment objectives. Fixed income securities must maintain a weighted average credit quality rating of "A" or higher. Investments in all corporate fixed income securities are further limited to those securities considered investment grade or higher by Moody's, Standard & Poor's and Fitch rating services. At September 30, 2024, for those where ratings are available, the portfolio met the credit rating limitations of the policy.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

The policy uses portfolio diversification to reduce concentration of credit risk and states that no more than 10% of corporate securities (at fair value) of an investment manager's total fixed income portfolio may be invested in the securities of any single corporate issuer. Fixed income securities are also limited to no more than 30% of the portfolio. At September 30, 2024, the portfolio met the corporate single issuer limitation and overall asset allocation requirements of the policy.

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

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

General Employees' Disability Fund

The General Employees' Disability Fund cash and investments were a part of the City's pooled cash as defined in Note I.E.1. At September 30, 2024, the cash balance in the fund was \$442,301 .

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

B. Receivables

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

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

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

1. State Housing Initiative Partnership (SHIP) notes receivable represent loans to income-eligible homeowners to assist with down payments, closing costs, and home improvement loans to Largo homeowners for repairs. Both of these programs have a 0% interest rate and are collateralized by second mortgages on the property. Notes may also fund affordable housing development, with rates and terms based on income levels as indicated in the SHIP Local Housing Assistance Plan. Outstanding loan balances are considered unavailable revenue in the fund.
2. Home Investment Partnership (HOME) notes receivable represent loans to income-eligible homeowners to assist with down payments, closing costs and the rehabilitation of properties. Notes bear 0% interest and are collateralized by second mortgages on the property. Notes may also fund affordable housing development, with rates and terms based on income levels. Notes receivable are offset by an unearned revenue account in the individual fund financial statements, due to the length of time until collection.
3. Community Development Block Grant (CDBG) notes receivable represent loans to income-eligible homeowners to assist with down payments, closing costs and the rehabilitation of properties. Notes bear 0% interest and are collateralized by second mortgages on the property. Notes may also fund affordable housing development, with rates and terms based on income levels. Notes receivable are offset by an unearned revenue account in the individual fund financial statements, due to the length of time until collection.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

C. Capital Assets

1. Capital asset activity

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 28,247,186	\$ 834,516	\$ -	\$ 29,081,702
Construction in progress	34,478,773	52,034,080	9,997,060	76,515,793
Total non-depreciable capital assets	62,725,959	52,868,596	9,997,060	105,597,495
Depreciable/Amortizable capital assets:				
Building	81,939,736	-	1,461,581	80,478,155
Improvements other than buildings	94,482,317	3,752,088	3,435,060	94,799,345
Machinery and equipment	52,325,772	3,350,430	3,405,820	52,270,382
Intangible	1,447,368	-	255,373	1,191,995
Right-to-use machinery and equipment	3,172,610	-	-	3,172,610
Right-to-use subscription asset	4,433,473	1,495,636	194,391	5,734,718
Total depreciable/amortizable capital assets	237,801,276	8,598,154	8,752,225	237,647,205
Less accumulated depreciation/amortization for:				
Building	36,808,309	2,276,685	1,461,581	37,623,413
Improvements other than buildings	48,055,484	4,040,750	3,435,060	48,661,174
Machinery and equipment	34,103,260	3,869,323	3,286,850	34,685,733
Intangible	1,242,256	39,539	255,373	1,026,422
Right-to-use machinery and equipment	740,275	634,521	-	1,374,796
Right-to-use subscription asset	874,052	903,314	14,246	1,763,120
Total accumulated depreciation/amortization	121,823,636	11,764,132	8,453,110	125,134,658
Net depreciable/amortizable capital assets	115,977,640	(3,165,978)	299,115	112,512,547
Net governmental activities capital assets	\$ 178,703,599	\$ 49,702,618	\$ 10,296,175	\$ 218,110,042

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Non-depreciable capital assets:				
Land	\$ 2,824,038	\$ -	\$ -	\$ 2,824,038
Construction in progress	19,702,873	11,538,984	8,395,261	22,846,596
Total non depreciable capital assets	22,526,911	11,538,984	8,395,261	25,670,634
Depreciable/amortizable capital assets				
Building and improvements	15,757,676	-	-	15,757,676
Improvements other than buildings	203,339,143	7,419,382	6,277,926	204,480,599
Machinery and equipment	92,966,951	979,531	1,046,778	92,899,704
Intangible	323,085	-	-	323,085
Right-to-use machinery and equipment	123,823	-	-	123,823
Right-to-use subscription asset	781,670	180,143	-	961,813
Total depreciable/amortizable capital assets	313,292,348	8,579,056	7,324,704	314,546,700
Less accumulated depreciation/amortization for:				
Building and improvements	3,206,576	375,014	-	3,581,590
Improvements other than building	85,960,577	3,832,453	6,277,926	83,515,104
Machinery and equipment	18,763,353	5,432,884	1,046,778	23,149,459
Intangible	147,419	45,321	-	192,740
Right-to-use machinery and equipment	13,758	41,275	-	55,033
Right-to-use subscription asset	151,181	219,806	-	370,987
Total accumulated depreciation/amortization	108,242,864	9,946,753	7,324,704	110,864,913
Net depreciable/amortizable capital assets	205,049,484	(1,367,697)	-	203,681,787
Net business type activities capital assets	227,576,395	10,171,287	8,395,261	229,352,421

2. Depreciation and amortization expense

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

Governmental activities		Business-type activities	
General government	\$ 2,084,323	Wastewater	\$ 7,966,123
Economic development	149,629	Solid waste	1,879,713
Public safety	3,093,013	Golf course	100,917
Public works	3,688,018		-
Culture and recreation	2,721,208		-
Internal service funds charged to various functions	27,941		-
Total depreciation/amortization expense	\$ 11,764,132		\$ 9,946,753

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

3. Construction commitments

The City has active construction projects as of September 30, 2024. The projects include a new City Hall complex, various building, street, wastewater and drainage projects. In addition, the City has outstanding purchase commitments for engineering and design services. At year end, the City's significant commitments with contractors are as follows:

	Incurred	Remaining Commitment
City Wide HVAC replacements	\$ -	\$ 663,607
Community Streets - 4th St NW	425,828	1,620,365
Community Streets - Rosery Rd NE	1,013,654	808,789
Community Streets - Gladys Street from Wilcox Rd to Dryer Ave	1,124,323	1,710,000
Central Park Performing Arts Center Renovations	1,127,933	703,954
Damrosch Street Emergency Sanitary Sewer Pipe Replacement	518,079	502,423
FY19 Sanitary Sewer Flood Plain Mitigation Project	1,778,011	15,099,237
Fire Station 39	3,677,112	7,284,740
Public Works Fuel Tank Replacement	8,075	931,728
Horizon West Bay (New City Hall and Public Parking Garage)	58,402,395	29,397,728
Lift Station #2 Sanitary Sewer Sub Basis #1 thru #4	7,096,818	2,002,000
Neighborhood Roadways - 127th Ave N	2,265,158	4,336,364
Neighborhood Roadways - 16th St NW	82,347	594,565
Southwest Recreation Aquatic Center redesign and rehabilitation	688,034	5,293,064
WWRF Non-Surface Water Effluent Disposal Project	487,997	2,170,451
Total	\$ 78,695,764	\$ 73,119,015

The commitments shown above are financed from existing and future City resources and future proceeds of the State Revolving Fund Loan through the Florida Department of Environmental Protection, Series 2022 Bonds issued in January 2022 as well as a wastewater loan issued in August 2023.

D. Interfund receivables, payables and transfers

1. Interfund transactions

Receivable Fund	Payable Fund	Total Amount	Purpose
General (major)	HOME (major)	\$ 91,116	Awaiting receipt of housing related receivable
General (major)	CDBG (major)	163,209	Awaiting receipt of housing related receivable
LOST (major)	CRA (non-major)	343,000	Financing for redevelopment property to be sold
Non-Major (Parkland Dedication)	CRA (non-major)	189,000	Financing for redevelopment property to be sold
		<u>\$ 786,325</u>	

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

2. Interfund transfers

Transfer from	Transfer to	Total Amount	Purpose
General	Debt Service	\$ 445,500	For ERP debt service payments
Stormwater	Debt Service	35,100	For ERP debt service payments
Construction Services	Debt Service	35,100	For ERP debt service payments
General	Debt Service	2,128,700	For Series A & B bonds debt service payments
CRA	Debt Service	906,300	For Series A & B bonds debt service payments
Program Special Revenue	General	11,400	For cost of school resource officers
Program Special Revenue	General	20,038	Close Library Unique Collections fund
	Total	<u>\$ 3,582,138</u>	

E. Leases

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

On August 1, 2022, the City entered into a lease agreement to acquire body camera bundles for the police department. A modification to the lease's start date of May 1, 2022 and a decrease in payments in years 4 and 5 caused the City's assets and liabilities to decrease \$27,832. The total lease term is 60 months and includes three annual payments of \$626,489 followed by two payments of \$782,427. Lease liability is measured at a discount rate of 4%, which is the City's incremental borrowing rate.

On June 6, 2023, the City entered into a lease agreement to acquire golf carts for 36 months. The total monthly payments are \$4,473. Lease liability is measured at a discount rate of 19%, which is the lessors interest rate implicit in the lease.

A summary of future minimum lease payments are as follows:

Year Ending September 30	Governmental Activities		Business Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 724,775	\$ 57,652	\$ 42,763	\$ 10,915	\$ 767,538	\$ 68,567
2026	754,304	28,123	33,354	2,431	787,658	30,554
Total lease payments	<u>\$ 1,479,079</u>	<u>\$ 85,775</u>	<u>\$ 76,117</u>	<u>\$ 13,346</u>	<u>\$ 1,555,196</u>	<u>\$ 99,121</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Lease Revenue

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

On January 27, 2024, the City of Largo executed the fourth amendment to an agreement with a cell tower vendor to lease a portion of real property at 1000 2nd Street SE, Largo, FL for an additional 60 months. Under the lease, the vendor pays the City \$38,390 annually which includes a 5.42% interest rate. Total lease revenue of \$32,295 and interest revenue of \$4,933 was reported for the year ended September 30, 2024.

On June 24, 2021, the City of Largo entered into an agreement with a second cell tower vendor to lease a portion of real property at 5100 150th Ave N, Clearwater, FL for 60 months. Under the lease, the vendor pays the City \$2,804 monthly, which escalates 3% each year. Payments from the tenant include 4% interest. Total lease revenue of \$33,867 and interest revenue of \$1,775 was reported for the year ended September 30, 2024.

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

Year Ending September 30	Principal	Interest	Total
2025	\$ 59,877	\$ 6,708	\$ 66,585
2026	33,687	4,551	38,238
2027	35,559	2,671	38,230
2028	37,535	686	38,221
Total lease receivables	<u>\$ 166,658</u>	<u>\$ 14,616</u>	<u>\$ 181,274</u>

F. Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into several Subscription-Based Information Technology Arrangements (SBITAs) which were previously classified as intangible assets or as an operating expenditure. As stated in *GASB 96, Subscription-Based Information Technology Arrangements*, a SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets. These SBITAs have a noncancellable period greater than 12 months. At the commencement of the subscription term, the City recognizes a subscription liability and an intangible right-to-use asset within the economic resources measurement focus (government-wide). At the current financial resources measurement focus (fund statements), the City recognizes an expenditure and other financing source in the period the subscription asset is recognized and payments are accounted for consistent with principles for debt service payments on long-term debt. These SBITAs contain cancellation provisions and are subject to annual appropriation clauses.

City of Largo, Florida

Notes to the Financial Statements

September 30, 2024

On April 20, 2022, the City entered into a SBITA agreement to use ESRI software for 3 years. The first annual payment was \$50,000 and increase \$5,000 for each additional year. Subscription assets and liabilities for this agreement were split between governmental and business-type activities, 90% and 10% respectively. Subscription liability is measured at a discount rate of 5%, which is the City's incremental borrowing rate.

On November 18, 2020, the City entered into a SBITA agreement to use JustFOIA software for 3 years with the ability to renew year to year after the first 3 years. Total annual payments, not including variable costs, for the first 2 years were \$13,890 and a 3% increase the third year. Subscription liability is measured at a discount rate of 5%, which is the City's incremental borrowing rate. The subscription asset was disposed and all liabilities were paid as of September 30, 2024.

On March 31, 2023, the City entered into a SBITA agreement to use EMS planning/scheduling software for 3 years. Total annual payments for the first 2 years were \$7,688 and a 5% increase the third year. Subscription liability is measured at a discount rate of 5%, which is the City's incremental borrowing rate.

On December 19, 2019, the City entered into a SBITA agreement to use Workday software for 5 years. Prior to implementation, the City contracted with a third party to help configure this software. The original cost of implementation was capitalized as an intangible asset. With implementation of GASB 96, the net value of the asset, \$2,847,725, was moved from intangibles to right-to-use. Additionally, total annual payments of \$421,343 were included in the subscription asset. The agreement also included a 3 year renewal at 3% plus CPI starting with the base fee the first year and the previous year's fee the 2nd and 3rd year. Subscription assets and liabilities for this agreement were split between governmental and business-type activities, 90% and 10% respectively. In FY 2024, assets split between governmental and business-type activities changed to 80% and 20% for all current and future payments. Subscription liability is measured at a discount rate of 1.18%, which is the City's interest rate on the ERP system loan.

On February 1, 2023, the City entered into a SBITA agreement to use enterprise permitting and licensing software from Tyler Technologies for 5 years. The software was implemented July 1, 2024. Prepayments and implementation costs were \$767,400. Additionally, total annual payments of \$260,825 were included in the subscription asset. Subscription liability is measured at a discount rate of 4.59%, which is the City's incremental borrowing rate.

A summary of future minimum subscription payments are as follows:

Year Ending September 30	Governmental Activities		Business Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 584,788	\$ 43,768	\$ 87,260	\$ 2,655	\$ 672,048	\$ 46,423
2026	621,902	22,678	94,367	1,572	716,269	24,250
2027	663,754	6,538	101,965	402	765,719	6,940
Total subscription payments	<u>\$ 1,870,444</u>	<u>\$ 72,984</u>	<u>\$ 283,592</u>	<u>\$ 4,629</u>	<u>\$ 2,154,036</u>	<u>\$ 77,613</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

G. Non-current liabilities

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

Pledged Revenues Disclosures. The City has pledged the net revenues of the wastewater utility system to repay the State Revolving Loan Fund #3 (SRL#3), State Revolving Loan Fund #4 (SRL#4), and Wastewater System Revenue Note, Series 2023. Loans were issued in May 2016, December 2019 and August 2023, respectively. The loans are paid solely from the net revenues of the wastewater utility system and are payable through June 2036, May 2043, and September 2043, respectively. Net operating revenues for the current year were \$16,497,087.

The total amount borrowed for the SRL#3 loan agreement was \$83,088,456 including capitalized interest and 2% loan service fees. Funds were used to provide financing for the wet weather system expansion and upgrades. Repayments on the loan began in December 2018. The current balance is \$58,059,114.

The SRL#4 loan agreement is for drawdowns totaling \$57,441,261 and is for biological treatment plant upgrades. The total amount borrowed as of September 30, 2024 is \$55,899,632 including capitalized interest and a 2% loan service fees.

The Wastewater System Revenue Note, Series 2023 is for the principal amount of \$9,400,000. Funds were used to provide financing for inflow and infiltration abatement improvements and flood plain mitigation. The total amount borrowed as of September 30, 2024 is \$9,100,867. The City has calculated the rebate amount of \$108,074 due on loan proceeds as of September 30, 2024.

The City has pledged a portion of half-cent sales tax revenues to repay the \$2,500,000 Regions loan issued in July 2020. Proceeds for the Regions loan were used to pay for the ERP (Enterprise Resource Planning) Software implementation. This loan is payable through May 2025. For the current year, principal and interest paid were \$515,649 and total half-cent sales tax revenues were \$6,822,466.

In January 2022 the City issued Series A and Series B Capital Improvement Revenue Bonds to fund the construction of a new City Hall complex, titled Horizon, payable through 2051 and 2026, respectively. The Series A Bonds are non taxable with a PAR value of \$47,655,000 and a premium of \$10,703,553. The Series B Bonds are taxable and the PAR value issued was \$4,035,000. The bonds carry variable interest rates ranging from 0.86% to 5%. The City has pledged non ad valorem revenues to repay the bonds. Non ad valorem means all governmental funds revenues except those generated from ad valourm taxation on real or personal property, which are legally available to make the payments required under the resolution. The City has calculated the rebate amount of \$1,585,260 due on bond proceeds as of September 30, 2024.

For governmental activities, compensated absences are paid by the fund where related salaries are incurred, including primarily General, Building, Stormwater and SHIP funds. The Risk Fund (an internal service fund) pays estimated claims payable.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

	Balance Oct. 1	Additions/ Adjustment	Reductions/ Adjustment	Balance Sept. 30	Amounts due within one year
Governmental Activities:					
Regions Bank (Debt Service and Technology Capital Projects Fund)					
Interest rate 1.18%. Balance Due July 30, 2025	\$ 1,018	\$ -	\$ 506	\$ 512	\$ 512
Capital Improvement Revenue Bonds - Series A	47,655	-	-	47,655	-
Variable interest rate. Balance Due September 1, 2051					
Unamortized bond premiums	10,704	-	-	10,704	-
Arbitrage	532	1,053	-	1,585	-
Capital Improvement Revenue Bonds - Series B	2,435	-	1,005	1,430	1,015
Variable interest rate. Balance Due September 1, 2026					
Lease liability	2,025	-	546	1,479	725
Subscription based IT arrangement liability	1,706	728	564	1,870	585
Net pension liability	60,675	-	6,228	54,447	-
Compensated absences	3,186	2,710	2,875	3,021	2,874
Total OPEB liability	13,504	2,861	-	16,365	508
Property/Liability and Workers Compensation	3,350	737	2,047	2,040	408
Total Governmental activities debt	<u>\$ 146,790</u>	<u>\$ 8,089</u>	<u>\$ 13,771</u>	<u>\$ 141,108</u>	<u>\$ 6,627</u>
Business-type Activities:					
State revolving loan #3; Interest rates 1.07%, 0.46% and 0.43% Collateralized by sewer net revenue (Includes 2% loan service fee)					
Balance due June 15, 2036	\$ 62,672	\$ -	\$ 4,613	\$ 58,059	\$ 4,646
State revolving loan #4; Interest rates 1.24%, 0% and 0.69% Collateralized by sewer net revenue (Includes 2% loan service fee)					
Balance due September 15, 2041	58,793	-	2,893	55,900	2,899
Wastewater System Revenue Note, Series 2023					
Interest rate 4.27% Collateralized by sewer net revenue					
Balance due September 1, 2043	9,400	-	299	9,101	319
Arbitrage	-	108	-	108	-
Lease liability	112	-	36	76	43
Subscription based IT arrangement liability	188	182	86	284	87
Compensated absences	571	457	512	516	512
Total OPEB liability	2,945	539	-	3,484	108
Net business-type activities debt	<u>\$ 134,681</u>	<u>\$ 1,286</u>	<u>\$ 8,439</u>	<u>\$ 127,528</u>	<u>\$ 8,614</u>

Arbitrage liability represents the estimated amount due to the U.S Treasury in accordance with IRS arbitrage rebate regulations. Liability arises when investment earnings on tax-exempt debt exceeds the allowable yield. The liability is accrued periodically and adjusted based on actual earnings.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

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

Governmental Activities Debt Service Requirements

Year Ending September 30	Series A Bonds		Series B Bonds		Regions ERP Loan		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2025	\$ -	\$ 1,998,950	\$ 1,015,000	\$ 19,872	\$ 511,868	\$ 3,781	\$ 1,526,868	\$ 2,022,603	\$ 3,549,471
2026	610,000	1,998,950	415,000	6,474	-	-	1,025,000	2,005,424	3,030,424
2027	1,065,000	1,968,450	-	-	-	-	1,065,000	1,968,450	3,033,450
2028	1,115,000	1,915,200	-	-	-	-	1,115,000	1,915,200	3,030,200
2029	1,175,000	1,859,450	-	-	-	-	1,175,000	1,859,450	3,034,450
2030-2034	6,805,000	8,356,000	-	-	-	-	6,805,000	8,356,000	15,161,000
2035-2039	8,430,000	6,729,000	-	-	-	-	8,430,000	6,729,000	15,159,000
2040-2044	10,260,000	4,902,200	-	-	-	-	10,260,000	4,902,200	15,162,200
2045-2049	12,475,000	2,680,000	-	-	-	-	12,475,000	2,680,000	15,155,000
2050-2051	5,720,000	345,400	-	-	-	-	5,720,000	345,400	6,065,400
Total	\$ 47,655,000	\$ 32,753,600	\$ 1,430,000	\$ 26,346	\$ 511,868	\$ 3,781	\$ 49,596,868	\$ 32,783,727	\$ 82,380,595

Note: The Series A bonds in the table above does not include \$10,703,553 of bond premium revenues.

Business-type Activities Debt Service Requirements

Year Ending September 30	SRL #3-CW520210		SRL #4-WW520270		Regions WW2023		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2025	\$ 4,646,395	\$ 417,138	\$ 2,898,712	\$ 92,453	\$ 318,874	\$ 385,239	\$ 7,863,981	\$ 894,830	\$ 8,758,811
2026	4,680,296	383,237	2,903,340	87,824	332,636	371,478	7,916,272	842,539	8,758,811
2027	4,714,486	349,047	2,908,001	83,163	346,991	357,123	7,969,478	789,333	8,758,811
2028	4,748,967	314,566	2,912,695	78,469	361,965	342,148	8,023,627	735,183	8,758,810
2029	4,783,743	279,790	2,917,423	73,742	377,586	326,527	8,078,752	680,059	8,758,811
2030-2034	24,450,843	866,821	14,659,203	296,621	2,146,885	1,373,681	41,256,931	2,537,123	43,794,054
2035-2039	10,034,382	92,684	14,782,506	173,317	2,651,885	868,681	27,468,773	1,134,682	28,603,455
2040-2043	-	-	11,917,752	46,907	2,564,044	252,409	14,481,796	299,316	14,781,112
Total	\$ 58,059,112	\$ 2,703,283	\$ 55,899,632	\$ 932,496	\$ 9,100,866	\$ 4,277,286	\$ 123,059,610	\$ 7,913,065	\$ 130,972,675

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

H. Fund equity

Governmental fund balances reported on the fund financial statements at September 30, 2024 include the following:

	General	LOST	SHIP	City Hall Capital Project	Nonmajor Funds	Total
Nonspendable:						
Deposits, prepaids and inventories	\$ 329,560	\$ -	\$ -	\$ -	\$ -	329,560
Receivables	441,369	-	-	-	-	441,369
Property held for resale	-	-	-	-	979,670	979,670
Restricted:						
Capital improvements and public works	-	31,505,392	-	9,540,382	20,205,824	61,251,598
Economic development	-	-	955,184	-	4,628,660	5,583,844
Public safety programs	-	-	-	-	1,046,399	1,046,399
Youth and adult library/ recreation programs	-	-	-	-	542,016	542,016
Parkland dedication	-	-	-	-	5,500,516	5,500,516
Debt Service	-	-	-	-	159,158	159,158
Assigned:						
Subsequent year's operations including encumbrances	12,212,815	-	-	-	-	12,212,815
Accrued employee benefits	2,557,644	-	-	-	-	2,557,644
Other purposes	-	-	-	-	74,957	74,957
Unassigned	20,068,820	-	-	-	-	20,068,820
	<u>\$ 35,610,208</u>	<u>\$ 31,505,392</u>	<u>\$ 955,184</u>	<u>\$ 9,540,382</u>	<u>\$ 33,137,200</u>	<u>\$ 110,748,366</u>

I. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the funds. Significant encumbrances in governmental funds as of September 30, 2024 are as follows:

Major governmental funds:	
General	\$ 3,218,715
Local Option Sales Tax	16,406,967
SHIP	707,267
ARP Covid Recovery	6,776,771
City Hall Capital Project	27,165,342
Total Major Funds	<u>54,275,062</u>
Non-major governmental funds	5,047,345
Total Encumbrances	<u><u>\$ 59,322,407</u></u>

V. OTHER DISCLOSURES

A. Risk management

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

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

Fund revenue primarily includes contributions from other City funds and is planned to match expenses of insurance premiums, anticipated "self-insured" losses and operating expenses. Premiums are paid into the risk management fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the various risk programs. As of September 30, 2024, such interfund premiums did not exceed reimbursable expenditures.

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

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

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

The City carries property insurance with a \$50,000 deductible per occurrence, and per occurrence coverage of approximately \$50M for \$250 million of insurable values. There have been no settlements which exceeded insurance coverage.

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

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

	Workers Compensation	Property and Liability	Total
Claims reserve, September 30, 2022	1,595,000	475,000	2,070,000
Plus: Incurred claims and reserve adjustments	1,205,000	900,000	2,105,000
Less: Paid claims and reserve adjustments	(500,000)	(325,000)	(825,000)
Claims reserve, September 30, 2023	\$ 2,300,000	\$ 1,050,000	\$ 3,350,000
Plus: Incurred claims and reserve adjustments	507,000	230,000	737,000
Less: Paid claims and reserve adjustments	(1,297,000)	(750,000)	(2,047,000)
Claims reserve, September 30, 2024	\$ 1,510,000	\$ 530,000	\$ 2,040,000

B. Employee retirement systems and pension plans

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

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

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

A separate audit has been performed for the Police Officers' and Firefighters' Retirement plan. GAAP requires inclusion of each plan's financial information in the notes, even though this information is already presented in combining and individual fund statements. The following information is presented in compliance with GAAP requirements.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2024

	Executive Employees' Retirement	General Employees' Retirement	Police Officers' and Firefighters' Retirement	General Employees' Disability	Total
Assets					
Cash and Investments	\$ 129,847	\$ 6,134,518	\$ 7,683,555	\$ 442,301	\$ 14,390,221
Accrued interest receivable	-	3,304	250,405	3,118	256,827
Due from other funds	-	-	-	87,490	87,490
Loans receivable	-	1,501,338	-	-	1,501,338
U.S. Treasury securities & agencies	-	-	5,210,743	-	5,210,743
Corporate bonds	-	-	8,932,522	-	8,932,522
Mutual funds	4,892,815	52,195,421	127,498,205	-	184,586,441
Common stock	-	-	62,730,181	-	62,730,181
Total Assets	<u>5,022,662</u>	<u>59,834,581</u>	<u>212,305,611</u>	<u>532,909</u>	<u>277,695,763</u>
Liabilities					
Due to employee investment accounts	-	87,490	-	-	87,490
Due to other funds	-	87,490	-	-	87,490
Accounts payable	-	-	171,888	-	171,888
Unearned revenue	-	-	236,583	-	236,583
Total liabilities	<u>-</u>	<u>174,980</u>	<u>408,471</u>	<u>-</u>	<u>583,451</u>
Net position					
Restricted for:					
Participant benefits	5,022,662	59,659,601	211,897,140	532,909	277,112,312
Total net position	<u>\$ 5,022,662</u>	<u>\$ 59,659,601</u>	<u>\$ 211,897,140</u>	<u>\$ 532,909</u>	<u>\$ 277,112,312</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2024

	Executive Employees' Retirement	General Employees' Retirement	Police Officers' and Firefighters' Retirement	General Employees' Disability	Total
Additions					
Contributions:					
Employer	\$ 275,195	\$ 1,912,610	\$ 6,047,852	\$ -	\$ 8,235,657
Plan members	155,743	1,516,754	1,848,958	-	3,521,455
State contributions	-	-	1,959,410	-	1,959,410
Forfeitures	-	60,826	-	88,468	149,294
Service purchase contributions	-	-	24,548	-	24,548
Rollover contributions	-	-	84,043	-	84,043
Interest on loans repaid	-	91,667	-	-	91,667
Total contributions	<u>430,938</u>	<u>3,581,857</u>	<u>9,964,811</u>	<u>88,468</u>	<u>14,066,074</u>
Investment earnings:					
Net increase/(decrease) in investment value	926,335	10,926,848	-	10,740	11,863,923
Interest and dividends	113,749	1,246,265	37,814,198	14,724	39,188,936
	<u>1,040,084</u>	<u>12,173,113</u>	<u>37,814,198</u>	<u>25,464</u>	<u>51,052,859</u>
Less investment expense	(5,070)	(124,152)	(814,220)	-	(943,442)
Net investment earnings	<u>1,035,014</u>	<u>12,048,961</u>	<u>36,999,978</u>	<u>25,464</u>	<u>50,109,417</u>
Net additions	<u>1,465,952</u>	<u>15,630,818</u>	<u>46,964,789</u>	<u>113,932</u>	<u>64,175,491</u>
Deductions					
Benefits	349,300	5,739,345	12,179,021	-	18,267,666
Refund of contributions	-	-	117,685	-	117,685
Loans transferred out	-	137,451	-	-	137,451
Administrative	-	-	300,313	-	300,313
Forfeitures deduction	-	174,979	-	-	174,979
Insurance	-	-	12,829	88,532	101,361
Total deductions	<u>349,300</u>	<u>6,051,775</u>	<u>12,609,848</u>	<u>88,532</u>	<u>19,099,455</u>
Change in net position	1,116,652	9,579,043	34,354,941	25,400	45,076,036
Total net position – beginning	<u>3,906,010</u>	<u>50,080,558</u>	<u>177,542,199</u>	<u>507,509</u>	<u>232,036,276</u>
Total net position - ending	<u>\$ 5,022,662</u>	<u>\$ 59,659,601</u>	<u>\$ 211,897,140</u>	<u>\$ 532,909</u>	<u>\$ 277,112,312</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

1. Police Officers and Firefighters Defined Benefit Pension Plan

Plan Description. The Police Officers and Firefighters Pension Plan is a single-employer defined benefit pension plan that provides retirement benefits for all sworn police and fire personnel. The plan also provides disability and survivors' benefits as well as a DROP (Deferred Retirement Option Plan) provision. All plan provisions, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance No. 2019-73. The plan Ordinance may be amended by the City Commission after public notice has been made, two public readings are conducted, and one public hearing is held. The plan issues a stand-alone financial report.

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

Membership:

	October 1	
	2022	2023
Active employees	266	275
Retirees and beneficiaries currently receiving normal & disability benefits	241	236
Terminated employee's entitled to benefits, but not yet receiving benefits	23	19
DROP participants receiving benefits into their DROP accounts	20	35
Total plan membership	550	565

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

For Police members normal retirement is defined as:

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

Police Benefits are defined as follows:

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

For Fire members normal retirement is defined as:

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

Fire Benefits are defined as follows:

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

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

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

Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the plan actuary, are recognized as revenue when due and the City has made a formal commitment to provide contributions. The City and employees' contributions for the fiscal year ended September 30, 2024 were \$6,047,852 and \$1,848,958, respectively. The City's contribution was made in accordance with actuarially determined contribution requirements ascertained through an actuarial valuation performed at October 1, 2022 (one year in arrears).

The State of Florida has levied a tax on property, casualty, and auto insurance premiums, the proceeds of which are distributed to local governmental entities that maintain qualified Police Officers and Firefighters pension plans. State contributions are an integral part of the plan's funding sources. The state has previously altered the amount or the usage of this tax and may do so again unilaterally at any time. The amount of state contributions for fiscal year 2024 was \$1,959,410. This amount was recorded as an intergovernmental revenue and an expenditure in the General Fund.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Net Pension Liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022.

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

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

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

Valuation Date	October 1, 2022
Actuarial Cost Method (Funding)	Entry Age Normal Standard actuarial update procedures were used to "roll forward" the Total Pension Liability to the September 30, 2023 Measurement Date.
Roll Forward Methodology	Experience- based table of rates that are specific to the type of eligibility condition.
Retirement Age	The same versions of PUB-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class Members in the July 1, 2021 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.
Mortality Rates	
Actuarial assumptions:	
Investment rate of return	6.50%
Projected salary increases	3.75% to 5.75% depending on Member Age
Inflation	2.5%
Cost-of-living adjustments	Not Applicable

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Deferred Retirement Option Plan (DROP). When a plan member reaches retirement eligibility, the member may elect to participate in a deferred retirement option plan (DROP). Members who elect to enter the DROP continue working, but all pension contributions stop and the pension benefit earned is deposited for that member in a separate account within the pension plan. DROP assets may be segregated from other plan assets and invested separately or left in the plan. At termination of employment (which cannot exceed seven years from the date of election into the DROP), DROP members have an option of receiving a lump sum payment or rolling over the account balance into a tax deferred account with all future pension benefit payments going directly to the member. DROP plan balances at September 30, 2024 total \$6,534,484.

Share Plan. The Plan provides an individual share account for all active firefighters and for firefighters who are DROP members, retirees, and terminated vested members on October 1, 2009. The Plan also provides an individual share account for all active police officers and for police officers employed on September 1, 2011. The Share Plan allocation is derived from any non-dedicated Chapter 175 (fire) or 185 (police) revenue that exceeds the base amount. Effective October 1, 2013, for Police Officers, a portion of excess annual revenue is allocated to individual accounts if the plan's funding level determined in the most recent valuation report is 80% and all excess revenue is allocated to individual accounts once the plan's funding level reaches 100%. For Firefighters, the excess amount will be shared if the plan reaches a 100% funding level. Share plan balances at September 30, 2024 total \$3,284,114.

Investment policy. The plan's policy in regard to the allocation of invested assets is established by the pension board and may be amended by the pension board by a majority vote of its members. It is the policy of the board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Board's adopted investment policy is 62.5% equity, 30.0% fixed income, and 7.5% real estate. The following is the board's target allocation as of September 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equities	
Large cap growth	20.0%
Large cap value	20.0%
Small cap blend	10.0%
International equities	
Developed markets	5.0%
Emerging markets	7.5%
Fixed Income	30.0%
Real estate	7.5%
	<u>100%</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equities	
Large Cap Growth	7.25%
Large Cap Value	7.25%
Small Cap Blend	7.30%
International equities	
Developed markets	6.25%
Emerging markets	6.75%
Fixed income	4.20%
Real estate	6.50%

Rate of return. For the year ended September 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Discount rate. A single discount rate of 6.50% was used to measure the total pension liability. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at of September 30, 2022	<u>\$ 222,905,632</u>	<u>\$ 162,231,424</u>	<u>\$ 60,674,208</u>
Changes for the year:			
Service cost	4,902,042	-	4,902,042
Interest	14,399,584	-	14,399,584
Benefit changes	-	-	-
Difference between actual & expected experience	2,352,013	-	2,352,013
Assumption changes	-	-	-
Contributions - employer	-	5,752,830	(5,752,830)
Contributions - employer (through state)	-	1,711,594	(1,711,594)
Contributions - member	-	1,828,237	(1,828,237)
Net investment income	-	18,611,834	(18,611,834)
Benefit payments	(12,428,534)	(12,428,534)	-
Refunds	(122,676)	(122,676)	-
Administrative expense	-	(225,291)	225,291
Other	-	202,105	(202,105)
Net changes	<u>9,102,429</u>	<u>15,330,099</u>	<u>(6,227,670)</u>
Balance at of September 30, 2023	<u><u>\$ 232,008,061</u></u>	<u><u>\$ 177,561,523</u></u>	<u><u>\$ 54,446,538</u></u>

Amounts reported in the table above include liabilities reported in the Statement of Fiduciary Net Position. The plans fiduciary net position as a percentage of total pension liability is 76.53%.

Sensitivity of the Net Pension Liability to changes in discount rate. The following table presents the plan's net pension liability calculated using a single discount rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (sensitivity range):

1% Decrease 5.50%	Current Single Discount Rate Assumption 6.50%	1% Increase 7.50%
<u>\$ 81,102,763</u>	<u>\$ 54,446,538</u>	<u>\$ 32,244,741</u>

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Pension expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended September 30, 2024, the City recognized pension expense of \$11,784,263. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows or Resources	Net Deferred Outflows (Inflows)
Difference between expected and actual experience	\$ 6,032,956	\$ -	\$ 6,032,956
Changes in assumptions	87,378	-	87,378
Net difference between projected and actual earnings on pension plan investments	5,324,284	-	5,324,284
Employer contributions made subsequent to the measurement date	8,007,262	-	8,007,262
Total	<u>\$ 19,451,880</u>	<u>\$ -</u>	<u>\$ 19,451,880</u>

Deferred outflows of resources related to the Plan, including \$8,007,262 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

Year ended September 30:		
2025	\$	3,562,078
2026		3,194,142
2027		6,109,265
2028		(1,420,867)
	\$	<u>11,444,618</u>

2. General employees defined benefit disability income plan

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

purchased for all claims incurred after October 1, 2002; however, the Plan was continued in order to provide future funding for all insurance expense and to pay previous claims outstanding.

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

	FY2023	FY2024
Active employees (vested and non-vested)	482	493
Disabled participants currently receiving benefits	26	16
Total	508	509

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

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

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

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

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

3. General employees defined contribution retirement plan

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

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

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

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

	FY2023	FY2024
Active employees (vested and non-vested)	563	589
Retired and terminated members maintaining balances	348	396
Total	911	985

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

Funding Policy. For fiscal year 2024, members are required to contribute between 5% of covered salary (regular pay only) to the Plan, and the City is required to contribute between 6% and 7.5%, depending on position classification, of covered salary. During FY 2024, actual contributions were \$1,516,754 from employees and \$1,912,610 from the City, excluding roll-over dollars from other plans, if any.

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

4. Executive management defined contribution retirement plan

Plan Description and membership. The Executive Management 401(a) Plan operates similarly to the General Employees' 401(a) Plan. There is no minimum number of participants required, which is well suited to the City's relatively small group of Executive Management personnel. The plan has 25 active members.

Funding Policy. For fiscal year 2024 the City contribution is 8.0% of covered pay and member contributions are 5% of covered pay. The City contribution for the City Manager is 20%. Actual contributions were \$155,743 from employees and \$275,195 from the City.

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

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

5. Deferred compensation retirement savings plan

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

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

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

	Fair Value
Net plan assets, October 1, 2023	\$ 34,186,245
Employee contributions	1,870,925
Rollover contributions	821,048
Loan repayment interest	45,944
Earnings (losses)	8,232,705
Distributions	(4,285,643)
Loans redeemed	(53,784)
Net plan assets, September 30, 2024	<u>\$ 40,817,440</u>

6. Voluntary Post-employment Health Savings Plan

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

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

Net Plan Assets, October 1, 2023	\$ 38,579
Employee Contributions	-
Earnings/(Loss)	1,929
Distributions	(934)
Net Plan Assets, September 30, 2024	<u>\$ 39,574</u>

7. Other Post-employment Benefits Payable (OPEB)

In 2018, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. The City engaged an actuary to determine the City's liability for post-employment healthcare benefits other than pensions as of September 30, 2024.

Plan Description. The City participates in a multi-employer retiree health plan ("the Plan") that provides health and dental insurance to eligible employees and their spouses. Pursuant to the provisions of section 112.0801, Florida Statutes, former employees and eligible dependents may

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

continue to participate in the City's fully insured health plan for medical and prescription drug coverage. Retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. However, the City is presumed to be subsidizing the premium rates paid by retirees by allowing them to participate in the plans at blended group premium rates (implicitly subsidized) for both active and retired employees. The Plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms. As of September 30, 2022 (the date of the last actuarial valuation plan), the following employees were covered by the benefit terms:

	Plan Members
Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	668
Total plan members	<u>693</u>

Total OPEB Liability and Changes in Total OPEB Liability. The measurement date for the City's total/net OPEB liability was September 30, 2024. The measurement period for the OPEB cost was October 1, 2023 to September 30, 2024. The City's total OPEB liability is \$19,848,989.

Changes in the Total Net OPEB Liability is as follows:

	Fiscal Year ending September 30, 2024
Total OPEB Liability	
Service cost	\$ 1,196,445
Interest	852,192
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions and other inputs	1,930,047
Benefit payments	<u>(578,991)</u>
Total change in net OPEB liability	3,399,693
Total OPEB liability, beginning	<u>16,449,296</u>
Total OPEB liability, ending	<u>\$ 19,848,989</u>

Changes in assumptions and other inputs include the change in the discount rate from 4.91% at the beginning of the measurement period to 3.88% at the end of the measurement period.

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

Sensitivity of the total OPEB Liability to changes in discount rate. The following table presents the total OPEB liability of the City calculated using discount rate of 3.88%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease	Discount Rate	1% Increase
2.88%	Assumption	4.88%
	3.88%	
\$ 22,050,918	\$ 19,848,989	\$ 18,115,266

Sensitivity of the total OPEB Liability to changes in healthcare cost trend rates. The following table presents the total OPEB liability of the City calculated using a healthcare cost trend rate of 7.00% graded down by 0.50% per year to 5.00% for FY 2028 and thereafter, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost	1% Increase
	Trend Rate Assumption	
	7.00% graded down to 5.00%	
\$ 17,398,577	\$ 19,848,989	\$ 22,777,112

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. For the year ended September 30, 2024, the City recognized OPEB expense of \$1,870,299. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows	Net Deferred
	of Resources	of Resources	(Inflows) / Outflows
			of Resources
Differences between expected and actual experience	\$ 122,608	\$ 1,793,951	\$ (1,671,343)
Changes in assumptions and other inputs	6,320,618	6,459,856	(139,238)
Total	\$ 6,443,226	\$ 8,253,807	\$ (1,810,581)

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

Year ended September 30:	Net Deferred (Inflows) / Outflows of Resources
2025	\$ (178,338)
2026	(178,338)
2027	(178,338)
2028	(186,230)
2029	(186,918)
Thereafter	(902,419)
	<u>\$ (1,810,581)</u>

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

Valuation date	September 30, 2022
Measurement date	September 30, 2024
Roll forward procedures	The total OPEB liability was rolled forward twenty-four months from the valuation date to the measurement date using standard actuarial techniques
Actuarial cost method	Entry age normal
Discount rate	3.88%
Salary increases	3.00% per year
Retirement age	For participants in the General Employees Plan, retirement rates are 100% at age 62. For participants in the Police and Firefighters Plan, retirement rates are 100% at the earlier of age 62, at age 55 with 10 years of service, or at any age with 23 years of service.
Mortality	Sex-distinct rates from the PUB-2010 Mortality Table for General Employees, with generational mortality improvements using Scale MP-2020
Healthcare cost trend rates	Trends starting at 7.50% for 2023, graded down by 0.50% per year to 5.00% for 2028 and thereafter
Notes	Changes in assumptions and other inputs include the change in the discount rate from 4.91% as of the beginning of the measurement period to 3.88% as of September 30, 2024.

C. Contingent Liabilities

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

City of Largo, Florida
Notes to the Financial Statements
September 30, 2024

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

D. Tax Abatements

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

For the fiscal year ended September 30, 2024, the City abated property taxes totaling \$21,619 under this program, including one agreement with a large distributor of IT products and services. The abatement was enacted in November 2015 continues through December 31, 2024.

E. Subsequent Events

On October 10, 2024, the City was impacted by Hurricane Milton. This hurricane was a category 3 storm with sustained winds of 120 mph when it reached Florida. The City sustained damages and significant debris displacement. Over the subsequent months, recovery efforts have continued with estimated costs of approximately \$12 million. The City is seeking reimbursement from the Federal Emergency Management Agency (FEMA) for these increased costs, however, the grant application is still in progress.

On October 15, 2024, the City issued Capital Improvement Revenue Note, Series 2024 in the amount of \$20,500,000 following City Commission's approval of Ordinance No. 2024-59 and Resolution No. 2399. This tax-exempt note carries a fixed interest rate of 3.73% over a 20-year term. The funding will support various projects within the City, including Horizon West Bay, which encompasses the new City Hall and a public parking garage.

City of Largo, Florida
Required Supplementary Information
September 30, 2024

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Service cost	\$ 2,575	\$ 2,572	\$ 2,778	\$ 3,080	\$ 3,572	\$ 3,745	\$ 3,913	\$ 4,072	\$ 4,743	\$ 4,902
Interest	11,080	11,499	11,916	12,269	12,066	12,391	12,902	13,385	13,567	14,400
Difference between expected and actual experience	(427)	-	(1,057)	1,429	11	855	942	2,722	5,701	2,352
Changes in benefit terms	-	-	-	-	-	461	(1)	-	-	-
Changes of assumptions	-	-	-	8,537	-	-	-	262	-	-
Benefit payments, including refunds of employee contributions	(7,325)	(7,965)	(9,478)	(8,981)	(12,291)	(9,736)	(10,342)	(11,198)	(10,165)	(12,552)
Other	5	-	-	-	-	-	-	-	-	-
Net change in total pension liability	5,908	6,106	4,159	16,334	3,358	7,716	7,414	9,243	13,846	9,102
Total pension liability-beginning	148,821	154,729	160,835	164,994	181,328	184,686	192,402	199,817	209,060	222,906
Total pension liability-ending	154,729	160,835	164,994	181,328	184,686	192,402	199,816	209,060	222,906	232,008
Plan fiduciary net position										
Contributions-employer	\$ 4,591	\$ 5,025	\$ 4,648	\$ 5,373	\$ 6,262	\$ 6,047	\$ 6,202	\$ 6,606	\$ 6,975	\$ 7,465
Contributions-employee	706	940	1,208	1,272	1,414	1,353	1,467	1,634	1,663	1,828
Net investment income	10,838	497	9,877	15,043	13,052	5,296	10,336	29,293	(20,399)	18,612
Benefit payments, including refunds of employee contributions	(7,325)	(7,965)	(9,478)	(8,980)	(12,291)	(9,736)	(10,342)	(11,198)	(10,165)	(12,552)
Other	-	-	-	-	54	-	-	-	-	202
Administrative expense	(154)	(149)	(134)	(155)	(230)	(195)	(243)	(257)	(274)	(225)
Net change in fiduciary net position	8,656	(1,652)	6,121	12,553	8,261	2,765	7,420	26,078	(22,200)	15,330
Plan fiduciary net position-beginning	114,230	122,885	121,233	127,354	139,907	148,168	150,933	158,353	184,431	162,231
Plan fiduciary net position-ending	122,886	121,233	127,354	139,907	148,168	150,933	158,353	184,431	162,231	177,561
Net pension liability	\$ 31,843	\$ 39,602	\$ 37,640	\$ 41,421	\$ 36,518	\$ 41,469	\$ 41,463	\$ 24,629	\$ 60,675	\$ 54,447
Plan fiduciary net position as a percentage of the total pension liability	79.42%	75.38%	77.19%	77.16%	80.23%	78.45%	79.25%	88.22%	72.78%	76.53%
Covered payroll	12,456	13,311	13,660	15,419	16,315	16,910	17,693	19,329	20,797	21,701
Net pension liability as a percentage of covered payroll	255.64%	297.51%	275.55%	268.64%	223.83%	245.23%	234.35%	127.42%	291.75%	250.90%

Notes to Schedule:

The Net Pension liability of the plans recorded to the City's financial statements at September 30, 2024 is based on a measurement date of September 20, 2023.

City of Largo, Florida
Required Supplementary Information
September 30, 2024

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

Actuarial Valuation	10/1/2013	10/1/2014	10/1/2015	10/1/2016	10/1/2017	10/1/2018	10/1/2019	10/1/2020	10/1/2021	10/1/2022
Fiscal Year Contributed to Plans	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 5,025	\$ 4,648	\$ 5,373	\$ 6,261	\$ 6,047	\$ 6,202	\$ 6,606	\$ 6,974	\$ 7,464	\$ 8,007
Contributions in relation to the actuarially determined contribution	5,025**	4,648	5,373	6,261	6,047	6,202	6,606	6,974	7,464	8,007
Covered payroll	12,733	13,660	15,419	16,315	16,910	17,693	19,329	19,931	20,654	22,201
Contributions as a percentage of covered payroll	39.5%	34.0%	34.8%	38.4%	35.8%	35.1%	34.2%	35.0%	36.1%	36.1%

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

Notes to Schedule:

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	Rates vary from 3.75% to 5.75% depending on age
Investment Rate of Return	6.5%
Retirement Age	Experience-based table of rates that are specific to type of eligibility condition.

Mortality The same versions of PUB-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class members in the July 1, 2020 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes See Discussion of Valuation results in the October 1, 2021 Actuarial Valuation Report dated March 30, 2022.

	POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN SCHEDULE OF INVESTMENT RETURNS									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return	10.66%	0.33%	9.09%	13.43%	10.29%	3.83%	7.30%	19.50%	(11.60)%	12.15%

City of Largo, Florida
Required Supplementary Information
September 30, 2024

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

	2018	2019	2020	2021	2022	2023	2024
Service cost	\$ 876	\$ 886	\$ 1,458	\$ 2,190	\$ 1,452	\$ 1,161	\$ 1,197
Expected interest growth	410	439	297	472	1,145	1,009	852
Demographoc experience	-	-	233	(1,360)	(107)	(223)	-
Difference between expected and actual experience	-	-	-	-	-	-	-
Change in assumptions and other inputs	-	78	3,288	4,561	212	(145)	1,930
Benefit payments and refunds	(267)	(326)	(431)	(472)	(636)	(562)	(579)
Change in deferred outflows of resources	-	-	-	-	(776)	(776)	-
Change in deferred inflows of resources	-	-	-	-	(4,494)	(3,673)	-
Net change in total OPEB liability	1,019	1,077	4,845	5,391	(3,204)	(3,209)	3,400
Total OPEB liability, beginning	10,530	11,549	12,626	17,471	22,862	19,658	16,449
Total OPEB liability, ending	<u>\$ 11,549</u>	<u>\$ 12,626</u>	<u>\$ 17,471</u>	<u>\$ 22,862</u>	<u>\$ 19,658</u>	<u>\$ 16,449</u>	<u>\$ 19,849</u>
Covered employee payroll	\$ 31,235	\$ 31,235	\$ 40,022	\$ 38,098	\$ 38,098	\$ 39,961	\$ 41,160
Total OPEB liability as a percentage of covered employee payroll	36.98%	40.42%	43.65%	60.01%	51.60%	41.16%	48.22%

Notes to Schedule:

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

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

This page was intentionally left blank

COMMUNITY REDEVELOPMENT AGENCY

This page was intentionally left blank

CITY OF LARGO, FLORIDA
Largo Community Redevelopment Agency
Balance Sheet
September 30, 2024

Assets

Cash and investments	\$ 4,960,785
Receivables	
Accrued interest	40,744
Property held for resale	979,669
Total assets	<u>\$ 5,981,198</u>

Liabilities

Accounts payable	\$ 369
Accrued payroll	3,903
Due to other funds	532,000
Total liabilities	<u>536,272</u>

Fund balances

Nonspendable	979,669
Restricted	4,465,257
Total fund balances	<u>5,444,926</u>
Total liabilities and fund balances	<u>\$ 5,981,198</u>

CITY OF LARGO, FLORIDA
Largo Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balance
Fiscal Year Ended September 30, 2024

Revenues

Taxes	\$ 975,442
Intergovernmental	917,781
Investment earnings	278,264
Other	-
Total revenues	<u>2,171,487</u>

Expenditures

Current:	
Economic development	337,673
Capital outlay	152,288
Total expenditures	<u>489,961</u>

Other financing sources/uses

Transfers out	<u>(906,300)</u>
Total other financing sources/uses	<u>(906,300)</u>

Net change in fund balance 775,226

Fund balance - beginning 4,669,700

Fund balance - ending \$ 5,444,926

COMBINING & OTHER SUPPLEMENTARY INFORMATION SCHEDULES

This page was intentionally left blank

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
Fiscal Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Final Budget Variances Positive (Negative)
Revenues				
Taxes	\$ 54,090,300	\$ 54,090,300	\$ 53,736,296	\$ (354,004)
Licenses, permits and fees	7,720,500	7,720,500	7,537,655	(182,845)
Intergovernmental	14,109,300	14,109,300	14,061,054	(48,246)
Charges for services	21,537,600	21,537,600	22,572,616	1,035,016
Fines	445,000	445,000	433,760	(11,240)
Interfund charges	5,214,100	5,214,100	5,293,704	79,604
Contributions and donations	151,000	151,000	217,109	66,109
Investment earnings (losses)	250,000	250,000	3,030,807	2,780,807
Other	219,400	219,400	310,139	90,739
Total revenues	<u>103,737,200</u>	<u>103,737,200</u>	<u>107,193,140</u>	<u>3,455,940</u>
Expenditures				
Current:				
Administration	4,217,100	4,340,627	4,276,810	63,817
Community Development	3,230,700	3,253,464	2,668,300	585,164
Public Works	6,216,900	6,739,599	6,139,066	600,533
Engineering	1,213,400	1,254,957	1,205,857	49,100
Finance	1,255,700	1,255,726	1,204,704	51,022
Fire Rescue	25,930,000	26,294,752	25,457,157	837,595
General Operating	244,700	300,114	123,859	176,255
Human Resources	1,277,700	1,285,457	1,234,341	51,116
Information Technology	5,317,600	5,521,217	4,613,367	907,850
Legislative	456,700	487,900	441,573	46,327
Library	4,513,100	4,545,220	4,199,498	345,722
Police	34,005,000	34,034,085	33,498,499	535,586
Recreation, Parks & Arts	14,257,300	14,775,519	13,522,691	1,252,828
Capital outlay	1,840,400	3,312,034	1,167,587	2,144,447
Principal	433,200	433,200	731,014	(297,814)
Interest	58,300	58,300	74,685	(16,385)
Total expenditures	<u>104,467,800</u>	<u>107,892,171</u>	<u>100,559,008</u>	<u>7,333,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(730,600)</u>	<u>(4,154,971)</u>	<u>6,634,132</u>	<u>10,789,103</u>
Other Financing Sources (Uses)				
Transfers in	11,400	34,100	31,438	(2,662)
Transfers out	(4,152,500)	(4,152,500)	(2,574,200)	1,578,300
Lease financing	-	-	182,059	182,059
Sale of capital assets	-	-	181,433	181,433
Total other financing sources (uses)	<u>(4,141,100)</u>	<u>(4,118,400)</u>	<u>(2,179,270)</u>	<u>1,939,130</u>
Net change in fund balance	<u>\$ (4,871,700)</u>	<u>\$ (8,273,371)</u>	<u>4,454,862</u>	<u>\$ 12,728,233</u>
Fund balance - beginning			<u>31,155,346</u>	
Fund balance - ending			<u>\$ 35,610,208</u>	

City of Largo, Florida
Nonmajor Governmental Funds
September 30, 2024

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

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

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

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

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

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

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

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

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

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

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

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

City of Largo, Florida
Nonmajor Governmental Funds
September 30, 2024

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

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

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

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

CITY OF LARGO, FLORIDA
Combining Balance Sheet
Nonmajor Funds
September 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 31,642,748	\$ 105,017	\$ 159,157	\$ 31,906,922
Receivables:				
Accrued interest	256,600	-	-	256,600
Accounts, billed	864,760	-	-	864,760
Accounts, unbilled	890,360	-	-	890,360
Special assessments	5,744	-	-	5,744
Due from other governments	174,494	-	-	174,494
Grants	1,235	-	-	1,235
Due from other funds	189,000	-	-	189,000
Property held for resale	979,669	-	-	979,669
Notes and loans receivable	687,404	-	-	687,404
Total assets	<u>\$ 35,692,014</u>	<u>\$ 105,017</u>	<u>\$ 159,157</u>	<u>\$ 35,956,188</u>
Liabilities				
Accounts payable	\$ 1,458,446	\$ -	\$ -	\$ 1,458,446
Accrued payroll	104,864	-	-	104,864
Due to other funds	532,000	-	-	532,000
Unearned revenue	275,700	-	-	275,700
Total liabilities	<u>2,371,010</u>	<u>-</u>	<u>-</u>	<u>2,371,010</u>
Deferred inflows				
Unavailable revenue	447,979	-	-	447,979
Total deferred inflows	<u>447,979</u>	<u>-</u>	<u>-</u>	<u>447,979</u>
Fund Balances				
Nonspendable	979,669	-	-	979,669
Restricted	31,818,399	105,017	159,157	32,082,573
Assigned	74,957	-	-	74,957
Total fund balances	<u>32,873,025</u>	<u>105,017</u>	<u>159,157</u>	<u>33,137,199</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 35,692,014</u>	<u>\$ 105,017</u>	<u>\$ 159,157</u>	<u>\$ 35,956,188</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Funds
Fiscal Year Ended September 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 975,442	\$ -	\$ -	\$ 975,442
Licenses, permits and fees	4,080,409	-	-	4,080,409
Intergovernmental	1,995,496	-	-	1,995,496
Charges for services	9,787,921	-	-	9,787,921
Fines	341,318	-	-	341,318
Contributions and donations	79,854	-	-	79,854
Investment earnings (losses)	1,674,433	-	1,204	1,675,637
Other	28,217	-	-	28,217
Total revenues	18,963,090	-	1,204	18,964,294
Expenditures				
Current:				
General government	180	-	-	180
Public safety	64,521	-	-	64,521
Public works	6,034,258	-	-	6,034,258
Economic development	2,835,643	-	-	2,835,643
Culture and recreation	131,360	-	-	131,360
Capital outlay	6,100,842	-	-	6,100,842
Principal	60,704	-	1,510,872	1,571,576
Interest	2,430	-	2,039,754	2,042,184
Total expenditures	15,229,938	-	3,550,626	18,780,564
Excess (deficiency) of revenues over (under) expenditures	3,733,152	-	(3,549,422)	183,730
Other financing sources (uses)				
Transfers in	-	-	3,550,700	3,550,700
Transfers out	(1,007,938)	-	-	(1,007,938)
Lease financing	546,177	-	-	546,177
Sale of capital assets	522,512	-	-	522,512
Total other financing sources (uses)	60,751	-	3,550,700	3,611,451
Net change in fund balances	3,793,903	-	1,278	3,795,181
Fund balances - beginning	29,079,122	105,017	157,879	29,342,018
Fund balances - ending	\$ 32,873,025	\$ 105,017	\$ 159,157	\$ 33,137,199

CITY OF LARGO, FLORIDA
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2024

	County Gas Tax	Transportation Impact Fee	Multimodal Impact Fee	Construction Services	Stormwater	Community Redevelopment Agency
Assets						
Cash and investments	\$ 2,553,677	\$ 924,293	\$ 2,162,970	\$ 6,173,689	\$ 7,771,356	\$ 4,960,785
Receivables:						
Accrued interest	48,762	6,661	15,045	43,688	52,709	40,744
Accounts, billed	-	13,251	-	5,820	845,684	-
Accounts, unbilled	-	-	-	-	890,360	-
Special assessments	5,744	-	-	-	-	-
Due from other governments	173,557	-	-	-	-	-
Grants	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	979,669
Notes and loans receivable	-	-	-	-	-	-
Total assets	<u>\$ 2,781,740</u>	<u>\$ 944,205</u>	<u>\$ 2,178,015</u>	<u>\$ 6,223,197</u>	<u>\$ 9,560,109</u>	<u>\$ 5,981,198</u>
Liabilities						
Accounts payable	\$ 43,345	\$ 1,380	\$ 271,019	\$ 6,681	\$ 1,126,800	\$ 369
Accrued payroll	-	-	-	41,217	59,744	3,903
Due to other funds	-	-	-	-	-	532,000
Unearned revenue	36,275	-	-	-	-	-
Total liabilities	<u>79,620</u>	<u>1,380</u>	<u>271,019</u>	<u>47,898</u>	<u>1,186,544</u>	<u>536,272</u>
Deferred inflows						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	-	-	-	979,669
Restricted	2,702,120	942,825	1,906,996	6,175,299	8,373,565	4,465,257
Assigned	-	-	-	-	-	-
Total fund balances	<u>2,702,120</u>	<u>942,825</u>	<u>1,906,996</u>	<u>6,175,299</u>	<u>8,373,565</u>	<u>5,444,926</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,781,740</u>	<u>\$ 944,205</u>	<u>\$ 2,178,015</u>	<u>\$ 6,223,197</u>	<u>\$ 9,560,109</u>	<u>\$ 5,981,198</u>

PCH	Neighborhood Stabilization Program 2	Program Special Revenue	Trees	Parkland Dedication	Total Nonmajor Special Revenue Funds
\$ 92,287	\$ -	\$ 1,720,120	\$ 1,133,172	\$ 4,150,399	\$ 31,642,748
-	-	12,194	7,893	28,904	256,600
-	-	5	-	-	864,760
-	-	-	-	-	890,360
-	-	-	-	-	5,744
-	-	937	-	-	174,494
-	-	1,235	-	-	1,235
-	-	-	-	189,000	189,000
-	-	-	-	-	979,669
639,629	47,775	-	-	-	687,404
<u>\$ 731,916</u>	<u>\$ 47,775</u>	<u>\$ 1,734,491</u>	<u>\$ 1,141,065</u>	<u>\$ 4,368,303</u>	<u>\$ 35,692,014</u>
\$ -	\$ -	\$ -	\$ 8,852	\$ -	\$ 1,458,446
-	-	-	-	-	104,864
-	-	-	-	-	532,000
191,650	47,775	-	-	-	275,700
191,650	47,775	-	8,852	-	2,371,010
447,979	-	-	-	-	447,979
447,979	-	-	-	-	447,979
-	-	-	-	-	979,669
92,287	-	1,659,534	1,132,213	4,368,303	31,818,399
-	-	74,957	-	-	74,957
92,287	-	1,734,491	1,132,213	4,368,303	32,873,025
<u>\$ 731,916</u>	<u>\$ 47,775</u>	<u>\$ 1,734,491</u>	<u>\$ 1,141,065</u>	<u>\$ 4,368,303</u>	<u>\$ 35,692,014</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended September 30, 2024

	County Gas Tax	Transportation Impact Fee	Multimodal Impact Fee	Construction Services	Stormwater	Community Redevelopment Agency
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	975,442
Licenses, permits and fees	-	-	278,510	2,639,081	-	-
Intergovernmental	1,049,992	-	-	3,082	19,641	917,781
Charges for services	-	-	-	-	9,680,153	-
Fines	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Investment earnings (losses)	159,810	57,004	99,840	363,874	359,556	278,264
Other	-	13,251	-	-	705	-
Total revenues	1,209,802	70,255	378,350	3,006,037	10,060,055	2,171,487
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	587,798	-	-	-	5,446,460	-
Economic development	-	-	-	2,497,858	-	337,673
Culture and recreation	-	-	-	-	-	-
Capital outlay	997,914	114,651	32,904	1,105,338	3,629,328	152,288
Principal	-	-	-	37,635	23,069	-
Interest	-	-	-	1,432	998	-
Total expenditures	1,585,712	114,651	32,904	3,642,263	9,099,855	489,961
Excess (deficiency) of revenues over (under) expenditures	(375,910)	(44,396)	345,446	(636,226)	960,200	1,681,526
Other financing sources/(uses)						
Transfers out	-	-	-	(35,100)	(35,100)	(906,300)
Lease financing	-	-	-	546,177	-	-
Sale of capital assets	6,672	-	-	13,343	492,497	-
Total other financing sources/(uses)	6,672	-	-	524,420	457,397	(906,300)
Net change in fund balances	(369,238)	(44,396)	345,446	(111,806)	1,417,597	775,226
Fund balances - beginning	3,071,358	987,221	1,561,550	6,287,105	6,955,968	4,669,700
Fund balances - ending	\$ 2,702,120	\$ 942,825	\$ 1,906,996	\$ 6,175,299	\$ 8,373,565	\$ 5,444,926

PCH	Neighborhood Stabilization Program 2	Program Special Revenue	Trees	Parkland Dedication	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	975,442
-	-	-	88,775	1,074,043	4,080,409
-	-	5,000	-	-	1,995,496
-	-	107,768	-	-	9,787,921
-	-	341,318	-	-	341,318
-	-	79,854	-	-	79,854
-	-	89,083	62,217	204,785	1,674,433
7,887	-	6,374	-	-	28,217
7,887	-	629,397	150,992	1,278,828	18,963,090
180	-	-	-	-	180
-	-	64,521	-	-	64,521
-	-	-	-	-	6,034,258
112	-	-	-	-	2,835,643
-	-	123,014	8,346	-	131,360
-	-	46,876	21,543	-	6,100,842
-	-	-	-	-	60,704
-	-	-	-	-	2,430
292	-	234,411	29,889	-	15,229,938
7,595	-	394,986	121,103	1,278,828	3,733,152
-	-	(31,438)	-	-	(1,007,938)
-	-	-	-	-	546,177
-	-	10,000	-	-	522,512
-	-	(21,438)	-	-	60,751
7,595	-	373,548	121,103	1,278,828	3,793,903
84,692	-	1,360,943	1,011,110	3,089,475	29,079,122
\$ 92,287	\$ -	\$ 1,734,491	\$ 1,132,213	\$ 4,368,303	\$ 32,873,025

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
County Gas Tax Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 1,085,800	\$ 1,085,800	\$ 1,049,992	\$ (35,808)
Investment earnings (losses)	10,000	10,000	159,810	149,810
Total revenues	<u>1,095,800</u>	<u>1,095,800</u>	<u>1,209,802</u>	<u>114,002</u>
Expenditures				
Current:				
Public works	578,900	787,531	587,798	199,733
Capital outlay	<u>1,472,000</u>	<u>2,050,507</u>	<u>997,914</u>	<u>1,052,593</u>
Total expenditures	<u>2,050,900</u>	<u>2,838,038</u>	<u>1,585,712</u>	<u>1,252,326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(955,100)</u>	<u>(1,742,238)</u>	<u>(375,910)</u>	<u>1,366,328</u>
Other Financing Sources/(Uses)				
Sale of capital assets	-	-	6,672	6,672
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,672</u>	<u>6,672</u>
Net change in fund balance	<u>\$ (955,100)</u>	<u>\$ (1,742,238)</u>	<u>(369,238)</u>	<u>\$ 1,373,000</u>
Fund Balance - beginning			<u>3,071,358</u>	
Fund Balance - ending			<u>\$ 2,702,120</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Transportation Impact Fee Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings (losses)	\$ 3,300	\$ 3,300	\$ 57,004	\$ 53,704
Other	<u>-</u>	<u>-</u>	<u>13,251</u>	<u>13,251</u>
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>70,255</u>	<u>66,955</u>
Expenditures				
Capital outlay	<u>114,600</u>	<u>433,015</u>	<u>114,651</u>	<u>318,364</u>
Total expenditures	<u>114,600</u>	<u>433,015</u>	<u>114,651</u>	<u>318,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(111,300)</u>	<u>(429,715)</u>	<u>(44,396)</u>	<u>385,319</u>
Net change in fund balance	<u>\$ (111,300)</u>	<u>\$ (429,715)</u>	<u>(44,396)</u>	<u>\$ 385,319</u>
Fund Balance - beginning			<u>987,221</u>	
Fund Balance - ending			<u>\$ 942,825</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Multimodal Impact Fee Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Licenses, permits and fees	\$ 380,000	\$ 380,000	\$ 278,510	\$ (101,490)
Intergovernmental	1,000,000	1,000,000	-	(1,000,000)
Investment earnings (losses)	4,100	4,100	99,840	95,740
Total revenues	<u>1,384,100</u>	<u>1,384,100</u>	<u>378,350</u>	<u>(1,005,750)</u>
Expenditures				
Capital outlay	2,136,000	2,401,371	32,904	2,368,467
Total expenditures	<u>2,136,000</u>	<u>2,401,371</u>	<u>32,904</u>	<u>2,368,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(751,900)</u>	<u>(1,017,271)</u>	<u>345,446</u>	<u>1,362,717</u>
Net change in fund balance	<u>\$ (751,900)</u>	<u>\$ (1,017,271)</u>	<u>345,446</u>	<u>\$ 1,362,717</u>
Fund Balance - beginning			<u>1,561,550</u>	
Fund Balance - ending			<u>\$ 1,906,996</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Construction Services Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Licenses, permits and fees	\$ 2,000,000	\$ 2,000,000	\$ 2,639,081	\$ 639,081
Intergovernmental	-	-	3,082	3,082
Investment earnings (losses)	20,000	20,000	363,874	343,874
Total revenues	<u>2,020,000</u>	<u>2,020,000</u>	<u>3,006,037</u>	<u>986,037</u>
Expenditures				
Current:				
Economic development	2,533,900	2,659,872	2,497,858	162,014
Capital outlay	41,000	582,225	1,105,338	(523,113)
Principal	-	-	37,635	(37,635)
Interest	-	-	1,432	(1,432)
Total expenditures	<u>2,574,900</u>	<u>3,242,097</u>	<u>3,642,263</u>	<u>(400,166)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(554,900)</u>	<u>(1,222,097)</u>	<u>(636,226)</u>	<u>585,871</u>
Other Financing Sources/(Uses)				
Transfers out	(345,700)	(345,700)	(35,100)	310,600
Lease financing	-	-	546,177	546,177
Sale of capital assets	-	-	13,343	13,343
Total other financing sources (uses)	<u>(345,700)</u>	<u>(345,700)</u>	<u>524,420</u>	<u>870,120</u>
Net change in fund balance	<u>\$ (900,600)</u>	<u>\$ (1,567,797)</u>	<u>(111,806)</u>	<u>\$ 1,455,991</u>
Fund Balance - beginning			<u>6,287,105</u>	
Fund Balance - ending			<u>\$ 6,175,299</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Stormwater Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 19,641	\$ 19,641
Charges for services	9,678,900	9,678,900	9,680,153	1,253
Investment earnings (losses)	20,000	20,000	359,556	339,556
Other	40,000	40,000	705	(39,295)
Total revenues	<u>9,738,900</u>	<u>9,738,900</u>	<u>10,060,055</u>	<u>321,155</u>
Expenditures				
Current:				
Public works	5,848,700	7,109,248	5,446,460	1,662,788
Capital outlay	5,574,000	8,227,223	3,629,328	4,597,895
Principal	-	-	23,069	(23,069)
Interest	-	-	998	(998)
Total expenditures	<u>11,422,700</u>	<u>15,336,471</u>	<u>9,099,855</u>	<u>6,236,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,683,800)</u>	<u>(5,597,571)</u>	<u>960,200</u>	<u>6,557,771</u>
Other Financing Sources/(Uses)				
Transfers out	(346,900)	(346,900)	(35,100)	311,800
Sale of capital assets	-	-	492,497	492,497
Total other financing sources (uses)	<u>(346,900)</u>	<u>(346,900)</u>	<u>457,397</u>	<u>804,297</u>
Net change in fund balance	<u>\$ (2,030,700)</u>	<u>\$ (5,944,471)</u>	<u>1,417,597</u>	<u>\$ 7,362,068</u>
Fund Balance - beginning			<u>6,955,968</u>	
Fund Balance - ending			<u>\$ 8,373,565</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Community Redevelopment Agency Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes	\$ 971,200	\$ 971,200	\$ 975,442	\$ 4,242
Intergovernmental	850,200	850,200	917,781	67,581
Investment earnings (losses)	15,000	15,000	278,264	263,264
Total revenues	<u>1,836,400</u>	<u>1,836,400</u>	<u>2,171,487</u>	<u>335,087</u>
Expenditures				
Public works	2,500	2,500	-	2,500
Economic development	575,200	957,691	337,673	620,018
Capital outlay	<u>2,677,900</u>	<u>2,734,756</u>	<u>152,288</u>	<u>2,582,468</u>
Total expenditures	<u>3,255,600</u>	<u>3,694,947</u>	<u>489,961</u>	<u>3,204,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,419,200)</u>	<u>(1,858,547)</u>	<u>1,681,526</u>	<u>3,540,073</u>
Other Financing Sources/(Uses)				
Transfers out	<u>(947,400)</u>	<u>(947,400)</u>	<u>(906,300)</u>	<u>41,100</u>
Total other financing sources (uses)	<u>(947,400)</u>	<u>(947,400)</u>	<u>(906,300)</u>	<u>41,100</u>
Net change in fund balance	<u>\$ (2,366,600)</u>	<u>\$ (2,805,947)</u>	<u>775,226</u>	<u>\$ 3,581,173</u>
Fund Balance - beginning			<u>4,669,700</u>	
Fund Balance - ending			<u>\$ 5,444,926</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Pinellas County Housing Authority Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Other	\$ 7,900	\$ 7,900	\$ 7,887	\$ (13)
Total revenues	<u>7,900</u>	<u>7,900</u>	<u>7,887</u>	<u>(13)</u>
Expenditures				
Current:				
General government	-	-	180	(180)
Economic development	<u>76,700</u>	<u>76,700</u>	<u>112</u>	<u>76,588</u>
Total expenditures	<u>76,700</u>	<u>76,700</u>	<u>292</u>	<u>76,408</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,800)</u>	<u>(68,800)</u>	<u>7,595</u>	<u>76,395</u>
Net change in fund balance	<u>\$ (68,800)</u>	<u>\$ (68,800)</u>	<u>7,595</u>	<u>\$ 76,395</u>
Fund Balance - beginning			<u>84,692</u>	
Fund Balance - ending			<u>\$ 92,287</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Neighborhood Stabilization Program 2
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - beginning			-	
Fund Balance - ending			<u>\$ -</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Program Special Revenue Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 5,000	\$ 5,000
Charges for services	124,000	124,000	107,768	(16,232)
Fines	58,000	58,000	341,318	283,318
Contributions and donations	36,000	36,000	79,854	43,854
Investment earnings (losses)	4,800	4,800	89,083	84,283
Other	5,000	5,000	6,374	1,374
Total revenues	<u>227,800</u>	<u>227,800</u>	<u>629,397</u>	<u>401,597</u>
Expenditures				
Current:				
Public safety	67,000	83,065	64,521	18,544
Economic development	5,000	5,000	-	5,000
Culture and recreation	259,400	265,585	123,014	142,571
Capital outlay	24,400	71,277	46,876	24,401
Total expenditures	<u>355,800</u>	<u>424,927</u>	<u>234,411</u>	<u>190,516</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(128,000)</u>	<u>(197,127)</u>	<u>394,986</u>	<u>592,113</u>
Other Financing Sources/(Uses)				
Transfers out	(11,400)	(34,100)	(31,438)	2,662
Sale of capital assets	-	-	10,000	10,000
Total other financing sources (uses)	<u>(11,400)</u>	<u>(34,100)</u>	<u>(21,438)</u>	<u>12,662</u>
Net change in fund balance	<u>\$ (139,400)</u>	<u>\$ (231,227)</u>	<u>373,548</u>	<u>\$ 604,775</u>
Fund Balance - beginning			<u>1,360,943</u>	
Fund Balance - ending			<u>\$ 1,734,491</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Tree Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Licenses, permits and fees	\$ 75,000	\$ 75,000	\$ 88,775	\$ 13,775
Investment earnings (losses)	<u>3,000</u>	<u>3,000</u>	<u>62,217</u>	<u>59,217</u>
Total revenues	<u>78,000</u>	<u>78,000</u>	<u>150,992</u>	<u>72,992</u>
Expenditures				
Culture and recreation	120,000	173,570	8,346	165,224
Capital outlay	<u>149,800</u>	<u>169,800</u>	<u>21,543</u>	<u>148,257</u>
Total expenditures	<u>269,800</u>	<u>343,370</u>	<u>29,889</u>	<u>313,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,800)</u>	<u>(265,370)</u>	<u>121,103</u>	<u>386,473</u>
Net change in fund balance	<u>\$ (191,800)</u>	<u>\$ (265,370)</u>	<u>121,103</u>	<u>\$ 386,473</u>
Fund Balance - beginning			<u>1,011,110</u>	
Fund Balance - ending			<u>\$ 1,132,213</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Parkland Dedication Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Licenses, permits and fees	\$ 362,600	\$ 362,600	\$ 1,074,043	\$ 711,443
Investment earnings (losses)	10,000	10,000	204,785	194,785
Total revenues	<u>372,600</u>	<u>372,600</u>	<u>1,278,828</u>	<u>906,228</u>
Expenditures				
Capital outlay	800,000	800,000	-	800,000
Total expenditures	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>800,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(427,400)</u>	<u>(427,400)</u>	<u>1,278,828</u>	<u>1,706,228</u>
Net change in fund balance	<u>\$ (427,400)</u>	<u>\$ (427,400)</u>	<u>1,278,828</u>	<u>\$ 1,706,228</u>
Fund Balance - beginning			<u>3,089,475</u>	
Fund Balance - ending			<u>\$ 4,368,303</u>	

CITY OF LARGO, FLORIDA
Combining Balance Sheet
Nonmajor Capital Project Funds
September 30, 2024

	<u>Transportation Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets		
Cash and investments	\$ 105,017	\$ 105,017
Receivables:		
Total assets	<u>\$ 105,017</u>	<u>\$ 105,017</u>
 Fund balances		
Restricted	<u>\$ 105,017</u>	<u>\$ 105,017</u>
Total fund balances	<u>105,017</u>	<u>105,017</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 105,017</u>	<u>\$ 105,017</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Fiscal Year Ended September 30, 2024

	Transportation Capital Projects	Total Nonmajor Capital Projects Funds
TOTAL	\$ -	\$ -
Net change in fund balances	-	-
Fund balances - beginning	<u>105,017</u>	<u>105,017</u>
Fund balances - ending	<u><u>\$ 105,017</u></u>	<u><u>\$ 105,017</u></u>

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
City Hall Capital Project
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment earnings (losses)	\$ 750,000	\$ 750,000	\$ 1,629,328	\$ 879,328
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>1,629,328</u>	<u>879,328</u>
Expenditures				
General government	-	66,716	185,879	(119,163)
Capital outlay	3,021,200	65,901,988	29,188,676	36,713,312
Total expenditures	<u>3,021,200</u>	<u>65,968,704</u>	<u>29,374,555</u>	<u>36,594,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,271,200)</u>	<u>(65,218,704)</u>	<u>(27,745,227)</u>	<u>37,473,477</u>
Net change in fund balance	<u>\$ (2,271,200)</u>	<u>\$ (65,218,704)</u>	<u>(27,745,227)</u>	<u>\$ 37,473,477</u>
Fund Balance - beginning			<u>37,285,609</u>	
Fund Balance - ending			<u>\$ 9,540,382</u>	

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Transportation Capital Projects
Fiscal Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Final Budget Variances Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings (losses)	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - beginning			<u>105,017</u>	
Fund Balance - ending			<u>\$ 105,017</u>	

CITY OF LARGO, FLORIDA
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2024

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets		
Cash and investments	\$ 159,157	\$ 159,157
Total assets	<u>\$ 159,157</u>	<u>\$ 159,157</u>
Fund balances		
Restricted	<u>\$ 159,157</u>	<u>\$ 159,157</u>
Total fund balances	<u>159,157</u>	<u>159,157</u>

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Fiscal year Ended September 30, 2024

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues		
Investment earnings (losses)	\$ 1,204	\$ 1,204
Total revenues	<u>1,204</u>	<u>1,204</u>
Expenditures		
Principal	1,510,872	1,510,872
Interest	2,039,754	2,039,754
Total expenditures	<u>3,550,626</u>	<u>3,550,626</u>
Excess (deficiency) of revenues over expenditures	<u>(3,549,422)</u>	<u>(3,549,422)</u>
Other financing sources (uses)		
Transfers in	<u>3,550,700</u>	<u>3,550,700</u>
Total other financing sources (uses)	<u>3,550,700</u>	<u>3,550,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,278</u>	<u>1,278</u>
 Fund balances - beginning	 <u>157,879</u>	 <u>157,879</u>
Fund balances - ending	<u><u>\$ 159,157</u></u>	<u><u>\$ 159,157</u></u>

CITY OF LARGO, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Debt Service Fund
Fiscal Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variances Positive (Negative)</u>
REVENUES				
Investment earnings (losses)	\$ -	\$ -	\$ 1,204	\$ 1,204
Total Revenues	-	-	1,204	1,204
EXPENDITURES				
Principal	4,111,900	4,111,900	1,510,872	2,601,028
Interest	881,900	881,900	2,039,754	(1,157,854)
Total expenditures	4,993,800	4,993,800	3,550,626	1,443,174
Excess (deficiency) of revenues over (under) expenditures	<u>(4,993,800)</u>	<u>(4,993,800)</u>	<u>(3,549,422)</u>	<u>1,444,378</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,993,800	4,993,800	3,550,700	(1,443,100)
Total other financing sources (uses)	4,993,800	4,993,800	3,550,700	(1,443,100)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,278</u>	<u>\$ 1,278</u>
FUND BALANCES:				
Fund Balance - beginning			<u>157,879</u>	
Fund Balance - ending			<u>\$ 159,157</u>	

This page was intentionally left blank

INTERNAL SERVICE FUNDS

This page was intentionally left blank

City of Largo, Florida
Internal Service Funds
September 30, 2024

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

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

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

CITY OF LARGO, FLORIDA
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Fleet Services	Risk Management	Total
Assets			
Current assets			
Cash and investments	\$ 903,742	\$ 8,767,559	\$ 9,671,301
Accrued interest receivable	5,373	52,925	58,298
Accounts receivable, billed, net	-	2,855	2,855
Other receivables	420	34,133	34,553
Inventories, at cost	275,273	-	275,273
Prepaid expenses and deposits	-	229,766	229,766
Total current assets	1,184,808	9,087,238	10,272,046
Capital assets			
Improvements other than buildings	78,292	-	78,292
Machinery and equipment	621,466	-	621,466
Intangible assets	1,723	12,061	13,784
Less accumulated depreciation	(447,446)	(9,146)	(456,592)
Construction in progress	378,370	-	378,370
Total capital assets	632,405	2,915	635,320
Total assets	1,817,213	9,090,153	10,907,366
Deferred outflows of resources			
Deferred outflows - OPEB	94,131	35,250	129,381
Total deferred outflows of resources	94,131	35,250	129,381
Liabilities			
Current liabilities			
Accounts payable	38,579	177,468	216,047
Accrued payroll and vacation	29,483	6,726	36,209
Long-term debt, current portion	9,008	3,374	12,382
Total current liabilities	77,070	187,568	264,638
Noncurrent liabilities			
Estimated claims and contracts payable	-	2,040,000	2,040,000
Compensated absences	38,054	27,983	66,037
OPEB Liability	280,971	105,218	386,189
Total noncurrent liabilities	319,025	2,173,201	2,492,226
Total liabilities	396,095	2,360,769	2,756,864
Deferred inflows of resources			
Deferred Inflows - OPEB	120,582	45,156	165,738
Total deferred inflows of resources	120,582	45,156	165,738
Net position			
Unrestricted	1,394,667	6,719,478	8,114,145
Total net position	\$ 1,394,667	\$ 6,719,478	\$ 8,114,145

CITY OF LARGO, FLORIDA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Fiscal Year Ended September 30, 2024

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 4,074,833	\$ 20,263,878	\$ 24,338,711
Total operating revenues	<u>4,074,833</u>	<u>20,263,878</u>	<u>24,338,711</u>
Operating expenses			
Personnel services	1,150,464	607,424	1,757,888
Cost of goods sold	1,191,529	-	1,191,529
Contractual services	42,965	241,210	284,175
Supplies	87,483	1,567	89,050
Repairs and maintenance	358,275	-	358,275
Utilities	17,755	-	17,755
Professional services	3,014	819,595	822,609
Fuel	14,982	-	14,982
Charges by the Fleet Services Fund	18,900	-	18,900
Charges by the General Fund	164,700	-	164,700
Charges by the Risk Management Fund	56,500	-	56,500
Depreciation and amortization	26,734	1,206	27,940
Claims	-	(300,042)	(300,042)
Insurance	-	16,820,787	16,820,787
Other	38,705	3,674	42,379
Total operating expenses	<u>3,172,006</u>	<u>18,195,421</u>	<u>21,367,427</u>
Operating income (loss)	<u>902,827</u>	<u>2,068,457</u>	<u>2,971,284</u>
Nonoperating revenues			
Investment earnings (losses)	32,997	395,814	428,811
Grants	3,278	-	3,278
Other, net	5	51,204	51,209
Total nonoperating revenues	<u>36,280</u>	<u>447,018</u>	<u>483,298</u>
Change in net position	939,107	2,515,475	3,454,582
Total net position - beginning	<u>455,560</u>	<u>4,204,003</u>	<u>4,659,563</u>
Total net position - ending	<u>\$ 1,394,667</u>	<u>\$ 6,719,478</u>	<u>\$ 8,114,145</u>

CITY OF LARGO, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended September 30, 2024

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Total</u>
Operating activities			
Cash received from customers	\$ 4,074,838	\$ 20,308,658	\$ 24,383,496
Cash paid to employees	(1,147,625)	(606,836)	(1,754,461)
Cash paid to vendors	(1,821,192)	(17,991,971)	(19,813,163)
Cash paid for internal services	(164,700)	-	(164,700)
Net cash provided by (used in) operating activities	<u>941,321</u>	<u>1,709,851</u>	<u>2,651,172</u>
Noncapital and related financing activities			
Cash received from granting agencies	<u>3,278</u>	-	<u>3,278</u>
Net cash provided by (used in) non-capital and related financing activities	<u>3,278</u>	-	<u>3,278</u>
Capital and related financing activities			
Acquisition of capital assets	<u>(439,424)</u>	-	<u>(439,424)</u>
Net cash provided by (used in) capital and related financing activities	<u>(439,424)</u>	-	<u>(439,424)</u>
Investing activities			
Investment earnings	<u>28,799</u>	<u>360,808</u>	<u>389,607</u>
Net cash provided by investing activities	<u>28,799</u>	<u>360,808</u>	<u>389,607</u>
Net increase (decrease) in cash investments	<u>533,974</u>	<u>2,070,659</u>	<u>2,604,633</u>
Cash and investments			
Beginning of year	<u>369,768</u>	<u>6,696,900</u>	<u>7,066,668</u>
End of year	<u>\$ 903,742</u>	<u>\$ 8,767,559</u>	<u>\$ 9,671,301</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 902,827	\$ 2,068,457	\$ 2,971,284
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Other revenue	5	51,204	51,209
Depreciation and amortization	26,734	1,206	27,940
(Increase)/decrease in assets and increase/(decrease) in liabilities:			
Accounts receivable	-	(6,424)	(6,424)
Inventories	33,232	-	33,232
Prepaid expenses and other assets	-	1,005,060	1,005,060
Accounts payable	(24,316)	(102,898)	(127,214)
Accrued payroll and vacation	2,839	3,246	6,085
Unearned revenue	-	-	-
Estimated claims payable	-	(1,310,000)	(1,310,000)
Total adjustments	<u>38,494</u>	<u>(358,606)</u>	<u>(320,112)</u>
Net cash provided by (used in) operating activities	<u>\$ 941,321</u>	<u>\$ 1,709,851</u>	<u>\$ 2,651,172</u>

SUPPLEMENTARY INFORMATION

This page was intentionally left blank

CITY OF LARGO, FLORIDA
Supplemental to Financial Statements
September 30, 2024

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

General

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

Supplemental Financial Information

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

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

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

	Districts		
	Largo	Belleair Bluffs	High Point
Total Expenditures by Contractor	\$ 24,762,693	\$ 2,594,753	\$ 3,846,943
Other Funding Sources			
EMS	7,382,193	790,410	1,445,652
Overhead Cost Reimbursement	66,620	8,883	13,324
EMS and Fire Rescue Vehicles	115,938	-	96,513
Hazmat	20,436	2,193	4,003
Tech Rescue Reimbursement	51,847	5,563	10,155
CME Reimbursement	121,594	13,048	23,816
Transportation	1,715	184	336
State Pension	754,216	80,931	147,726
City of Belleair Bluffs	395,484	-	-
Town of Belleair	-	752,183	-
Fire Inspections Fees	131,178	-	-
Plan Review Fees	304,404	-	-
State Education Incentive	26,483	2,842	5,187
Total Other Funding Sources	9,372,108	1,656,237	1,746,712
Net Outlay by Contractor	15,390,585	938,516	2,100,231
Pinellas County Percentage of District	14.40%	65.77%	73.40%
Total Pinellas County Share	2,216,244	617,262	1,541,570
Amount Paid to City by Pinellas County	1,503,490	609,359	1,602,315
Total Due to Pinellas County (overexpended)	\$ (712,754)	\$ (7,903)	\$ 60,745

CITY OF LARGO, FLORIDA
Schedule of Revenue and Expenditures and Changes in Reserves -
Largo Fire and Emergency Medical Services
Fiscal Year Ended September 30, 2024 and 2023

	2024			2023		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenue						
County:						
Fire	\$ 1,536,100	\$ 1,503,490	\$ (32,610)	\$ 1,577,900	\$ 1,489,880	\$ (88,020)
EMS	7,382,200	7,382,193	(7)	6,688,800	6,776,396	87,596
Overhead Costs	-	66,620	66,620	-	60,572	60,572
Capital Contribution	136,687	115,938	(20,749)	1,065,100	174,342	(890,758)
State:						
Pension contribution	559,200	754,216	195,016	493,000	616,395	123,395
Education incentive	44,900	26,483	(18,417)	40,500	123,455	82,955
Hazmat, Tech Rescue, CME and Other reimbursement	199,513	193,877	(5,636)	64,835	186,441	121,606
Municipality:						
Belleair Bluffs mgmt. contract	395,500	395,484	(16)	376,600	376,651	51
Town of Belleair mgmt. contract	-	-	-	-	-	-
Current	22,102,568	14,324,392	(7,778,176)	19,943,811	9,421,652	(10,522,159)
Total revenue	32,356,668	24,762,693	(7,593,975)	30,250,546	19,225,784	(11,024,762)
Expenditures						
General Fund:						
Salaries and benefits	17,600,300	17,160,433	439,867	16,900,300	16,100,587	799,713
Operating	2,049,276	1,975,676	73,600	2,010,631	1,628,483	382,148
Other financing uses	27,600	-	27,600	-	-	-
Capital outlay	-	-	-	-	14,719	(14,719)
Local Option Sales Tax Fund:						
Capital operations	-	3,795	(3,795)	-	-	-
Capital outlay	12,678,492	5,622,789	7,055,703	11,339,615	1,481,995	9,857,620
Fire Rescue Donations						
Operating	1,000	-	1,000	-	-	-
Total expenditures	32,356,668	24,762,693	7,593,975	30,250,546	19,225,784	11,024,762
Excess of revenue over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Largo Fire Reserve:	2024	2023
Reserved fund balance at beginning of year	\$ 3,281,830	\$ 3,425,390
Changes to reserves	(181,310)	(143,560)
Reserved fund balance at end of year	\$ 3,100,520	\$ 3,281,830

Notes:

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas. FY2024 and FY2023 reductions were \$1,147 and \$0, respectively, for previous year overpayments. The amounts reported as reserves are held by Pinellas County.

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

CITY OF LARGO, FLORIDA
Schedule of Revenue and Expenditures and Changes in Reserves -
Belleair Bluffs Fire and Emergency Medical Services
Fiscal Year Ended September 30, 2024 and 2023

	2024			2023		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenue						
County:						
Fire	\$ 590,800	\$ 609,359	\$ 18,559	\$ 591,400	\$ 584,264	\$ (7,136)
EMS	790,400	790,410	10	742,000	742,034	34
Overhead Costs	-	8,883	8,883	-	8,076	8,076
Capital Contribution	-	-	-	-	-	-
State:						
Pension contribution	74,600	80,931	6,331	70,300	82,186	11,886
Education incentive	5,900	2,842	(3,058)	6,000	14,202	8,202
Hazmat, Tech Rescue and CME reimbursement	8,234	20,804	12,570	7,113	20,455	13,342
Municipality:						
Town of Belleair mgmt contract	752,200	752,183	(17)	716,300	716,364	64
Current	479,945	329,341	(150,604)	388,422	187,102	(201,320)
Total revenue	<u>2,702,079</u>	<u>2,594,753</u>	<u>(107,326)</u>	<u>2,521,535</u>	<u>2,354,683</u>	<u>(166,852)</u>
Expenditures						
General Fund:						
Salaries and benefits	2,285,400	2,221,539	63,861	2,156,800	2,125,289	31,511
Operating	404,810	356,852	47,958	306,735	222,509	84,226
Capital outlay	-	-	-	58,000	4,637	53,363
Local Option Sales Tax Fund:						
Capital outlay	11,869	16,362	(4,493)	-	2,248	(2,248)
Total expenditures	<u>2,702,079</u>	<u>2,594,753</u>	<u>107,326</u>	<u>2,521,535</u>	<u>2,354,683</u>	<u>166,852</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Belleair Bluffs Fire Reserve:			2024			2023
Reserved fund balance at beginning of year			\$ 522,580			\$ 318,780
Changes to reserves			260,000			203,800
Reserved fund balance at end of year			<u>\$ 782,580</u>			<u>\$ 522,580</u>

Notes:

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas.
FY2024 and FY2023 reductions were \$96,395 and \$50,672 respectively, for previous year overpayments.
The amounts reported as reserves are held by Pinellas County.

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

CITY OF LARGO, FLORIDA
Schedule of Revenue and Expenditures and Changes in Reserves -
High Point Fire and Emergency Medical Services
Fiscal Year Ended September 30, 2024 and 2023

	2024			2023		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenue						
County:						
Fire	\$ 1,613,500	\$ 1,602,315	\$ (11,185)	\$ 1,571,900	\$ 1,528,201	\$ (43,699)
EMS	1,445,700	1,445,652	(48)	1,364,300	1,364,318	18
Overhead Costs	-	13,324	13,324	-	12,114	12,114
Capital contribution	96,513	96,513	-	-	-	-
State:						
Pension contribution	111,900	147,726	35,826	140,700	123,279	(17,421)
Education incentive	8,200	5,187	(3,013)	8,600	19,976	11,376
Hazmat, Tech Rescue and CME reimbursement	15,030	37,974	22,944	13,052	37,534	24,482
Municipality:						
Current	770,005	498,252	(271,753)	694,496	476,388	(218,108)
Total revenue	<u>4,060,848</u>	<u>3,846,943</u>	<u>(213,905)</u>	<u>3,793,048</u>	<u>3,561,810</u>	<u>(231,238)</u>
Expenditures						
General Fund:						
Salaries and benefits	3,497,900	3,407,998	89,902	3,300,700	3,238,814	61,886
Operating	457,066	334,655	122,411	380,348	310,285	70,063
Capital outlay	-	-	-	-	4,637	(4,637)
Local Option Sales Tax Fund:						
Capital outlay	105,882	104,290	1,592	112,000	8,074	103,926
Total expenditures	<u>4,060,848</u>	<u>3,846,943</u>	<u>213,905</u>	<u>3,793,048</u>	<u>3,561,810</u>	<u>231,238</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
High Point Fire Reserve:			2024			2023
Reserved fund balance at beginning of year			\$ 2,964,540			\$ 2,215,280
Changes to reserves			500,000			749,260
Reserved fund balances at end of year			<u>\$ 3,464,540</u>			<u>\$ 2,964,540</u>

Notes:

Fire revenues are shown at gross. Actual amounts received may be reduced for overpayment by the County of Pinellas. FY2024 and FY2023 reductions were \$44,743 and \$61,800, respectively, for previous year overpayments. The amounts reported as reserves are held by Pinellas County and include Highpoint and East Highpoint Fire District funds.

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

STATISTICAL SECTION

This page was intentionally left blank

CITY OF LARGO, FLORIDA

Statistical Section

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

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

CITY OF LARGO, FLORIDA

Statistical Section

Economic and Demographic Information

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

Schedule P	Demographic and Economic Statistics
Schedule Q	Principal Employers

Operating Information

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

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

Sources: Unless otherwise noted, the information in this section is derived from the City's Annual Comprehensive Financial Reports for the relevant year.

SCHEDULE A

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

	2015 (1)	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net invested in capital assets	\$ 122,159	\$ 124,369	\$ 126,873	\$ 134,422	\$ 139,175	\$ 145,009	\$ 150,905	\$ 132,573	\$ 128,298	\$ 152,775
Restricted	37,313	41,783	40,747	36,719	39,309	40,139	42,272	55,647	66,280	81,790
Unrestricted	(20,187)	(20,472)	(18,660)	(19,373)	(15,700)	(16,604)	(17,413)	(2,774)	7,504	(13,221)
Total governmental activities net position	139,285	145,680	148,960	151,768	162,784	168,544	175,764	185,446	202,082	221,344
Business-type activities:										
Net invested in capital assets	78,180	99,029	88,411	78,869	88,010	95,458	110,289	108,100	95,967	105,066
Restricted	8,390	8,992	9,114	9,378	10,388	10,820	9,025	9,077	9,793	11,038
Unrestricted	33,892	17,516	30,241	39,573	34,964	29,448	18,626	22,398	41,859	41,062
Total business-type activities net position	120,462	125,537	127,766	127,820	133,362	135,726	137,940	139,575	147,619	157,166
Primary government:										
Net invested in capital assets	200,339	223,398	215,284	213,291	227,185	240,467	261,194	240,673	224,265	257,841
Restricted	45,703	50,775	49,861	46,097	49,697	50,959	51,297	64,724	76,073	92,828
Unrestricted	13,705	(2,956)	11,581	20,200	19,264	12,844	1,213	19,624	49,363	27,841
Total primary government net position	\$ 259,747	\$ 271,217	\$ 276,726	\$ 279,588	\$ 296,146	\$ 304,270	\$ 313,704	\$ 325,021	\$ 349,701	\$ 378,510

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 6,650	\$ 7,567	\$ 8,273	\$ 9,353	\$ 8,937	\$ 10,723	\$ 11,855	\$ 13,244	\$ 12,260	\$ 12,316
Public safety	36,685	39,663	41,291	44,690	45,615	50,011	51,597	50,324	61,108	65,695
Public Works	9,253	8,805	10,088	10,388	10,551	11,987	12,606	13,317	14,562	15,831
Economic development	5,121	5,511	6,855	7,362	6,400	6,194	6,690	7,747	9,233	9,673
Culture and recreation	16,118	15,912	15,882	16,548	17,482	16,815	17,989	19,277	20,425	20,818
Interest on long-term debt	376	298	232	160	78	3	27	1,694	3,551	3,551
Total governmental activities expenses	74,203	77,756	82,621	88,501	89,063	95,733	100,764	105,603	121,139	127,884
Business-type activities:										
Wastewater	18,356	19,111	21,238	21,094	21,970	22,472	24,053	25,271	26,132	28,496
Solid Waste	10,586	10,542	11,596	12,149	12,358	13,374	13,875	15,333	16,122	16,494
Golf Course	996	1,012	1,133	1,065	1,070	1,184	1,138	1,395	1,324	1,351
Total business-type activities expenses	29,938	30,665	33,967	34,308	35,398	37,030	39,066	41,999	43,578	46,341
Total primary government expenses	\$ 104,141	\$ 108,421	\$ 116,588	\$ 122,809	\$ 124,461	\$ 132,763	\$ 139,830	\$ 147,602	\$ 164,717	\$ 174,225
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,097	\$ 3,172	\$ 3,241	\$ 3,570	\$ 3,762	\$ 3,840	\$ 4,120	\$ 4,820	\$ 5,080	\$ 5,461
Public safety	8,282	9,057	9,976	10,756	12,293	12,493	13,993	14,464	16,503	16,984
Public works	4,699	5,869	5,849	5,569	5,686	5,753	6,039	6,645	7,933	9,680
Economic development	3,578	2,921	2,390	3,074	3,906	4,052	3,411	4,685	4,505	5,443
Culture and recreation	4,837	4,642	5,076	5,430	5,432	3,531	4,021	4,836	5,332	5,370
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,594	2,817	3,008	2,531	3,625	3,705	3,697	3,193	8,556	5,762
Capital grants and contributions	786	1,587	726	1,521	1,493	824	661	852	798	3,496
Total governmental activities program revenues	27,873	30,065	30,266	32,451	36,197	34,198	35,942	39,495	48,707	52,196
Business-type activities:										
Charges for services:										
Wastewater	22,514	22,631	22,900	22,920	22,892	22,979	25,154	27,780	30,808	34,339
Solid Waste	10,452	10,773	11,118	10,960	13,007	13,351	13,965	15,389	15,517	16,099
Golf Course	872	863	972	945	1,036	913	1,237	1,428	1,644	1,625
Operating grants and contributions	61	60	99	60	233	204	95	60	173	81
Capital grants and contributions	882	535	387	190	798	273	311	288	460	750
Total business-type activities program revenues	34,781	34,862	35,476	35,075	37,966	37,720	40,762	44,945	48,602	52,894
Total primary government program revenues	\$ 62,654	\$ 64,927	\$ 65,742	\$ 67,526	\$ 74,163	\$ 71,918	\$ 76,704	\$ 84,440	\$ 97,309	\$ 105,090

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental activities	\$ (46,330)	\$ (47,691)	\$ (52,355)	\$ (56,049)	\$ (52,865)	\$ (61,535)	\$ (64,822)	\$ (66,109)	\$ (72,432)	\$ (75,688)
Business-type activities	4,843	4,197	1,509	767	2,568	690	1,696	2,946	5,024	6,553
Total primary government net (expense)/revenue	\$ (41,487)	\$ (43,494)	\$ (50,846)	\$ (55,282)	\$ (50,297)	\$ (60,845)	\$ (63,126)	\$ (63,163)	\$ (67,408)	\$ (69,135)
General Revenues										
Governmental activities:										
Taxes										
Property	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,054	\$ 27,593	\$ 29,946	\$ 32,151	\$ 36,061	\$ 39,971
Utility	7,991	8,382	8,440	8,676	9,301	9,788	9,903	10,408	11,252	10,994
Franchise	5,989	5,748	5,712	6,118	6,524	6,426	6,365	7,016	7,663	7,535
Sales & County Gas Tax	7,660	8,066	8,283	8,715	9,184	9,406	11,243	12,980	13,297	13,331
Communications services	3,073	2,914	2,871	2,886	2,659	2,708	2,728	2,819	3,062	3,109
Shared revenue	7,854	8,168	8,461	8,736	8,997	8,494	9,878	11,480	11,781	11,410
Investment earnings	621	463	469	568	1,638	1,113	507	(2,658)	5,316	7,012
Miscellaneous	394	973	538	1,950	1,050	1,768	1,472	1,594	772	1,589
Transfers in (out)	(788)	45	-	-	-	-	-	-	-	-
Demolition of City property	-	-	-	-	-	-	-	-	-	-
Extraordinary/Special Item	-	-	(164)	-	(280)	-	-	-	(136)	-
Total governmental activities	50,189	54,085	55,636	61,788	65,127	67,296	72,042	75,790	89,068	94,951
Business-type activities										
Investment earnings	657	496	443	585	1,737	1,188	162	(1,483)	1,786	2,554
Miscellaneous	267	427	276	537	50	485	356	(127)	442	439
Transfers in (out)	-	(45)	-	-	-	-	-	-	-	-
Demolition of City property	-	-	-	-	-	-	-	-	-	-
Extraordinary/Special Item	-	-	-	(1,168)	(59)	-	-	300	792	-
Total business-type activities	924	878	719	(46)	1,728	1,673	518	(1,310)	3,020	2,993
Total primary government general revenues	\$ 51,113	\$ 54,963	\$ 56,355	\$ 61,742	\$ 66,855	\$ 68,969	\$ 72,560	\$ 74,480	\$ 92,088	\$ 97,944
Change in Net Position										
Governmental activities	\$ 3,859	\$ 6,394	\$ 3,281	\$ 5,739	\$ 12,262	\$ 5,761	\$ 7,220	\$ 9,681	\$ 16,636	\$ 19,263
Business-type activities	5,767	5,075	2,228	721	4,296	2,363	2,214	1,636	8,044	9,546
Total primary government	\$ 9,626	\$ 11,469	\$ 5,509	\$ 6,460	\$ 16,558	\$ 8,124	\$ 9,434	\$ 11,317	\$ 24,680	\$ 28,809

SCHEDULE C

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Property tax	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,055	\$ 27,593	\$ 29,946	\$ 32,151	\$ 36,061	\$ 39,971
Utility tax	7,991	8,382	8,440	8,676	9,301	9,788	9,903	10,408	11,251	10,994
Franchise tax	5,989	5,748	5,712	6,117	6,524	6,426	6,365	7,016	7,663	7,535
Sales & County Gas tax	7,660	8,066	8,283	8,715	9,184	9,406	11,243	12,980	13,297	13,331
Communications Services tax	<u>3,073</u>	<u>2,914</u>	<u>2,871</u>	<u>2,886</u>	<u>2,659</u>	<u>2,708</u>	<u>2,728</u>	<u>2,819</u>	<u>3,062</u>	<u>3,109</u>
Total	<u>\$ 42,108</u>	<u>\$ 44,436</u>	<u>\$ 46,332</u>	<u>\$ 50,533</u>	<u>\$ 53,723</u>	<u>\$ 55,921</u>	<u>\$ 60,185</u>	<u>\$ 65,374</u>	<u>\$ 71,334</u>	<u>\$ 74,940</u>

SCHEDULE D

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 49	\$ 95	\$ 59	\$ 73	\$ 116	\$ 219	\$ 722	\$ 418	\$ 502	\$ 771
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	6,857	5,375	5,638	5,744	5,158	10,624	15,598	14,437	11,331	14,770
Unassigned	4,925	7,204	9,796	11,284	17,526	15,511	12,634	12,931	19,323	20,069
Total General Fund	<u>\$ 11,831</u>	<u>\$ 12,674</u>	<u>\$ 15,493</u>	<u>\$ 17,101</u>	<u>\$ 22,800</u>	<u>\$ 26,354</u>	<u>\$ 28,954</u>	<u>\$ 27,786</u>	<u>\$ 31,156</u>	<u>\$ 35,610</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 980	\$ 980	\$ 980	\$ 980
Restricted										
Special revenue	31,607	35,324	33,600	30,491	32,869	34,265	40,392	49,639	59,333	64,543
Capital projects	-	-	-	-	-	-	-	54,405	37,286	9,540
Committed	-	-	-	-	-	-	-	-	-	-
Assigned										
Special revenue	135	158	175	128	99	98	258	290	91	75
Capital projects	-	-	-	-	-	-	-	-	-	-
Unassigned	(13)	(4)	-	-	-	-	(4,552)	-	-	-
Total of all other governmental funds	<u>\$ 31,729</u>	<u>\$ 35,478</u>	<u>\$ 33,775</u>	<u>\$ 30,619</u>	<u>\$ 32,968</u>	<u>\$ 34,363</u>	<u>\$ 37,078</u>	<u>\$ 105,314</u>	<u>\$ 97,690</u>	<u>\$ 75,138</u>

SCHEDULE E

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 36,150	\$ 38,753	\$ 40,611	\$ 44,542	\$ 47,201	\$ 49,538	\$ 53,448	\$ 57,915	\$ 63,313	\$ 66,992
Licenses and permits	8,617	7,720	7,190	8,282	9,321	8,937	8,556	9,745	10,871	11,618
Shared	12,079	13,371	13,363	13,905	15,301	14,474	15,934	17,401	22,482	21,477
Charges for services	17,396	19,109	20,444	21,261	23,114	21,643	24,371	25,913	29,366	32,361
Fines	405	390	403	348	338	794	621	968	671	775
Interfund charges	3,128	3,195	3,298	3,647	3,859	3,919	4,206	4,603	4,890	5,294
Special assessments	1	-	-	-	-	-	-	-	-	-
Contributions and donations	401	312	208	282	356	260	236	419	308	297
Investment earnings	557	417	400	508	1,496	1,168	174	(2,495)	5,156	8,167
Other	784	1,592	2,414	2,069	1,224	1,418	1,713	1,400	858	957
Total revenues	\$ 79,518	\$ 84,859	\$ 88,331	\$ 94,844	\$ 102,210	\$ 102,151	\$ 109,259	\$ 115,869	\$ 137,915	\$ 147,938
Expenditures										
Current:										
General government	\$ 6,045	\$ 6,747	\$ 7,073	\$ 8,380	\$ 7,841	\$ 9,155	\$ 9,262	\$ 9,900	\$ 11,859	\$ 11,953
Public safety	35,417	36,487	38,672	41,713	42,932	44,418	47,807	52,089	55,305	59,162
Public works	7,500	7,239	7,931	8,118	8,409	8,327	9,439	9,673	10,629	12,173
Economic development	4,801	5,327	5,955	6,981	6,078	6,761	7,886	9,449	10,872	10,358
Culture and recreation	13,390	13,192	12,828	13,830	14,410	13,600	14,137	15,737	17,194	17,854
Capital outlay	5,602	7,786	11,219	13,830	11,350	16,132	15,051	15,005	34,000	51,454
Principal	3,141	3,214	3,288	3,365	3,444	1,752	503	1,736	2,492	2,439
Interest	394	321	247	176	100	12	13	1,323	2,181	2,137
Other debt service costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 76,290	\$ 80,313	\$ 87,213	\$ 96,393	\$ 94,564	\$ 100,157	\$ 104,098	\$ 114,912	\$ 144,532	\$ 167,530
Excess (deficiency) of revenues over (under) expenditures	\$ 3,228	\$ 4,546	\$ 1,118	\$ (1,549)	\$ 7,646	\$ 1,994	\$ 5,161	\$ 957	\$ (6,617)	\$ (19,592)
Other Financing Sources (Uses)										
Transfers in	33	90	-	101	6,143	824	595	2,390	4,138	3,582
Transfers out	(33)	(45)	-	(101)	(6,143)	(824)	(595)	(2,390)	(4,138)	(3,582)
Debt Proceeds	-	-	-	-	-	-	-	62,394	-	-
Sale of capital assets	-	-	-	-	402	455	153	414	239	767
Lease financing	-	-	-	-	-	-	-	3,293	2,134	728
Capital project loans	-	-	-	-	-	2,500	-	-	-	-
Total other financing sources (uses)	-	45	-	-	402	2,955	153	66,101	2,373	1,495
Net Change in Fund Balances	3,228	4,591	1,118	(1,549)	8,048	4,949	5,314	67,058	(4,244)	(18,097)
Fund Balances - Beginning	40,332	43,560	48,151	49,269	47,720	55,768	60,717	66,031	133,089	128,845
Fund Balances - Ending	\$ 43,560	\$ 48,151	\$ 49,269	\$ 47,720	\$ 55,768	\$ 60,717	\$ 66,031	\$ 133,089	\$ 128,845	\$ 110,748
Debt service as a percentage of non-capital expenditures, excluding transfers, special items and prior period adjustments (1)										
	5.0%	4.9%	4.7%	4.3%	4.3%	2.1%	0.6%	3.1%	4.2%	3.9%

SCHEDULE F

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Property Tax	\$ 17,395	\$ 19,326	\$ 21,026	\$ 24,139	\$ 26,055	\$ 27,593	\$ 29,946	\$ 31,383	\$ 36,061	\$ 39,971
Local Option Sales Tax	6,677	7,055	7,264	7,634	8,069	8,402	10,196	11,920	13,297	13,331
Impact Fees	382	442	385	603	403	384	431	522	839	1,441
Communication Tax	3,073	2,914	2,871	2,886	2,659	2,708	2,728	2,819	3,062	3,109
Utility Tax:										
Electricity	6,522	6,849	6,846	7,058	7,678	8,128	8,191	8,636	9,467	9,228
Water	1,175	1,250	1,305	1,318	1,349	1,390	1,416	1,479	1,523	1,479
Fuel	297	290	285	293	283	273	286	301	292	287
	<u>7,994</u>	<u>8,389</u>	<u>8,436</u>	<u>8,669</u>	<u>9,310</u>	<u>9,791</u>	<u>9,893</u>	<u>10,416</u>	<u>11,282</u>	<u>10,994</u>
Franchise Tax:										
Electricity	5,804	5,546	5,507	5,897	6,314	6,225	6,180	6,813	7,459	7,357
Gas	178	202	204	221	210	201	185	203	204	178
	<u>5,982</u>	<u>5,748</u>	<u>5,711</u>	<u>6,118</u>	<u>6,524</u>	<u>6,426</u>	<u>6,365</u>	<u>7,016</u>	<u>7,663</u>	<u>7,535</u>
Total	<u>\$ 41,503</u>	<u>\$ 43,874</u>	<u>\$ 45,693</u>	<u>\$ 50,049</u>	<u>\$ 53,020</u>	<u>\$ 55,304</u>	<u>\$ 59,559</u>	<u>\$ 64,076</u>	<u>\$ 72,204</u>	<u>\$ 76,381</u>

SCHEDULE G

CITY OF LARGO, FLORIDA

Wastewater Charges

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential within City (1) (2)										
Fixed Cost										
Single Family Units	\$ 24.80 11,331	\$ 24.80 11,424	\$ 24.80 11,375	\$ 18.80 11,406	\$ 18.80 11,413	\$ 18.80 11,431	\$ 20.68 11,456	\$ 22.75 11,462	\$ 25.03 11,467	\$ 28.03 11,485
Multi-family (duplex, triplex) Units (5)	23.85 1,721	23.85 1,729	23.85 1,824	18.80 1,832	18.80 1,875	18.80 1,932	20.68 3,111	22.75 3,134	25.03 3,128	28.03 3,078
High Density (apts., mobile homes, condos) Units (5)	19.35 27,623	19.35 27,686	19.35 27,731	14.10 27,743	14.10 27,687	14.10 27,764	15.51 26,624	17.06 26,623	18.77 26,618	21.02 26,687
Variable Charges (4)	2.12	2.12	2.12	2.30	2.30	2.30	2.53	2.78	3.06	3.43
Residential outside City (1) (2)										
Fixed Cost										
Single Family Units	31.00 4,586	31.00 4,510	31.00 4,490	23.50 4,489	23.50 4,458	23.50 4,466	25.85 4,446	28.44 4,434	31.28 4,426	35.03 4,411
Multi-family (duplex, triplex) Units	29.80 1,201	29.80 1,195	29.80 1,189	23.50 1,179	23.50 1,181	23.50 1,172	25.85 1,473	28.44 1,454	31.28 1,448	35.03 1,363
High Density (apts, mobile homes, condos) Units	24.20 4,433	24.20 4,420	24.20 4,417	17.63 4,414	17.63 4,482	17.63 4,467	19.39 4,178	21.33 4,180	23.46 4,179	26.28 4,178
Variable Charges (4)	2.65	2.65	2.65	2.88	2.88	2.88	3.17	3.49	3.84	4.30
Commercial within City										
Fixed Charge (3) Units	24.80 2,653	24.80 2,689	24.80 2,699	18.80 2,722	18.80 2,762	18.80 2,782	20.68 2,785	22.75 2,777	25.03 2,769	28.03 2,827
Variable charge (4)	3.71	3.71	3.71	3.71	3.71	3.71	4.08	4.49	4.94	5.53
Commerical outside City										
Fixed Charge (3) Units	31.00 973	31.00 972	31.00 970	23.50 964	23.50 959	23.50 958	25.85 959	28.44 957	31.28 952	35.03 1,032
Variable charge (4)	4.64	4.64	4.64	4.64	4.64	4.64	5.10	5.61	6.17	6.91

- Notes: (1) Residential monthly fixed charges include 3,000 gallons per month. Variable charges are assessed for each additional 1,000 gallons per month above 3,000 gallons (maximum 8,000 gallons per month). This rate structure applies to FY 2015 - FY 2017.
- (2) Residential monthly fixed charges do not include any gallons per month. Variable charges are assessed for each 1,000 gallons per month (maximum 10,000 gallons per month). This rate structure applies to FY 2018 - 2024.
- (3) Commercial monthly charges are based on water usage, plus fixed monthly charges dependent on meter size. The fixed cost rates stated in schedule are based on 5/8" or 3/4" meters.
- (4) Charge is per 1,000 gallons of potable water consumption.
- (5) Townhomes were reclassified from residential high density to residential multi-family starting in Fiscal Year 2021.

SCHEDULE H

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

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tax Year (1)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real Property:										
Residential	\$ 2,738,831	\$ 3,165,507	\$ 3,520,089	\$ 3,848,917	\$ 4,257,059	\$ 4,633,759	\$ 5,003,425	\$ 5,552,604	\$ 6,958,442	\$ 8,045,113
Commercial	1,216,276	1,279,470	1,372,492	1,442,319	1,518,351	1,634,676	1,744,097	1,821,801	2,047,865	2,276,852
Other	602,364	662,416	674,253	672,845	692,267	723,899	770,359	862,938	930,126	1,021,062
Personal Property	406,829	445,876	464,699	413,328	432,364	452,905	475,230	503,168	553,824	553,557
Central Assessed Property	962	977	1,038	1,027	1,074	1,035	1,153	1,182	1,267	1,279
Total Assessed Value	4,965,262	5,554,246	6,032,571	6,378,436	6,901,115	7,446,274	7,994,264	8,741,693	10,491,524	11,897,863
Less Tax Exempt Value:										
Homestead	(626,665)	(644,290)	(653,646)	(674,838)	(688,465)	(704,938)	(730,897)	(750,808)	(765,921)	(772,676)
Save Our Home	(250,947)	(439,287)	(547,372)	(629,579)	(744,521)	(829,065)	(896,895)	(1,077,387)	(1,672,985)	(2,134,000)
Governmental	(270,700)	(321,257)	(315,696)	(319,892)	(330,267)	(342,902)	(365,834)	(398,913)	(424,373)	(498,887)
Other	(349,777)	(425,203)	(471,349)	(390,560)	(439,286)	(484,801)	(478,873)	(534,281)	(857,278)	(981,554)
Total Taxable Value	<u>\$ 3,467,173</u>	<u>\$ 3,724,209</u>	<u>\$ 4,044,508</u>	<u>\$ 4,363,567</u>	<u>\$ 4,698,576</u>	<u>\$ 5,084,568</u>	<u>\$ 5,521,765</u>	<u>\$ 5,980,304</u>	<u>\$ 6,770,967</u>	<u>\$ 7,510,746</u>
Total Direct Tax Rate (2)	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200	5.5800	5.5200	5.5200
Estimated Actual Taxable Value	\$ 6,206,578	\$ 6,942,808	\$ 7,540,714	\$ 7,973,045	\$ 8,626,394	\$ 9,307,843	\$ 9,992,830	\$ 10,927,116	\$ 13,114,405	\$ 14,872,329
Assessed Value as a Percentage of Actual Value	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Total Taxable Value as a Percentage of Total Assessed Value	70%	67%	67%	68%	68%	68%	69%	68%	65%	63%

Source: Pinellas County Property Appraiser

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

SCHEDULE I

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

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tax Year (1)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City of Largo										
General Operating	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200	5.5800	5.5200	5.5200
Special Operating	-	-	-	-	-	-	-	-	-	-
Total City of Largo	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200	5.5800	5.5200	5.5200
General	5.276	5.276	5.276	5.276	5.276	5.276	5.276	5.130	4.740	4.740
Health	0.062	0.062	0.062	0.083	0.083	0.083	0.083	0.079	0.079	0.071
Mosquito Control	-	-	-	-	-	-	-	-	-	-
EMS (2)	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.877	0.842
Total County	6.254	6.254	6.254	6.275	6.275	6.275	6.275	6.125	5.696	5.653
Other Authorities										
School Board	7.841	7.770	7.318	7.009	6.727	6.584	6.427	6.325	5.963	5.938
Transit Authority (2)	0.730	0.730	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Water Management										
General	0.366	0.349	0.331	0.313	0.296	0.280	0.267	0.254	0.226	0.204
Anclote Basin	-	-	-	-	-	-	-	-	-	-
Juvenile Welfare										
Board	0.898	0.898	0.898	0.898	0.898	0.898	0.898	0.898	0.851	0.825
Planning Council	0.016	0.016	0.015	0.015	0.015	0.015	0.015	0.015	0.021	0.021
Total Other Authorities	9.851	9.763	9.312	8.985	8.686	8.527	8.357	8.242	7.811	7.738
Total All Authorities	21.299	21.388	20.937	21.001	20.702	20.422	20.252	19.947	19.027	18.911

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

Note: (1) Tax year is calendar year.

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

SCHEDULE J

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

Taxpayer	2024			2015		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Taxable Value
REAL PROPERTY						
Weingarten Realty Investors	\$ 70,910	1	0.94%	\$ 45,862	1	1.32%
MALF LLC	64,130	2	0.85%	N/A	N/A	N/A
Largo Medical Center, Inc.	63,687	3	0.85%	44,079	2	1.27%
VR Gateway North Holdings Ltd Ptnrshp	61,550	4	0.82%	N/A	N/A	N/A
Seminole Blvd Apartments LLC	60,500	5	0.81%	N/A	N/A	N/A
Boulevard TIC 1 LLC	58,685	6	0.78%	N/A	N/A	N/A
Bcore MF 12700 66th St N LLC	58,564	7	0.78%	N/A	N/A	N/A
TA Four Lakes Fee Owner LLC	58,020	8	0.77%	N/A	N/A	N/A
WOP Belleair LLC	54,000	9	0.72%	N/A	N/A	N/A
Woodland Key Borrower LLC	53,250	10	0.71%	N/A	N/A	N/A
CNL Retirement	N/A	N/A	N/A	29,178	3	0.84%
I.P. Leased Limited Partnership	N/A	N/A	N/A	22,106	4	0.64%
Isram Residential Monterey Lakes LLC	N/A	N/A	N/A	19,801	5	0.57%
Reserve at Clearwater Land Trust	N/A	N/A	N/A	19,789	6	0.57%
Wal-Mart Stores East LP	N/A	N/A	N/A	19,514	7	0.56%
Largo Landry LLC	N/A	N/A	N/A	18,855	8	0.54%
Houle Family LTD Partnership	N/A	N/A	N/A	17,974	9	0.52%
CH Realty IV/Largo LLC	N/A	N/A	N/A	17,765	10	0.51%
Total Real Property	\$ 603,296		8.03%	\$ 254,923		7.34%
PERSONAL PROPERTY						
Duke Energy Florida	\$ 78,637	1	1.05%	\$ 46,769	1	1.35%
Largo Medical Center Columbia HCA	34,389	2	0.46%	12,353	3	0.36%
TD Synnex	26,227	3	0.35%	N/A	N/A	N/A
F & F Productions	11,693	4	0.16%	9,126	6	0.26%
Frontier Florida LLC	11,459	5	0.15%	N/A	N/A	N/A
Gator Dredging	10,716	6	0.14%	N/A	N/A	N/A
Ion Media Networks Operations LLC	10,376	7	0.14%	12,005	4	0.35%
Aimmune Therapeutics Manufacturing LLC	9,950	8	0.13%	N/A	N/A	N/A
Spectrum Sunshine State LLC	9,945	9	0.13%	N/A	N/A	N/A
Publix Super Market	8,345	10	0.11%	5,672	9	0.16%
Verizon Florida, LLC	N/A	N/A	N/A	13,093	2	0.38%
Bright House Networks LLC	N/A	N/A	N/A	9,967	5	0.29%
Tech Data	N/A	N/A	N/A	8,349	7	0.24%
Alere / Aveen	N/A	N/A	N/A	8,319	8	0.24%
Formulated Solutions	N/A	N/A	N/A	5,369	10	0.15%
Total Personal Property	\$ 211,737		2.82%	\$ 131,022		3.78%

SCHEDULE K

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

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tax Year (4)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Millage rate	5.1943	5.3705	5.3705	5.7413	5.7413	5.6200	5.6200	5.5800	5.5200	5.5200
Gross tax levy (3)	\$ 18,010	\$ 20,001	\$ 21,721	\$ 25,053	\$ 26,976	\$ 28,575	\$ 31,032	\$ 33,370	\$ 37,376	\$ 41,459
Less:										
Discounts—net of penalties(1)	636	710	775	894	974	1,036	1,122	1,228	1,364	1,505
Refunds/Other	5	1	2	-	-	2	5	-	15	-
Net tax levy	<u>\$ 17,369</u>	<u>\$ 19,290</u>	<u>\$ 20,944</u>	<u>\$ 24,159</u>	<u>\$ 26,002</u>	<u>\$ 27,537</u>	<u>\$ 29,905</u>	<u>\$ 32,142</u>	<u>\$ 35,997</u>	<u>\$ 39,954</u>
Taxes Collected within fiscal year of levy:										
Percentage of net levy	97.9%	98.2%	98.2%	98.1%	98.4%	98.0%	98.4%	98.3%	98.2%	98.2%
Amount	\$ 17,002	\$ 18,945	\$ 20,573	\$ 23,693	\$ 25,579	\$ 26,973	\$ 29,414	\$ 31,582	\$ 35,363	\$ 39,249
Collections of delinquent taxes in subsequent years (3)	380	453	446	476	620	533	569	698	722	N/A
Total collections to date	\$ 17,382	\$ 19,398	\$ 21,019	\$ 24,169	\$ 26,199	\$ 27,506	\$ 29,983	\$ 32,280	\$ 36,085	\$ 39,249
Total percentage of net levy collected to date (2)	100.1%	100.6%	100.4%	100.0%	100.8%	99.9%	100.3%	100.4%	100.2%	98.2%

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

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

SCHEDULE L

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leases	-	-	-	-	-	-	-	2,656	2,025	1,479
Subscription Based IT Arrangement	-	-	-	-	-	-	-	-	1,706	1,870
Loans payable (5)	15,063	11,849	8,561	5,195	1,750	2,500	2,012	63,306	61,811	60,300
Internal borrowing	-	-	-	-	-	-	-	-	-	-
Total governmental activities (1)	15,063	11,849	8,561	5,195	1,750	2,500	2,012	65,962	65,542	63,649
Business-type activities										
Sewer bonds and loans (4)	3,531	24,364	63,484	75,978	79,386	103,279	105,441	117,095	129,717	123,060
Leases	-	-	-	-	-	-	-	7	112	76
Subscription Based IT Arrangement	-	-	-	-	-	-	-	-	188	284
Total business-type activities	3,531	24,364	63,484	75,978	79,386	103,279	105,441	117,102	130,017	123,420
Total primary government	<u>\$ 18,594</u>	<u>\$ 36,213</u>	<u>\$ 72,045</u>	<u>\$ 81,173</u>	<u>\$ 81,136</u>	<u>\$ 105,779</u>	<u>\$ 107,453</u>	<u>\$ 183,064</u>	<u>\$ 195,559</u>	<u>\$ 187,069</u>
Outstanding debt as a percentage of personal income (3)	2.1%	3.1%	7.1%	7.3%	6.4%	8.7%	8.7%	14.1%	13.2%	12.2%
Governmental activities										
Outstanding debt per capita (1)(3)	\$ 187	\$ 145	\$ 104	\$ 62	\$ 21	\$ 30	\$ 24	\$ 783	\$ 776	\$ 758
Business-type activities										
Outstanding debt per capita (2)(3)	<u>31</u>	<u>216</u>	<u>580</u>	<u>670</u>	<u>741</u>	<u>968</u>	<u>995</u>	<u>1,140</u>	<u>1,252</u>	<u>1,174</u>
Total outstanding debt per capita (3)	<u>\$ 218</u>	<u>\$ 361</u>	<u>\$ 684</u>	<u>\$ 732</u>	<u>\$ 762</u>	<u>\$ 998</u>	<u>\$ 1,019</u>	<u>\$ 1,923</u>	<u>\$ 2,028</u>	<u>\$ 1,932</u>

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

- (1) Current Governmental debt is being serviced primarily by General Fund Non-Ad Valorem revenues.
- (2) Business-type activities debt is partially supported by residents in the unincorporated portions of the City's sewer district; therefore, the sewer district population of approximately 105,122 was used to calculate debt per capita.
- (3) Refer to the Statistical Schedule of Demographic and Economic Statistics for personal income and population data. Excludes personal income of unincorporated residents in sewer district.
- (4) The City has secured loans from the State of Florida for Sewer Fund capital. The debt reported is the amount the City has borrowed by FY 2024 year-end.
- (5) Loans Payable includes the bond premium revenues.

SCHEDULE M

CITY OF LARGO, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2024
(amounts expressed in thousands)

Government Unit	Debt Outstanding	Applicable to City of Largo	
		Percent	Amount
City of Largo (4)	\$ 63,649	100%	\$ 63,649
Subtotal, Direct Debt	\$ 63,649	100%	\$ 63,649
Pinellas County School Board (Overlapping) (2)	\$ -	6.1%(1)	-
Pinellas County School Board Certificates of Participation (Overlapping) (2)	102,055	6.1%(1)	6,225
Pinellas County School Board Leases (Overlapping) (2)	3,226	6.1%(1)	197
Pinellas County (Overlapping) (2)	-	6.1%(1)	-
Subscription Based IT Arrangement	5,077	6.1%(1)	310
Pinellas County Leases (Overlapping) (2)	30,541	6.1%(1)	1,863
Subtotal, Overlapping Debt	\$ 140,899	6.1%	\$ 8,595
Total Direct and Overlapping Governmental Activities Debt	\$ 204,548		\$ 72,244
Total Direct and Overlapping Governmental Activities Debt Per Capita (2) (3)			\$ 861

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

- Notes: (1) Applicable net debt percentage is based on ratio of City to County-wide taxable values for tax year 2023.
- (2) The City of Largo is not responsible for the debt of the County or School Board.
- (3) FY 2024 permanent Largo population is estimated at 83,950.
- (4) The direct debt includes leases and subscription based IT arrangements and includes unamortized bond premiums.

SCHEDULE N

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit (1)	\$ 3,467,173	\$ 3,724,209	\$ 4,044,508	\$ 4,363,567	\$ 4,698,576	\$ 5,084,568	\$ 5,521,765	\$ 5,980,044	\$ 6,770,967	\$ 7,510,746
Total net debt applicable to limit	15,063	11,849	8,561	5,195	1,750	2,500	2,012	65,962	65,542	63,649
Legal debt margin (1)	<u>\$ 3,452,110</u>	<u>\$ 3,712,360</u>	<u>\$ 4,035,947</u>	<u>\$ 4,358,372</u>	<u>\$ 4,696,826</u>	<u>\$ 5,082,068</u>	<u>\$ 5,519,753</u>	<u>\$ 5,914,082</u>	<u>\$ 6,705,425</u>	<u>\$ 7,447,097</u>
Total net debt applicable to this limit as a percentage of debt limit	0.43%	0.32%	0.21%	0.12%	0.04%	0.05%	0.04%	1.10%	0.97%	0.85%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 7,510,715
Add back: exempt real property	31
Total assessed value	<u>\$ 7,510,746</u>
Debt limit (100% of total assessed value)	\$ 7,510,746
Debt applicable to limit:	
General obligation bonds	-
Other notes and loans	63,649
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>63,649</u>
Legal debt margin (1)	<u>\$ 7,447,097</u>

- Notes: (1) The City of Largo has not adopted a legal debt limit; however, the City Commission has traditionally practiced conservative debt issuance. Amount presented is Total Taxable Value of all real property, personal property and centrally assessed property.
- (2) Includes all general government debt not supported by Enterprise Funds or special assessment.
- (3) Pinellas County, Florida – Property Appraiser's Office and applicable City records.

SCHEDULE O

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Half-Cent Sales Tax	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,077	\$ 6,845	\$ 7,015	\$ 6,822
Interest revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total revenues	N/A	N/A	N/A	N/A	N/A	N/A	6,077	6,845	7,015	6,822
Less total operating expenses (excludes depreciation)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net revenues	N/A	N/A	N/A	N/A	N/A	N/A	6,077	6,845	7,015	6,822
Regions Series 2020										
Debt service charges	N/A	N/A	N/A	N/A	N/A	N/A	516	516	516	516
Required coverage %	N/A	N/A	N/A	N/A	N/A	N/A	1.25	1.25	1.25	1.25
Required coverage \$	N/A	N/A	N/A	N/A	N/A	N/A	645	645	645	645
Remaining net revenues	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5,432	\$ 6,200	\$ 6,370	\$ 6,177
Non Ad Valorum Revenues (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 67,815	\$ 75,349	\$ 77,316
City Hall Capital Project Bond										
Series A Debt Service Charges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,227	1,999	1,999
Series B Debt Service Charges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	633	1,036	1,035
Required coverage %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00	1.00	1.00
Required coverage \$	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,860	3,035	3,034
Remaining net revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 65,955	\$ 72,314	\$ 74,282

Source: City of Largo Annual Comprehensive Financial Report for the Fiscal Years ended September 30, 2015 – 2024; and applicable bond official statements.

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

SCHEDULE O

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sewer revenue (excludes interest)	\$ 22,680	\$ 22,751	\$ 23,083	\$ 23,460	\$ 23,012	\$ 23,056	\$ 25,141	\$ 28,431	\$ 31,279	\$ 34,444
Interest revenue	574	438	392	528	1,558	1,056	144	(1,292)	1,560	2,136
Total revenues	23,254	23,189	23,475	23,988	24,570	24,112	25,285	27,139	32,839	36,580
Less total operating expenses (excludes depreciation)	(14,111)	(14,546)	(14,990)	(15,900)	(16,040)	(15,066)	(16,252)	(17,322)	(20,094)	(20,083)
Net revenues	9,143	8,643	8,485	8,088	8,530	9,046	9,033	9,817	12,745	16,497
Regions Sewer loan:										
Debt service charges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	704	704
Required coverage %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.15	1.15
Required coverage \$	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	810	810
Remaining net revenues	9,143	8,643	8,485	8,088	8,530	9,046	9,033	9,817	11,935	15,687
State loan (2014) (2019)										
Debt service charges	746	746	1,103	4,595	5,064	5,064	5,064	5,064	8,055	8,055
Required coverage %	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Required coverage \$	858	858	1,268	5,284	5,824	5,824	5,824	5,824	9,263	9,263
Remaining net revenues	\$ 8,285	\$ 7,785	\$ 7,217	\$ 2,804	\$ 2,706	\$ 3,222	\$ 3,209	\$ 3,993	\$ 2,672	\$ 6,424

Source: City of Largo Annual Comprehensive Financial Report for the Fiscal Years ended September 30, 2015 – 2024; and applicable bond official statements.

SCHEDULE P

CITY OF LARGO, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Permanent population (1)	80,747	81,587	81,966	83,526	83,737	84,574	83,071	84,286	84,431	83,950
Fire/Sewer district population (6)	113,148	112,925	109,503	113,450	112,816	112,272	111,539	108,411	108,752	109,176
Total Housing units (3)	45,889	45,689	48,881	45,788	46,370	45,879	46,962	46,112	46,408	46,478
Owner-occupied housing units (3)	19,085	18,411	22,212	21,513	21,835	21,004	21,852	21,603	22,341	22,769
Renter-occupied housing units (3)	17,094	16,781	16,506	15,222	14,776	12,683	15,074	14,676	14,631	14,500
Vacant housing units (3)	9,710	10,497	10,163	9,053	9,759	12,192	10,036	9,833	9,436	9,209
Personal income (expressed in thousands) (3) \$	884,192	\$ 1,168,878	\$ 1,011,753	\$ 1,119,385	\$ 1,270,497	\$ 1,214,728	\$ 1,229,744	\$ 1,298,984	\$ 1,479,939	\$ 1,538,455
Per capita personal income (1)(3) \$	10,950	\$ 14,327	\$ 12,344	\$ 13,402	\$ 15,172	\$ 14,363	\$ 14,804	\$ 15,412	\$ 17,528	\$ 18,326
Median family income (3) \$	48,231	\$ 53,827	\$ 53,870	\$ 61,433	\$ 55,874	\$ 60,823	\$ 59,800	\$ 64,647	\$ 68,958	\$ 76,382
Median age (3)	49.0	45.1	50.1	47.3	49.8	48.9	48.7	47.9	48.9	48.4
Public school enrollment (4)	5,504	5,564	5,660	5,787	5,996	5,917	5,937	5,931	5,807	5,536
Percent high school graduate or higher (3)(5)	89.5%	89.7%	91.1%	90.6%	91.3%	88.1%	90.6%	91.0%	91.1%	91.3%
Percent bachelor's degree or higher (3)(5)	21.0%	19.9%	20.8%	23.6%	23.9%	25.8%	24.0%	25.4%	26.5%	26.8%
Unemployment rate (2)	5.4%	4.6%	4.2%	3.5%	3.3%	6.3%	4.5%	2.8%	2.7%	3.4%

Data Sources:

- (1) University of Florida (2024)
- (2) Florida Department of Labor (2015 – 2024). Bureau of Labor Statistics (www.bls.gov) (12 month average).
- (3) United States Census Bureau (2014); (2015); (2016); (2017); (2018); (2019); (2020); (2021); (2022); (2023).
- (4) Pinellas County School Board.
- (5) Includes population 25 years and older.
- (6) A new population estimate was not calculated in FY 2015.

SCHEDULE Q**CITY OF LARGO, FLORIDA
Principal Employers
Current Year and Nine Years Ago**

Employer (1)	2024 (2)			2015 (3)		
	Employee Count	Rank	% of Work Force	Employee Range	Rank	% of Work Force
Pinellas County Schools	3,419	1	8.1	500	8	1.3
Pinellas Cty Sheriff's Office	2,458	2	5.8	331	10	0.9
TD Synnex (4)	1,718	3	4.1	1,000	2	2.6
HCA Largo Hospital	1,316	4	3.1	N/A	N/A	N/A
City of Largo	993	5	2.3	865	5	2.3
Publix Supermarkets Inc	941	6	2.2	900	4	2.4
The Palms of Largo	655	7	1.5	N/A	N/A	N/A
SCC Soft Computer Inc	525	8	1.2	500	9	1.3
Diagnostic Medical Group	463	9	1.1	500	7	1.3
Empath Health (5)	457	10	1.1	981	3	2.6
Largo Medical Center	N/A	N/A	N/A	1,500	1	4.0
Suntasia Marketing Inc	N/A	N/A	N/A	654	6	1.7

- Notes: (1) Some organizations also maintain offices outside the City of Largo with additional employees.
- (2) FY 2024 data came from the Community Development Department.
- (3) FY 2015 data came from the FY 2015 ACFR.
- (4) TD Synnex is the new name of Tech Data.
- (5) Empath Health is the new name of Florida Suncoast Hospice.

SCHEDULE R

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

<u>FUNCTION</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government										
Legislative	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Administration	20.48	23.58	24.58	25.58	25.58	28.58	28.58	30.73	30.73	30.73
Human Resources (2)	11.00	11.00	11.00	11.00	12.50	14.50	15.00	14.00	13.00	14.00
Finance (2)	12.60	12.60	12.60	14.60	14.50	16.50	16.00	14.00	15.00	15.00
Information Technology	21.00	25.00	27.00	28.00	28.00	30.00	30.00	31.00	31.00	31.00
Total General Government	73.08	80.18	83.18	87.18	88.58	97.58	97.58	97.73	97.73	98.73
Public Safety										
Police	197.77	200.81	203.81	203.81	208.31	208.31	211.31	216.31	216.31	220.06
Fire/Rescue	141.00	145.00	146.00	152.00	152.00	158.00	158.00	158.00	162.00	169.00
Total Public Safety	338.77	345.81	349.81	355.81	360.31	366.31	369.31	374.31	378.31	389.06
Environmental Services	88.10	87.25	86.25	87.25	87.25	87.25	87.25	88.25	89.25	88.25
Public Works	138.75	142.50	142.83	143.83	144.83	148.33	148.33	148.33	151.33	152.33
Community Development (1)	64.75	63.75	66.25	47.25	47.25	46.50	46.50	47.50	50.50	51.50
Engineering Services (1)	N/A	N/A	N/A	22.00	22.00	23.00	23.00	25.00	25.00	25.00
Cultural and Recreation										
Recreation, Parks & Arts	119.79	121.08	129.75	130.55	133.36	139.86	139.86	143.69	143.69	145.65
Library	41.70	41.70	41.20	40.20	40.30	40.30	40.00	40.00	40.00	42.00
Total Cultural and Recreation	161.49	162.78	170.95	170.75	173.66	180.16	179.86	183.69	183.69	187.65
Total City	<u>864.94</u>	<u>882.27</u>	<u>899.27</u>	<u>914.07</u>	<u>923.88</u>	<u>949.13</u>	<u>951.83</u>	<u>964.81</u>	<u>975.81</u>	<u>992.52</u>

Source: City of Largo Annual Budget, Fiscal Years 2015 – 2024

- (1) The Engineering Services Department was separated from the Community Development Department in FY 2018.
- (2) FY 2020 and FY 2021 includes two temporary positions for implementation of a new ERP system.

SCHEDULE S

CITY OF LARGO, FLORIDA
Operating Indicators by Function
Last Ten Fiscal Years

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Arrests	3,145	3,302	3,099	3,409	3,061	2,250	2,880	2,696	2,903	2,650
Citations Processed	22,369	19,553	18,610	18,741	19,538	16,411	16,518	18,533	18,571	18,164
Fire/Rescue:										
Inspections	4,230	3,024	2,666	4,186	1,937	3,272	3,359	4,804	5,797	4,742
Structure fires	53	45	41	22	25	92	85	102	96	94
EMS incidents	20,085	24,448	26,393	26,838	26,077	24,847	26,436	26,323	26,147	26,527
All other incidents	4,555	2,213	2,674	2,859	3,463	2,678	3,196	3,961	4,871	3,408
Highways and Streets:										
Street repair (linear feet)	8,423	6,855	21,983	35,123	27,709	26,685	14,044	7,934	7,121	9,914
Potholes repaired (asphalt usage-tons)	94	120	171	200	540	531	488	215	277	57
Sanitation (Solid Waste):										
Refuse collected (tons) (3)	81,861	84,537	84,612	82,908	81,374	88,730	91,810	91,605	85,417	86,461
Recyclables collected (tons) (3)	11,861	12,234	11,084	10,959	8,722	5,717	5,468	5,431	6,415	6,373
Recreation, Parks and Arts (2):										
Attendance:										
Recreation centers (1)	589,566	596,626	424,006	544,053	784,941	501,751	436,224	452,637	431,547	463,473
Special events (1)	215,000	175,000	142,485	130,500	128,736	70,375	25,448	120,025	205,705	256,909
Golf Course (1)	49,500	47,500	47,500	43,000	40,878	36,374	43,288	47,311	46,938	49,810
Cultural Center (1)	69,000	74,200	45,646	45,693	40,954	37,523	24,732	30,831	30,343	41,357
Parks – acres maintained (1)	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6	494.6
Stormwater:										
Stormwater Pipes										
Replaced (linear feet)	80	96	158	78	988	-	-	86	-	4
Underdrain Pipes										
Replaced (linear feet)	80	24	850	250	96	695	155	25	46	-
Wastewater:										
Average daily sewage										
Treatment (millions/gallons)	12.8	12.0	10.8	12.1	12.8	11.7	12.8	11.8	11.4	14.1

- Notes: (1) In FY 2017 the Recreation, Parks and Arts Department started a more accurate way to track attendance.
- (2) FY 2020 and FY 2021 attendance was affected by facility closures and event cancellations, due to the Covid-19 Pandemic.
- (3) Starting in FY 2020 the yard waste recycling is reported in Refuse collected and not in Recyclables collected.

SCHEDULE T

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

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	107	110	116	114	113	116	125	126	123	124
Fire stations	5	5	6	6	6	6	6	6	6	6
Sanitation (Solid Waste):										
Collection trucks	39	41	40	42	44	44	44	44	44	44
Highways and streets:										
Streets (miles)	158	158	158	158.3	158.3	158.3	158.3	158.3	156.9	156.8
Traffic signals	56	56	56	56	56	56	56	56	56	56
Culture and recreation:										
Parks acreage	495	495	495	495	495	495	495	495	495	495
Parks and facilities	20	20	20	20	20	20	20	20	20	20
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	2	2	2	2	2	2	2	2	2	2
Recreation centers	3	3	3	3	3	3	3	3	3	3
Performing Arts Center	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Reclaimed water:										
Miles of distribution lines	88	88	89	89	89	89	89	88	90	90
Total gallons reuse (millions/per day)	5.2	5.0	5.6	5.2	7.5	6.8	6.0	5.8	6.5	6.8
Sewer:										
Sanitary sewers (miles)	335	335	343	343	301	301	285	285	300	300
Lift stations maintained	57	57	57	57	54	54	54	51	51	51
Maximum daily treatment capacity (thousands of gallons)	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Stormwater:										
Drainage ditch/lines (miles)	132	132	132	132	132	132	132	122	124	121
City lakes / retention ponds (1)	24	24	24	24	24	24	24	66	71	71

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

SCHEDULE U**CITY OF LARGO, FLORIDA
MAJOR REVENUE SOURCES
2024**

Municipal Revenue Sharing (General Fund)

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

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

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

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

State Sales Tax (General Fund)

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

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

Fire District Tax (General Fund)

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

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

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

High Point Fire District Tax (General Fund)

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

Emergency Medical Services (EMS) Tax (General Fund)

The County levies a special tax county-wide to pay for the provision of EMS. The County then contracts with municipal fire departments, special fire districts, and private firms to provide actual EMS to County residents. Pinellas County and Largo entered into a two year contract extension commencing October 1, 2022 and ending September 30, 2024.

Franchise Fees (General Fund)

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

Communications Services Tax (CST) (General Fund)

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

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

Utility Tax (General Fund)

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

Library Cooperative (General Fund)

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

SCHEDULE U**CITY OF LARGO, FLORIDA
MAJOR REVENUE SOURCES
2024****Mobile Home License Tax (General Fund)**

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

Business Tax (General Fund)

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

Property Tax (General Fund)

The Florida Constitution permits municipalities to levy a property tax, without referendum approval, to a maximum of ten mills (1 mill = \$1.00 of tax per \$1,000 of taxable value). Property assessments, exemptions and tax collections are administered by the County Property Appraiser and County Tax Collector (collections only), respectively. Homeowners may claim two \$25,000 homestead exemption on their principal place of residence. Homestead properties are also eligible for the Save Our Homes exemption, which varies according to the length of time a property is owned by each homeowner. Various other exemptions may apply to homestead properties. The taxable value properties is calculated by subtracting all exemptions from the assessed value. In FY 2024 the millage rate was 5.5200 mills. Property owners within the City of Largo also pay property taxes to Pinellas County, the Pinellas County School Board, and various special taxing districts. Total millage rates on City of Largo properties have varied from approximately 19.0 mills to 21.0 mills over the past several years.

Local Infrastructure Surtax (Local Option Sales Tax Fund)

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

Local Option Gas Tax (Gas Tax Fund)

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

Stormwater Fees (Drainage Fund)

Monthly residential charges are assessed equally among all single family properties (equivalent residential unit = ERU). One ERU = \$12.84 based on 3,000 sq. ft. Non-Residential charges are calculated based on actual impervious surface and billed as an equivalent number of ERU's. The last rate increase was effective for all bills mailed after October 1, 2023.

Wastewater Charges (Wastewater Fund)

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

Commercial – Fixed monthly charge based on meter size with additional charges for each additional 1,000 gallons.

The last rate increase was effective for all bills mailed after October 1, 2023. The following schedule reflects current monthly rates.

	<u>Within City</u>	<u>Outside City</u>
<u>Residential:</u>		
Charge per 1,000 gallons of potable water consumption (maximum 10,000 gallons per month)	\$ 3.43	\$ 4.30
Fixed Monthly Charge:		
Single Family	28.03	35.03
Multi-family (Duplex, Triplex)	28.03	35.03
High Density (Apts, mobile homes and condos)	21.02	26.28
<u>Commercial:</u>		
Charge per 1,000 gallons of potable water consumption	\$ 5.53	\$ 6.91
Fixed monthly charge by meter size		
5/8" or 3/4" meter	28.03	35.03
1" meter	84.01	105.00
1-1/2" meter	168.08	210.09
2" meter	280.26	350.32
3" meter	503.87	629.83
4" meter	784.12	980.16
6" meter	1,680.04	2,100.06
8" meter	2,801.06	3,501.33

Reclaimed Water Charges

	<u>Within City</u>	<u>Outside Sewer District</u>
<u>Residential:</u>		
One acre or less (per month)	\$ 10.00	\$ 12.50
<u>Commercial / Industrial / Golf Course:</u>		
(minimum 25,000 gallons per month)	28.00	35.00
Usage Fee (per 1,000 gallons)	1.10	1.35
Golf Course Usage Fee (per 1,000 gallons)	0.85	1.05

SCHEDULE U

**CITY OF LARGO, FLORIDA
MAJOR REVENUE SOURCES
2024**

Solid Waste Collection Charges (Solid Waste Fund)

The last rate increase was effective for all bills mailed after October 1, 2021. The following schedule reflects current rates.

Curbside Collection (residential) - \$23.30 monthly

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

Collections Per Week	Size of Containers - Cubic Yards			
	2	4	6	8
1	\$ 66.00	\$ 127.00	\$ 186.00	\$ 243.00
2	140.00	270.00	395.00	515.00
3	210.00	403.00	592.00	772.00
4	279.00	537.00	790.00	1,030.00
5	350.00	672.00	986.00	1,287.00
6	420.00	806.00	1,184.00	1,544.00

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

Roll-off Containers and Roll-off Compactors - Charges include a fixed hauling fee based on container size, plus the actual cost of waste disposal (\$51.00 per ton for tipping fees).

Community Development Block Grant (CDBG Fund)

The federally funded CDBG program, created by the Housing and Community Development Act of 1974, provides funding to low and moderate income individuals for the elimination of hazardous housing conditions. The funds are also available for infrastructure improvements in designated target areas. The City's Community Development Department implements the parameters established by HUD (Department of Housing and Urban Development) and determines who qualifies for the loans. The money is then loaned to selected homeowners for the purpose of housing rehabilitation. Deferred loans are due when there is a change in title and payback loans have a maximum pay period of twenty years.

Loan repayments are available to be re-lent in accordance with program provisions, which provides a revolving pool of funds for future years.

State Housing Initiative Partnership Program (SHIP Fund)

The Sadowski Act approved by the Florida legislature created the SHIP program in order to provide revenues as an incentive to produce and preserve affordable housing. The SHIP program distributes a portion of documentary stamp taxes on deeds to local governments for first time home buyers' mortgage down payment assistance and owner-occupied rehabilitation.

Loan repayments are available to be re-lent in accordance with program provisions, which provides a revolving pool of funds for future years.

HOME Investment Partnership Program (HOME Fund)

Federal funding is available through the Pinellas County Consortium for the purpose of repairing current and eminent violations, connecting utilities, and handicap modifications. HUD provides guidelines under which funds are loaned to participants within a target area. Deferred and payback loans are available in this program.

Loan repayments are available to be re-lent in accordance with program provisions, which provides a revolving pool of funds for future years.

SCHEDULE V

CITY OF LARGO, FLORIDA GENERAL INFORMATION 2024

City History

The City of Largo is located in Pinellas County on Florida's Suncoast, and is part of what is commonly referred to as the Tampa Bay Area. Largo was sited by Hernando De Soto in 1539 and was at one time part of Hillsborough County. The warm subtropical climate and sand dunes helped shape Largo into a thriving, agricultural region. Count Odet Phillipe became the first European settler on the peninsula in 1835, followed by Captain John Thomas Lowe, who established a settlement in 1872 in what is now Largo.

Originally named for its 500-acre Lake Largo, now drained, Largo became a popular meeting place and trading post after the Orange Belt railway established a midpoint station between Clearwater and St. Petersburg in 1888. During this period, Largo was one of the largest citrus shipping points in Florida and home of the Black Diamond grapefruit. Commercial shipping of citrus, turpentine and other commodities began at the turn of the century. Shortly thereafter, in 1905, Largo became a city of one square mile and 291 residents. In 1912, Largo was separated from Hillsborough County, and made part of then newly-created Pinellas County.

Largo is bound to the east by Tampa Bay and to the west by the Gulf of Mexico. Its central location, friendly atmosphere, and location between Tampa and the Gulf beaches make Largo an ideal residential community.

Demographics

Incorporated in 1905, the City of Largo has experienced remarkable growth in population over the past 40 years. In 1960, the population was 5,302. By 1970, it had increased dramatically to 22,300, partially resulting from a vigorous annexation program. The decades of the 1970s and 1980s saw a steady and substantial increase in Largo's population. By 1980, the City population was 57,688, the 14th largest city in Florida. In 1990, the population reached 65,674; however, since other areas were growing at a faster rate, Largo dropped in ranking to the 19th largest Florida city. According to the latest population estimates, Largo's population of approximately 83,950 ranks as the 31st largest in Florida.

The City of Largo has a marked concentration of elderly persons as is common in Pinellas County. Approximately 26.8 percent of the City's permanent population is 65 years old and older, with a median age of 48.4 years.

Based on the 2023 American Community Survey, the City's population is 69.0 percent white, 8.5 percent black, 14.4 percent Hispanic or Latino and 8.1 percent from other racial groups.

Largo is 19.36 square miles in size, with 93.3% of the parcels in residential uses and 6.7% in commercial / other uses.

Economic Conditions

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

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

Educational Facilities

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

City Government – Legislative/Executive

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

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

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

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

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

SCHEDULE W**CITY OF LARGO, FLORIDA
COMMUNITY PROFILE
2024**

Form of Government:	Commission/Manager
Date Incorporated:	1905
Area:	19.36 sq. miles
Population (estimated) (1):	83,950 permanent
Governing Body:	City Commission (Mayor and 6 Commissioners elected in non-partisan, at-large election to 4-year overlapping terms).
Administration:	City Manager appointed by City Commission (5 votes required to hire and dismiss).
City Services:	Full service, including police, fire/EMS, wastewater collection and treatment, wastewater effluent disposal, solid waste collection, streets and drainage maintenance and repair, library, parks, and recreation (no water system or solid waste disposal system).
Services Provided by Other Governments:	Transit – Pinellas Suncoast Transit Authority (Buses) Jail and Court System – Pinellas County Water – Pinellas County Solid Waste Disposal – Pinellas County Traffic Planning, Signal Repair and Signal Maintenance– Pinellas County Fire/EMS Dispatch – Pinellas County Mosquito Control – Pinellas County
Services Provided to Areas Outside City:	Emergency Medical Services Fire suppression and inspection Sanitary Sewer (wastewater) Effluent Water Library Recreation, Parks and Arts
Population and Economic Characteristics (2):	84.8% 18 years of age or older; 26.8% 65 years of age or older Median Household Income \$60,465 Median Family Income \$76,382
Location:	Central-West coast of Florida near the Gulf of Mexico; in Pinellas County, northwest of St. Petersburg and south of Clearwater, west of Tampa and in the Tampa Bay Metro Area.
Registered Voters:	50,175
Percent Voted in Last Municipal General Election:	2024 – (November) 78.3% of registered voters
Data sources:	(1) University of Florida (2023) (2) United States Census Bureau (2023)

SCHEDULE X

CITY OF LARGO, FLORIDA FINANCIAL MANAGEMENT POLICIES 2024

Operating Budget Policies

The City will pay for all current expenditures with current revenues and fund balance. The City will avoid budgetary procedures that balance current expenditures at the expense of future years, such as postponing expenditures, underestimating expenditures, overestimating revenues, or utilizing short-term borrowing to balance the budget.

The budget will provide for adequate maintenance and repair of capital assets and for their orderly replacement.

The budget will provide for adequate funding of all retirement plans based on annual actuarial studies.

The City will maintain a budgetary control system to ensure adherence to the budget.

The City Finance Department will prepare monthly reports of revenues and expenditures.

The City will update expenditure projections for each fiscal year. Projections will include estimated operating costs of future capital improvements.

Where possible, the City will integrate performance measurement, service level, and productivity indicators within the budget.

Enterprise Funds (Wastewater, Solid Waste, Golf Course) are intended to be self-supporting through user fees. However, the Golf Course Fund has received General Fund support for several years by not paying the regular administrative charge paid by all enterprise funds. Efforts are being made to return the Golf Course to profitability in the future.

The City aggressively seeks state and federal funds that are available for capital projects.

Capital Improvement Program Policies

The City will develop a five year program for capital improvements and update the program annually.

The City will enact an annual capital improvement budget based on the multi-year Capital Improvement Program.

The City will make all capital improvements in accordance with the adopted Capital Improvement Program.

The City will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with capital improvements will be projected and included in the operating budget.

The City will maintain all its capital assets at a level adequate to protect them and to minimize maintenance and replacement costs.

The City will use intergovernmental assistance to finance only those capital improvements that are consistent with the Capital Improvement Program and City priorities.

The City will identify the estimated costs and potential funding sources for each capital improvement project proposal before it is submitted to the City Commission for approval.

The City will determine the least costly financing method available for all new capital improvement projects.

Whenever possible, Local Option Sales Tax Funds will be utilized for projects that primarily benefit City residents.

Debt Policies

The City will confine long-term borrowing to capital improvement projects.

When the City finances capital projects by issuing debt, the debt will be repaid within a period not to exceed the expected useful life of the projects.

Where possible, the City will use revenue bonds instead of general obligation bonds.

The City will follow a policy of full disclosure on every financial report and bond prospectus.

Revenue Policies

The City will maintain, as permitted by State law, a diversified revenue base to mitigate the effects of short-term fluctuations in any one revenue source.

The City will estimate its annual revenues by a conservative, objective, and analytical process.

The City will project and update annually, revenues for the next five fiscal years.

Annually, the City will calculate the full cost of activities supported by user fees and consider such information when establishing user charges.

Non-recurring revenues will be used only to fund non-recurring expenditures.

Reserve Policies

The City will maintain an adequate fund balance to accommodate unanticipated expenditures, expenditures of a non-recurring nature, or unanticipated revenue declines. The City will strive to maintain an available General Fund fund balance of no less than 10% of annual expenditures.

Investment Policies

Disbursement, collection and deposit of all funds will be appropriately scheduled to ensure the timely payment of expenditures and investment of funds.

Investment objectives shall be weighted in the order of safety of principal, liquidity of funds and income generation, respectively.

SCHEDULE X**CITY OF LARGO, FLORIDA
FINANCIAL MANAGEMENT POLICIES
2024**

The City will maintain an appropriate diversification of portfolio assets to control the risk of loss resulting from over-concentration in a specific issuer, maturity, instrument or dealer.

The accounting system will provide regular information concerning cash positions and investment performance.

Accounting, Auditing & Financial Reporting Policies

The accounting system will maintain records on a basis consistent with Generally Accepted Accounting Principles applicable to local government.

Monthly and annual financial reports will present a summary of financial activity by major types of funds.

In accordance with state law, an independent accounting firm will perform an annual audit of the financial statements of the City and will publicly issue an opinion thereon.

Purchasing Policies

Purchases will be made in accordance with all federal, state, and municipal requirements. If there are no specific requirements, purchases will be made in the best interest of the City.

Purchases will be made in an impartial, economical, competitive and efficient manner.

Purchases will be made from the lowest priced and most responsible vendor. Qualitative factors such as vendor reputation and financial condition will be considered, as well as price.

Preference will be given to purchases of like quality to vendors who maintain a place of business within the City of Largo.

Capital Improvements Element (CIE) Policies

In accordance with state growth management legislation, the City will update annually the Capital Improvements Element (CIE) of the Comprehensive Plan.

The CIE will contain multi-year projections of revenues and expenditures.

The annual budget will implement the first year of the CIE.

This page was intentionally left blank

COMPLIANCE SECTION

This page was intentionally left blank



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
600 Cleveland Street
Suite 1000
Clearwater, FL 33755

727.446.0504
727.461.7348 (fax)
CRLadv.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Largo, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated March 28, 2025. Our report includes a reference to other auditors who have audited the financial statements of the Police Officers' and Firefighters' Retirement Plan included in aggregate remaining funds as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

March 28, 2025



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
600 Cleveland Street
Suite 1000
Clearwater, FL 33755

727.446.0504
727.461.7348 (fax)
CRLadv.com

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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Largo, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of City's major federal programs and state projects for the year ended September 30, 2024. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General, *Florida Single Audit Act Audits – Local Governmental Entity Audits*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

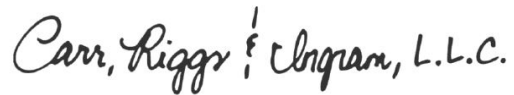
Report on Internal Control over Compliance

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

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

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

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

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

March 28, 2025

CITY OF LARGO, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2024

Federal or State Grantor/ Pass-Through Grantor/Program	ALN #/ CSFA #	Pass-Through Entity Identifying Grant /Loan Number	Expenditures	Amount Provided to Subrecipients
U.S. Department of Housing & Urban Development				
Direct Program:				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant Entitlement (CDBG)	14.218	B-23-MC-120028	\$ 773,705	\$ 297,085
Passed Through Pinellas County				
Home Investment Partnerships Program (HOME)	14.239	M-23-DC-12-0217	593,411	14,460
Total U.S. Department of Housing & Urban Development			1,367,116	311,545
U.S. Department of Homeland Security				
Passed Through Florida Division of Emergency Management				
Disaster Grants – Public Assistance (IDALIA)	97.036	DR 4734	242,588	-
Total U.S. Department of Homeland Security			242,588	-
U.S. Department of Treasury				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	JN6KDJN7YKE7	3,346,811	-
Total U.S. Department of Treasury			3,346,811	-
U.S. Department of Justice				
Direct Program:				
Bulletproof Vest Partnership Program	16.607	FY2023	8,625	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01317-JAGX	25,135	-
Passed Through Florida Department of Law Enforcement (FDLE)				
Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-22-GG-00656-MUMU	5,000	-
Total U.S. Department of Justice			38,760	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 4,995,275	\$ 311,545
Florida Department of Housing and Urban Development				
Direct Program:				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	1,295,772	22,625
Florida Department of Environmental Protection				
Direct Program:				
Florida Recreation Development Assistance Program	37.017	A2036	50,000	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 1,345,772	\$ 22,625

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

CITY OF LARGO, FLORIDA
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2024

(1) General

The accompanying schedules of expenditures of federal awards and state financial assistance presents the activity of all federal financial and state grant activity of the City of Largo, Florida (the "City"). Federal and state financial assistance received directly from federal and state agencies, and federal financial assistance passed through other government agencies are included on the schedules. The information in this schedule is present in accordance with the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual or accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The City has elected to not use the 10% de Minimis Indirect Cost Rate.

(3) Sub-recipients

Of the federal expenditures and state financial assistance presented in the schedule, the City of Largo, Florida provided federal and state awards to sub-recipients as follows:

Program Title	ALN/CSFA	Amount Provided
Community Development Block Grant	14.218	\$ 297,085
Home Investment Partnership	14.239	\$ 14,460
State Housing Initiative Partnership	40.901	\$ 22,625

(4) Relationship to Basic Financial Statements

Federal and state financial assistance revenue is included in the City's basic financial statements as follows:

	Intergovernmental revenue
Federal:	
General fund	240,911
Special revenue funds:	
Community Development Block Grant	557,255
Home Investment Partnership	593,411
Community Redevelopment Agency	285
Construction Services	3,082
Stormwater	8,182
American Rescue Plan Act (ARPA)	3,347,589
Police - Donations/Victims Asst.	5,000
Enterprise funds:	
Sewer	18,368
Solid Waste	194
Internal service funds:	
Fleet	3,278
Total Federal \$	<u><u>4,777,555</u></u>
State:	
General fund	50,000
Special revenue funds:	
State Housing Initiative Partnership	709,267
Total State \$	<u><u>759,267</u></u>

CITY OF LARGO, FLORIDA
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2024

(5) Loans Outstanding

The City had the following loan balances including loan service fees outstanding at September 30, 2024. The current year additions related to the loans are included in the Schedule of Federal Awards and State Financial Assistance.

37.077	Florida Department of Environmental Protection program	\$	60,762,395
66.458	Capitalization Grants for Clean Water State Revolving Funds		56,832,128
	Total Loans Payable		<u>117,594,523</u>
14.218	Community Development Block Grant		1,656,517
14.239	Home investment Partnership		3,592,329
40.901	State Housing Initiative Partnership		6,690,723
	Total Loans Receivable	\$	<u>11,939,569</u>

(6) Noncash Assistance

The City received \$0 in noncash assistance during the year ended September 30, 2024

(7) American Rescue Plan Act Funding

The City entered into a funding agreement with the U.S. Department of the Treasury to receive federal assistance from Coronavirus State and Local Fiscal Recovery Funds. Eligible items for use of the grant funds include replacing lost public sector revenue, response to far-reaching public health and negative economic impacts of the pandemic, provide premium pay for essential workers and investment in water, sewer and broadband infrastructure. The City received a total amount of \$12,960,041 in recovery funds. Funds must be obligated by December 31, 2024 and liquidated by December 31, 2026.

CITY OF LARGO, FLORIDA
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

	<u>Results</u>
<i>Financial Statements:</i>	
1. Type of auditor's report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	None
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	None
<i>Federal Awards:</i>	
1. Type of auditor's report issued on compliance for major programs:	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	None
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	None
4. Identification of major programs:	
ALN	
<u>Number</u>	<u>Program</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
14.218	Community Development Block Grant Entitlement (CDBG)
5. Dollar threshold used to distinguish between type A and type B programs:	\$750,000
6. Auditee qualified as low-risk auditee under 2 CFR 200.520?	Yes
<i>State Projects:</i>	
1. Type of auditor's report issued on compliance for major projects:	Unmodified
2. Internal control over major project:	
a. Material weaknesses identified?	None
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3. Any audit findings disclosed that are required to be reported in accordance with Rule 10.554(1)(l)(4)?	None
4. Identification of major project:	
CSFA	
<u>Number</u>	<u>Project</u>
40.901	State Housing Initiatives Partnership Program (SHIP)
5. Dollar threshold used to distinguish between type A and type B programs:	\$403,731

CITY OF LARGO, FLORIDA
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted

SECTION IV – STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None noted

SECTION V – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Finding Number: 2023-001, Significant Deficiency
Financial Reporting

Condition: The City did not accurately report the Police Officers' and Firefighters Retirement Pension Plan member DROP and Share plan balances as an element of restricted net position on the Statement of Changes in Fiduciary Net Position - Pension Trust Funds, in accordance with generally accepted accounting principles.

Recommendation: The City should continue to review year-end financial reporting to ensure proper accounting treatment is complete.

Current Status: This finding is fully corrected.



Carr, Riggs & Ingram, L.L.C.
600 Cleveland Street
Suite 1000
Clearwater, FL 33755

727.446.0504
727.461.7348 (fax)
CRLadv.com

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Largo, Florida (the “City”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 28, 2025.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 28, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

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. The City of Largo, Florida was established by the adoption of the City Charter under the constitution and laws of the State of Florida. The City of Largo, Florida, included the following component units: Largo Community Redevelopment Agency, established by the City of Largo, Florida, Ordinance 1997-34, pursuant to Chapter 163, Part III, Florida Statutes.

Financial Condition and Management

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City of Largo's geographical boundaries during the fiscal year under audit.

Special District Component Units

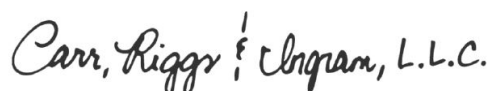
Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within 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.

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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

March 28, 2025



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
600 Cleveland Street
Suite 1000
Clearwater, FL 33755

727.446.0504
727.461.7348 (fax)
CRLadv.com

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES

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

We have examined City of Largo, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management is responsible for the City's compliance with the requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

March 28, 2025



201 Highland Ave NE
PO Box 296
Largo, FL 33779
LARGO.COM

FINANCE DEPARTMENT

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

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

March 12, 2025

Re: Affidavit, F.S. Section 163.31801, Impact Fees

The City of Largo receives impact fees from other jurisdictions that are adopted by ordinance on the City's behalf. The related ordinances comply with restrictions of Section 163.31801, Florida Statutes.

Sincerely,

Rebecca Spuhler
Finance Director
City of Largo, Florida

STATE OF FLORIDA
COUNTY OF PINELLAS

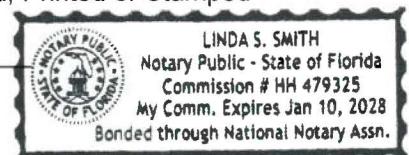
The foregoing instrument was acknowledged before me by means of ✓ physical presence or online notarization, this 12 (date), by Rebecca Spuhler, Finance Director (name, title) who is personally known to me or who has produced City ID (type of identification) as identification.

Signature of Person Taking Acknowledgment

Linda S. Smith
Name of Acknowledger Typed, Printed or Stamped

Title or Rank

Serial Number (if any)



YOUR COMMUNITY OF CHOICE
Naturally